

SENATE
GOVERNMENT AFFAIRS COMMITTEE

Minutes of Meeting - April 4, 1977

Present: Chairman Gibson
Senator Foote
Senator Faiss
Senator Gojack
Senator Hilbrecht
Senator Raggio
Senator Schofield

Also Present: See Attached Guest Register

Chairman Gibson opened the thirtieth meeting of the Government Affairs committee at 2:00 p.m. with all members present.

SB-242

Enacts State Employee-Management Relations Act. (BDR 23-44)

Chairman informed those present that this bill provides for negotiations for state employees. It was introduced at the request of the State of Nevada Employees Association.

Bob Gagnier, Executive Director of S.N.E.A. testified to the committee that this bill was brought up at the 1973 and 1975 session. It has changed very little and we feel that it is most essential to have this type of legislation.

Mr. Gagnier went over the areas of the bill that he felt were most important. He indicated that most of the definitions in the bill were taken out of NRS 288. He noted that on page 4, line 39 of Section 18 it was very important to have these bargaining units spelled out as we have a personnel system that requires that these be uniform. This bill is a two level negotiation act. First it will deal with the Governor. Then we would negotiate with the individual agencies regarding their specific needs.

Upon questioning from the committee on the size of the S.N.E.A. Mr. Gagnier felt that there were approximately 4,418 members. There are 7,786 employees in the State.

Mr. Gagnier then noted that on Page 4, rather than using dates for the time limits, they chose to use days. He concluded by stating that the remainder of the bill is about the same as NRS 288. At the end they amended the bill to include a no strike clause.

Chairman Gibson asked Mr. Gagnier for a statement indicating why they felt there was a need for additional negotiations above what is already provided.

Mr. Gagnier felt that if the executive branch were more willing to compromise with the S.N.E.A. we would be able to work out the differences. As it is now we take what they agree on. There is no give and take and ultimately we receive what they feel we should - not what we feel is important.

Mr. Robert Hill, Western Nevada Community College. Mr. Hill stated that they had questions with the broad language. Mr. Gagnier, in his testimony, has cleared up the confusion we had. He had no other comments to make on the bill.

Mr. Alfred W. Stoess, Director of Program Planning, University of Nevada, read his written testimony to the committee. (See Attachment 1)

Chairman asked Mr. Stoess if his comments applied only to the professional employees and Mr. Stoess indicated that it did.

Chairman then asked Mr. Gagnier if he had considered the election procedure that was outlined in Mr. Stoess' testimony. Mr. Gagnier responded that he had but that it is only with the university system. Doesn't know of a paralell system other than the University of Nevada.

Mr. Stoess responded by stating that they didn't want to be seperated from the system. They wanted to be on the committee to be represented in the bargaining aspects.

Bill McDonald, District Attorney of Humboldt County, has been fairly active in the Local Government Employee's Negotiations Act. His comment was that he would like the bill to be more consistent and uniform. Felt that it would be confusing with two negotiation groups. Also noted that if arbitrators were used in one system rather than two we would get a better result.

Jim Wittenberg, Department of Administration, Personnel, stated that they were against the bill. Mr. Wittenberg felt that the current procedure for negotiating was working well and had a good track record. He felt that there was not a need at this time for the bill. He stated that every two years matters of fiscal impact come before the legislature which is provided in SB-242. Arbitrators live in this state and must live with the decisions they hand down.

Chairman Gibson stated that he wondered if the urgency for this bill was due to the fact that we would be having a new governor in the next two years. Mr. Gagnier felt that it was not due to that factor that they wanted this legislation passed. Mr. Wittenberg also concurred with Mr. Gagnier noting that negotiations would not be affected by a new governor.

At this point Mr. Gagnier asked if he might address the question of why they do not want to be in NRS 288. 1st, the time frame. NRS 288 speaks to an annual budget. In State government we are still working in a two year budget. 2nd, there is a variation in the bargaining unit concept of NRS 288 that may very well fit local government. We must remember that in State government we have a constitutionally mandated classified merit system. We cannot be diverting groups off into smaller bargaining units and still maintain uniform merit principles and standards. Under NRS 288 this could very well happen.

SB-346

Expands subjects of bargaining between local Government employers and employees and limits prohibition against strikes to certain employees. (BDR 23-1072)

Senator Hernstadt, sponsor, testified to the committee on the intent of this bill. He felt that the bill did two things. 1st, it opens up the scope of bargaining as noted on page two of the bill. 2nd, it eliminates the prohibition of strikes, except for the fire and police. Senator Hernstadt felt that the right to strike was fundamental in business. Both the provisions in the bill were intended to help streamline bargaining but Senator Hernstadt felt that they should be withdrawn from the bill.

Elizabeth Lenz, Nevada School Board Association, testified on this bill stating that they were against SB-346. Her point of contention was expanding the scope of negotiations on bargaining. She felt that the bill would disenfranchise the tax payers of Nevada. Mrs. Lenz asked the committee to look at page 2, item 3 beginning on line 34. she wonders if this will really help the school teachers to have these items negotiated.

Warren, Scott, Nevada State School Board Association, as President of this association I would like to go on record as being opposed to the bill. Mr. Scott felt that we could improve education in many ways but this was not one of them. Feels that the bill could "ham-string" them or take away some of their authority.

Robert Cox, Nevada State School Board Association, was appearing on behalf of the trustees of the State. We are opposed to SB-346. He was against opening up the scope of bargaining. They did like SB-242. Agreed with comments made by Mrs. Lenz. They were not opposed to the the idea of having a strike clause. They did feel that there should be a narrowing of the scope of negotiations or taking away binding arbitration. Mr. Cox felt that there needs to be a mechanism whereby they could replace striking teachers.

Gerald Conner, representing the Nevada Association of School Administrators, testified against this bill. Concurred with testimony given by Mr. Cox and Mrs. Lenz.

Robert Petroni, Clark County Teachers Association, felt there was an inconsistency. How would enforce binding arbitration if you have the right to strike? Also brought up the point of hospital employees. Could you fire them if they were to strike? The bill only excludes firemen and police. Should narrow the scope of negotiations if allowing the right to strike. Mr. Petroni concurred with earlier testimony against this bill by Mrs. Lenz and Mr. Cox. They like the last best offer concept, with the points only being only on salary or wage rates.

Angus McEachern, City of Las Vegas, Employer Relations Officer, speaking on behalf of the League of Cities Labor Management Committee which also functions as the League of Counties. They were against SB-346. Felt that the bill lacked notification to the employer that the employee group was planning to strike or would be striking on a specific date. Agreed with Mr. Petroni's statements regarding the binding arbitration aspect in conjunction with the right to strike.

Another problem, of a mechanical nature, is when repealing the scope of negotiations in the way it is done, it does not limit the scope of negotiations as to wages, hours, and conditions of employment as the National Labor Relations Act does. We hope that this does not get consideration from the committee.

Richard Anderson, Personnel Manager with the Las Vegas Valley Water District testified against SB-346. Does not like the strike provision and the expansion of bargaining. Feels that at a water district the employees are extremely valuable and serious problems would arise if they were allowed to strike. We are also concerned about sabotage.

Fred Hillerby, Hospital Association, testified against this bill and agreed with testimony given by Mr. Petroni and Mr. Cox. They also feel that from the health care standpoint the strike portions could be most devastating.

Julie Canegliaro, representing the Fire Fighters Federation of Nevada, passed out a report for the committee's consideration entitled, "Last Best Offer as an alternative to conventional arbitration". (See attachment #2)

Mr. Canegliaro felt that the last best offer concept is the best way to go for all concerned. We are writing three steps into this proposed law. (1) Amends the process of fact-finding. (2) Puts a voluntary mediation step in the bill. (3) If there is still an impasse it provides for the last best offer. He indicated that there were approximately six states using this procedure. He named three, Iowa, Wisconsin and Massachusetts.

Chairman Gibson asked Mr. Canegliaro if he could get some history on the states that are using this system and how it is working with them. Mr. Canegliaro stated that he would get this information to the committee as soon as possible.

Robert Cox wanted to comment on the Last Best Offer approach. They feel that the incentive is cut down because you want to avoid going to binding arbitration. They did feel that it offered some solution to the problem. He noted that the Governor has awarded much fewer binding arbitration benefits. He agreed with Chairman Gibson's request for some history in the states that are using the last best offer. Mr. Cox concluded by stating that the last best offer should be narrowed down to only one area.

Angus McEachern also wanted to address the approach of Last Best Offer. He felt that you were eliminating the risk factor. They preferred the current law as it would compell the groups to come to a decision.

Chairman Gibson, at this point, read BDR 23-1743 to the committee and those present, requiring mediation in local government labor-management relations. (See Attachment #3)

Mr. Paul Ghilarducci, Nevada State Employees Association, spoke to the committee on the mediation provision that Chairman Gibson read to the committee. He wanted to address his comments and suggestions to NRS 288. He passed out some material for the committee's consideration. (See Attachment #4) Mr. Ghilarducci stated that the portion crossed out is addressed in SB-169. At this point he went over his material for the committee.

Mr. Bob Rose, President elect of the Nevada State Employees Association had a few comments to make. Under the current process the Governor will determine the items that are set for binding fact-finding. All items that are admissable for mandatory bargaining have a risk factor. It is a process of give and take. Commended the Clark County teachers for working our their problems and their use of good faith.

Don Dixon, Washoe County Personnel Department, stated that binding fact-finding on an impass resolution procedure is incredible. If enacted it would have the effect of disarming the whole collective bargaining process.

At this point Mr. Cox noted that they felt that mediation was a good concept.

Rita Hamilton, President of Washoe County Teachers Association, stated that when they ran into some problems with negotiations we had a mediator appointed. The Labor Commissioner was contacted upon suggestion from the Governor. This was agreed to by the negotiating parties.

Mr. Petroni agreed with Mr. Cox and felt that this aspect was a possible solution.

Chairman Gibson then noted that they would hold further hearings on these issues when the entire package was ready.

SB-193

Provides for assessments for improving certain streets. (BDR 20-737)

Senator Hilbrecht noted that the directions were given to the bill drafter after the committee discussed it with the cities, also Mr. Knisley felt that the city should be responsible for their mistakes in planning. On Page 5, lines 29 through 39 mandate local governments to avoid these situations in the future. It provides a method by which they are to do so. He also felt that it would be better to delete the language on page 2 ending on page 3, line 15.

Senator Hilbrecht continued by stating that there should be a formula to have the proper assessment on this. Should delete lines 29 through 39 and add it to the NRS. Wants to keep Sec. 6 in the bill. Suggested that we delete Section 5 entirely due to a conflict, and restore the old language on pages 2 and 3.

The committee discussed the suggestions and felt that they were in agreement.

Motion to "Amend and Do Pass" by Senator Hilbrecht, seconded by Senator Foote. Motion carried unanimously.

SB-310

Provides for optional bases of accounting for certain local governments. (BDR 31-1024)

Chairman Gibson read a letter from Jim Lien of the Tax Department, (See Attachment #5) giving their reasons for being against this bill.

Motion to "Indefinitely Postpone" by Senator Hilbrecht, seconded by Senator Gojack. Motion carried unanimously.

Chairman Gibson also went over the hearing on AB-17, meeting #29, April 1, 1977 as he was unable to be in attendance.

Senator Foote went over the details of the meeting as noted on page 1 of meeting #29 for the Chairman and stated that the committee decided to hold action until the Chairman could be present. The amendment suggestion was to change the number of the commission from two to three, as well as change the population figure from 60,000 to 47,500.

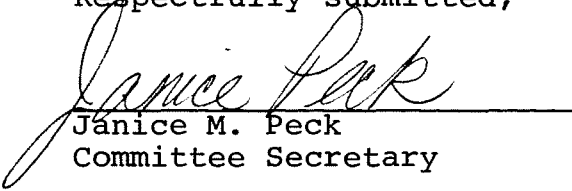
Motion to "Amend and Do Pass" by Senator Schofield, seconded by Senator Hilbrecht. Motion carried unanimously.

SB-395 was also on the agenda during the meeting Chairman Gibson was unable to attend. Senator Foote also went over the details of the meeting for Chairman Gibson. (For details, see Meeting #29)

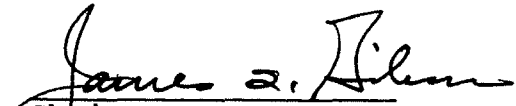
Motion to "Indefinitely Postpone" by Senator Gojack, seconded by Senator Foote. Motion carried unanimously. (It was noted that Senator Dodge, sponsor, was also in agreement with postponing this bill due to information that he has received.)

With no further business the meeting was adjourned at 4:50 p.m.

Respectfully submitted,


Janice M. Peck
Committee Secretary

Approved:


Chairman

PRESENTATION TO COMMITTEE ON GOVERNMENT AFFAIRS HEARING
ON
SENATE BILL NO. 242

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE: MY NAME IS ALFRED W. STOESS. I AM THE DIRECTOR OF PROGRAM PLANNING AND EMPLOYMENT RELATIONS IN THE CHANCELLOR'S OFFICE OF THE UNIVERSITY OF NEVADA SYSTEM.

THE BOARD OF REGENTS AT ITS JANUARY 1977 MEETING AUTHORIZED THE ADMINISTRATION OF THE UNIVERSITY OF NEVADA SYSTEM TO SEEK AMENDMENT FROM THE LEGISLATURE OF SENATE BILL NO. 242. CHANCELLOR HUMPHREY REGRETS THAT HE IS UNABLE TO ATTEND TODAY'S HEARING AND HAS REQUESTED THAT I MAKE THE FOLLOWING STATEMENT.

THE BOARD OF REGENTS HAS TWO AREAS OF CONCERN ABOUT SENATE BILL NO. 242, AND BELIEVES AMENDMENTS ARE NECESSARY IN EACH AREA.

THE BILL, BEGINNING ON PAGE 2, LINE 48, AND CONTINUING ON PAGE 3, LINE 2, DESIGNATES THE GOVERNOR OR HIS AGENT AS THE NEGOTIATING AGENT FOR THE STATE, AND AUTHORIZES THE GOVERNOR TO SIGN AND ENFORCE ANY AGREEMENT REACHED.

THE UNIVERSITY OF NEVADA SYSTEM HAS 1,356 CLASSIFIED EMPLOYEES, WHICH IS MORE THAN 15% OF THE TOTAL NUMBER OF EMPLOYEES IN THE STATE CLASSIFIED SYSTEM. THE UNIVERSITY OF NEVADA SYSTEM HAS AN ELECTED BOARD AND FAIRLY BROAD CONSTITUTIONAL POWERS TO CONTROL THE VARIOUS INSTITUTIONS WHICH MAKE UP THE SYSTEM. THE BOARD RESPECTFULLY REQUESTS THAT IF THIS LAW IS TO BE ADOPTED, IT PROVIDE FOR A REPRESENTATIVE OF THE BOARD OF REGENTS TO BE ON THE GOVERNOR'S NEGOTIATING TEAM.

THE BOARD, THEREFORE, RECOMMENDS THAT THE FOLLOWING WORDING BE ADDED ON PAGE 3, LINE 2, AFTER THE WORD "AGENCIES."

THE BOARD OF REGENTS OF THE UNIVERSITY OF NEVADA SHALL DESIGNATE ONE MEMBER OF THE MANAGEMENT NEGOTIATING TEAM HEADED BY THE GOVERNOR OR HIS DESIGNATED AGENT.

THE BOARD OF REGENTS ALSO BELIEVES THAT STATE CLASSIFIED EMPLOYEES SHOULD HAVE THE OPPORTUNITY TO VOTE AS TO WHETHER OR NOT THEY WISH TO HAVE COLLECTIVE BARGAINING AND TO DESIGNATE THEIR AGENT. THE POSITION OF THE BOARD IS THAT ELECTIONS ARE THE ONLY DEMOCRATIC WAY FOR EMPLOYEES TO DETERMINE WHETHER THEY WANT COLLECTIVE BARGAINING AND, IF THEY CHOOSE TO BARGAIN COLLECTIVELY, ELECTIONS ARE ESSENTIAL TO DEMOCRATICALLY DETERMINE WHO WILL BE THEIR BARGAINING AGENT. THE BOARD ALSO BELIEVES, AND EVIDENCE IS AVAILABLE TO SUPPORT THIS BELIEF, THAT EMPLOYEES BECOME MEMBERS OF EMPLOYEE ASSOCIATIONS FOR NUMEROUS REASONS AND NOT NECESSARILY BECAUSE THEY WANT THE EMPLOYEE ASSOCIATION TO REPRESENT THEM AS A NEGOTIATING AGENT IN COLLECTIVE BARGAINING. EMPLOYEE ASSOCIATIONS PROVIDE MANY BENEFITS WHICH ATTRACT EMPLOYEES TO BECOME MEMBERS. MANY BELONG TO OBTAIN REDUCED INSURANCE RATES OR DISCOUNTS THROUGH RETAIL MERCHANTS. THESE SAME MEMBERS MAY FAVOR UNIONIZATION AND THE EMPLOYEE ASSOCIATION AS ITS NEGOTIATING AGENT. HOWEVER, THESE SAME EMPLOYEES MAY OPPOSE UNIONIZATION, OR IF THEY FAVOR IT, MAY PREFER ANOTHER GROUP AS THEIR NEGOTIATING AGENT. ELECTIONS ARE NECESSARY TO DEMOCRATICALLY DETERMINE FIRST IF EMPLOYEES FAVOR COLLECTIVE BARGAINING, AND SECOND, IF THEY CHOOSE TO BARGAIN COLLECTIVELY, TO DESIGNATE THEIR BARGAINING AGENT.

THEREFORE, THE BOARD OF REGENTS RECOMMENDS THAT AN ADDITIONAL PARAGRAPH BE ADDED ON PAGE 3 AFTER LINE 49 WHICH SHOULD READ AS FOLLOWS:

- (D) SIGNED EVIDENCE OF INTEREST IN BEING REPRESENTED BY THE EMPLOYEE ORGANIZATION FROM NO LESS THAN 30 PERCENT OF THE ELIGIBLE EMPLOYEES CONTAINED IN THE UNIT SOUGHT.

IT IS ALSO RECOMMENDED THAT PARAGRAPH 2 OF SECTION 17 (PAGE 3, LINE 50 THROUGH PAGE 4, LINE 5) SHOULD BE DELETED AND REPLACED BY THE FOLLOWING WORDING.

2. UPON VERIFICATION BY THE COMMISSION THAT THE ABOVE REQUIREMENTS HAVE BEEN MET, THE APPLICATION FOR RECOGNITION SHALL BE PLACED ON THE AGENDA FOR ITS NEXT REGULARLY SCHEDULED MEETING. THE COMMISSION SHALL AT THAT MEETING PROVIDE FOR AN ELECTION CONCERNING REPRESENTATION WITHIN THE UNIT CONCERNED. THE ELECTION BY SECRET BALLOT AMONG THE EMPLOYEES FOR WHOM REPRESENTATION IS SOUGHT SHALL BE HELD WITHIN 90 DAYS FROM THE DATE OF THE COMMISSION MEETING AT WHICH THE REQUEST WAS PRESENTED.
3. IF A MAJORITY OF THE EMPLOYEES CASTING BALLOTS VOTE FOR REPRESENTATION, A SECOND ELECTION SHALL BE HELD WITHIN 90 DAYS TO SELECT AN EMPLOYEE ORGANIZATION FOR THE UNIT CONCERNED.
4. AFTER THE COMMISSION HAS SET THE DATE OF THE ELECTION, ADDITIONAL EMPLOYEE ORGANIZATIONS

SEEKING TO REPRESENT THE ELIGIBLE EMPLOYEES OF THE UNIT MAY FILE AN APPLICATION WITH THE COMMISSION. THE APPLICATION SHALL CONTAIN THE INFORMATION SPECIFIED IN SECTION 17, PARAGRAPHS (A) THROUGH (D) OF THIS CHAPTER. IF SUCH ORGANIZATION ALSO SUBMITS, NO LATER THAN FIFTEEN DAYS PRIOR TO THE ELECTION, SIGNED EVIDENCE OF INTEREST IN BEING SO REPRESENTED FROM NO LESS THAN TEN PERCENT OF THE ELIGIBLE EMPLOYEES CONTAINED IN THE UNIT, THE ORGANIZATION SHALL BE INCLUDED ON THE BALLOT OF THE SECOND ELECTION.

5. THE RESULTS OF THESE ELECTIONS SHALL BE BINDING ON ALL PARTIES AS OF THE DATE THE RESULTS OF THE ELECTION ARE CERTIFIED, AND NO OTHER APPLICATION OR ELECTIONS INVOLVING THE SAME EMPLOYEE UNIT SHALL BE ACCEPTED OR PERMITTED FOR A PERIOD OF ONE CALENDAR YEAR FROM THE DATE OF CERTIFICATION, WITH THE EXCEPTION OF A RUNOFF ELECTION WHICH MIGHT BE NECESSITATED WHERE MORE THAN TWO EMPLOYEE ORGANIZATIONS PARTICIPATED IN THE SECOND ELECTION AND NO ORGANIZATION RECEIVED A MAJORITY OF THE VOTES CAST. RUNOFF ELECTIONS SHALL BE HELD WITHIN 30 DAYS AFTER THE SECOND ELECTION.

IT IS FURTHER RECOMMENDED THAT IF THE AMENDMENTS PREVIOUSLY SUGGESTED ARE INCLUDED THAT PARAGRAPH 4 (PAGE 4, LINES 26 - 38) SHOULD BE DELETED.

THANK YOU FOR THE OPPORTUNITY OF PRESENTING THE POSITION OF THE BOARD OF REGENTS. I WILL BE PLEASED TO RESPOND TO ANY QUESTIONS YOU MAY HAVE.

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LAST BEST OFFER AS AN ALTERNATIVE TO CONVENTIONAL ARBITRATION

In order to fully appreciate the final offer concept and the significance of the findings, it is first necessary to understand the criticisms of conventional arbitration, because it was concern for these criticisms that led to the development of the final offer procedure. Final offer is an attempt to overcome the perceived weaknesses of conventional arbitration.

If you will recall, the critical difference between these two procedures lies in the decision-making process. Under the final offer procedure the arbitrator must choose one party's offer in toto. Whereas, under the conventional procedure the arbitrator is free to fashion an award that does not resemble either party's position, but may be a compromise between the two.

The major objection to conventional arbitration is that it will have a "chilling" effect on the bargaining process. That is, because of the compromise nature of the awards - the tendency of arbitrators to "split the difference," giving less than the union has asked for but more than management has offered - the incentive to engage in hard, good faith bargaining is substantially diminished. Under such a system, so the argument goes, employee organizations stand only to gain, with the process inevitably resulting in costly settlements, the logical outcome of this line of reasoning being that conventional arbitration leads to the abandonment of collective bargaining, for, if the parties perceive that they will gain more from an arbitrated outcome than from a negotiated agreement, they will have little incentive to avoid it.

As a cure for the alleged chilling or narcotic effect of conventional arbitration, labor management specialists have developed the concept of final-offer "total package" arbitration. According to this method the parties, knowing the arbitrator lacks the capacity to compromise, will be compelled to reach a voluntary settlement in order to avoid, or at least minimize, the risk involved in an either/or selection process. The incentive is to move forward, not hold back. Final-offer arbitration, then, should not have a "chilling" effect, for, unlike conventional arbitration, the cost of disagreement ("winner takes all") can be severe.

It should be mentioned that arbitrators have objected to total package selection because it may result in the imposition of inequitable awards in situations where both offers contain unreasonable elements. Final offer by issue selection attempts to deal with this potential problem by permitting the arbitrator to select from both offers on each issue in dispute. The problem in this selection method, however, is that it diminishes the risk factor of final offer, the very thing that distinguishes it from conventional arbitration.

With conventional arbitration, a neutral arbitrator may be unable to distinguish between proposals which are acceptable to the parties and those which are not. Consequently, awards may be either too high or too low in relation to the parties' expectations or in relation to their ability to comply.

With final offer arbitration, however, the parties know that they may be penalized heavily if they do not formulate realistic positions. Each side will seek a favorable decision from the arbitrator by attempting to make its position appear the more reasonable. Settlements can be more often achieved, and in those cases where agreement is not reached, the two sides will be closer together so that there will be far less room for arbitration error.

A final component of successful arbitration statutes in other states has been the provision of standards to guide the arbitration board in the exercise of its discretion. Standards provide a gauge against which the parties and the arbitrators can measure evidence. Although a party may seriously believe in its position, it will be more likely to accept an adverse award when it can see that the evidence offered by the other side was more convincing.

1. The financial ability of the municipality to meet costs.
2. The interests and welfare of the public.
3. The decisions and recommendations of the factfinder.
4. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
5. The hazards of employment, physical, educational and mental qualifications, job training and skills involved.
6. A comparison of wages, hours and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public and private employment in comparable communities.
7. The average consumer prices for goods and services, commonly known as the cost of living.
8. The overall compensation presently received by the employees, including direct wages and benefits.
9. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.
10. The stipulation of the parties.

Step 1 288.190 Negotiation mediation. The parties shall promptly commence negotiation. During the course of negotiation, either party may request the services of a mediator to assist them in resolving their dispute. The State Department of Labor shall provide for mediation services at the expense of the State Department of Labor. It shall be the function of the mediator to bring the parties together to effectuate a settlement of the dispute, but the mediator may not compel the parties to agree. The mediator shall have the authority to establish the time and dates for meetings and to compel the parties to attend. Mediation shall cease March 15 or 25 days after sine die.

Step 2 288.200 Submission of dispute to factfinder: Selection, compensation, duties of factfinder; effect of findings; criteria for awards.

1. If by March 15, the parties have not reached agreement, either party, at any time, may submit the dispute to an impartial factfinder for his findings. These findings are not binding on the parties except as provided in subsection 6.

2. If the parties are unable to agree on an impartial factfinder within 5 days, either party may request from the American Arbitration Association a list of seven potential factfinders. The parties shall select their factfinder from this list by alternately striking one name until the name of only one factfinder remains, who will be the factfinder to hear the dispute in question. The employee organization shall strike the first name.

3. The local government employer and employee organization each shall pay one-half of the cost of factfinding. However, each party shall pay its own costs of factfinding incurred in the preparation and presentation of its case in factfinding.

4. The factfinder shall report his findings to the parties to the dispute within 30 days after the conclusion of the factfinding hearing. Such report shall be made no later than June 5, except as modified by the provisions of subsection 5.

5. In a regular legislative year, the factfinding hearing shall be stayed:
(a) In cases involving school districts, up to 25 days after adjournment of the legislature sine die.
(b) Up to 20 days after the adjournment of the legislature sine die in all other cases.

6. The parties to the dispute may agree, prior to the submission of the dispute to factfinding, to make the findings on all or any specified issues final and binding on the parties.

7. Any factfinder, whether acting in a recommendatory or binding capacity, shall base his findings or award on the following criteria:

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

(b) Once the factfinder has determined in accordance with paragraph (a) that there is a current financial ability to grant monetary benefits, he shall use normal criteria for interest disputes regarding the terms and provisions to be included in an agreement in assessing the reasonableness of the position of each party as to each issue in dispute.

The factfinder's report shall contain the facts upon which he based his findings or award.

8. If the impasse continues after the publication of the factfinder's report, the issues in dispute shall be returned to the parties for further bargaining.

9. Any time limitations prescribed in this section may be extended by mutual agreement of the parties.

Step 3 288.201 If an employee organization or employer shall engage in an impasse which is continued 10 days after the publication of the factfinder's report pursuant to Section 288.200 and said employee organization or employer shall petition that a tri-partate arbitration panel shall be formed, said panel shall be comprised of three arbitrators, one selected by the employer, one selected by the employee organization and a third, an impartial arbitrator, who shall act as chairman of the panel who shall be selected by the two previously selected arbitrators. They shall request from the American Arbitration Association a list of 7 potential arbitrators. The parties shall select their chairman from this list by alternately striking one name until the name of only one arbitrator remains, who will be the chairman to complete the panel. The employee designate to the arbitration panel shall strike the first name.

The arbitration panel shall, acting through its chairman, hold a hearing within 10 days after the date of appointment of the chairman at a place within the locality of the ~~municipality~~ involved, where feasible. The chairman shall give at least seven days' notice in writing to each of the other arbitrators, and to the representatives of the ~~municipal~~ employer and employee organization of the time and place of such hearing. The chairman shall preside over the hearing and shall take testimony. Upon application and for good cause shown, a person, labor organization, or governmental unit having substantial interest therein may be granted leave to intervene by the arbitration panel. The proceedings shall be informal. Any oral or documentary evidence and other data deemed relevant by the arbitration panel may be received into evidence. The arbitrators shall have the power to administer oaths and to require by subpoena the attendance and testimony of witnesses, the production of books, records, and other evidence relative to or pertinent to the issues presented to them for determination. If any per-

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son refuses to obey a subpoena, or refuses to be sworn or to testify, or if any witness, party, or attorney is guilty of any contempt while in attendance at any hearing, the arbitration panel may, or the district attorney if requested, shall, invoke the aid of the ~~superior court~~ within the jurisdiction in which the hearing is being held, which court shall issue an appropriate order.

-----district

A record of the proceedings shall be kept, and the chairman shall arrange for the necessary recording service. Transcripts may be ordered at the expense of the party ordering them, but the transcripts shall not be necessary for an award by the panel. The hearing may be continued at the discretion of the panel and shall be concluded within 30 days from the time of commencement. At the conclusion of the hearing, each party shall submit a written statement containing its last and best offer for each of the issues in dispute to the panel, which shall take said statements under advisement. Within 10 days after the conclusion of the hearing, a majority of the panel shall select one of the two written statements and shall immediately give written notice of selection to the parties. The selection shall be final and binding upon the parties and upon the appropriate legislative body.

-----governing

At any time before the rendering of an award, the chairman of the arbitration panel, if he is of the opinion that it would be useful or beneficial to do so, may remand the dispute to the parties for further collective bargaining for a period not to exceed three weeks, ~~and notify the board of the remand.~~ Any award of the arbitration panel ~~may~~ be retroactive to the expiration date of the last contract. ~~(As amended by Ch. 131, L. 1975, effective April 1, 1975)~~

-----shall

In the event that the representatives of the parties mutually resolve each of the issues in dispute and agree to be bound accordingly, said representatives may, at any time prior to the final decision by the panel, request that the arbitration proceedings be terminated, the panel,

acting through its chairman, shall terminate the procedure.

CALENDAR REQUIREMENTS

The dates within the bill should be adjusted to meet these requirements:
In non-legislative years, a decision should be rendered and be effective by August 1, but the limitations should be extended by mutual agreement of the parties.

January 15	Negotiations commence.
March 1	Mediation may commence at the request of either party.*
March 15	Mediation shall cease and factfinding ordered, if requested by either party.
March 25	Factfinding commences.
June 5	Report of the factfinding should be made.
June 15	Factfinding report made public.
June 25	Tri-party hearings to commence.
July 25	Hearings completed.
August 1	Decisions rendered.

*In legislative years, all time limits should be adjusted to reflect the beginning of mediation 10 days after sine die.

SUMMARY--Requires mediation in local government labor-management relations. (BDR 23-1743)

Fiscal Note: Local Government Impact: No.

State or Industrial Insurance Impact: No.

AN ACT relating to local government employee-management relations; providing for mediation in negotiations; and providing other matters properly relating thereto.

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

Section 1. NRS 288.190 is hereby amended to read as follows:

288.190 1. The parties shall promptly commence negotiations.

[During the course of negotiations the parties may mutually agree to utilize the services of a mediator to assist them in resolving their dispute.] As the first step, the parties shall discuss the procedures to be followed if they are unable to agree on one or more issues.

2. If the parties do not agree by February 1, or if either party fails to follow the procedures agreed upon, and if the parties have not agreed on all substantive issues, the labor commissioner shall, at the request of either party, appoint an impartial person to act as mediator. The mediator shall bring the parties together to settle the dispute but has no power to compel them to agree. The mediator may establish the times and dates for meetings and compel the parties to attend.

██████████--COMMITTEE ON
GOVERNMENT AFFAIRS

██████████ Government Affairs

SUMMARY--Enlarges scope of mandatory bargaining with local government employees and makes factfinding conclusive. ██████████

FISCAL NOTE: Local Government Impact No. State or Industrial Insurance Impact: Yes

Explanation--Matter in italics is new; matter in brackets [] is material to be omitted.

AN ACT relating to public employees' labor relations; providing for mandatory recognition of certain bargaining units; enlarging the scope of mandatory bargaining; making the results of factfinding always binding on the parties; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly do enact as follows:

SECTION 1. *WRS/288.045/1s* hereby amended to read as follows:

WRS/288.045 "factfinding" means the formal procedure by which an investigation of a labor dispute is conducted by one person, a panel or a board at which:

1. Evidence is presented, and
2. A written report is issued by the factfinder describing issues involved and setting forth recommendations for settlement. [which may or may not be binding as provided in *WRS/288.200*.]

SECTION 2. *WRS/288.080* is hereby amended to read as follows:

288.080/1 The local government employee-management relations board is hereby created, to consist of three members, broadly representative of the public and not closely allied with any employee organization or local government employer, not more than two of whom shall be members of the same political party. [Except as provided in subsection 2, the] The term of office of each member [shall be] is 4 years.

2. The governor shall appoint the members of the board. [from a list submitted by the advisory committee pursuant to the provisions of *WRS/288.137*.] Of the first three members appointed, the governor shall designate one whose term shall expire at the end of 2 years. [A member shall have some experience or knowledge in the field of labor relations and collective bargaining.] Whenever a vacancy occurs on the board other than through the expiration of a term of office, the governor shall fill such vacancy by appointment for the unexpired term.

6. This section does not preclude, but this chapter does not require the local government employer to negotiate subject matters enumerated in subsection 3 which are outside the scope of mandatory bargaining. The local government employer shall discuss subject matters outside the scope of mandatory bargaining but it is not required to negotiate such matters.

7. Contract provisions [presently] existing in signed and ratified agreements as of May 15, 1975, at 12 p.m. shall remain negotiable.

action ~~SEC~~ 7/ NRS 288.160 is hereby amended to read as follows:

2 288.160 1. An employee organization may apply to a local government employer for recognition by presenting:

- (a) A copy of its constitution and bylaws, if any;
- (b) A roster of its officers, if any, and representatives; and
- (c) A pledge in writing not to strike against the local government employee under any circumstances.

A local government employer shall not recognize as representative of its employees any employee organization which has not adopted, in a manner valid under its own rules, the pledge required by paragraph (c).

2. If an employee organization, at or after the time of its application for recognition, presents a verified membership list showing that it represents a majority of the employees in a bargaining unit, [and if such employee organization is recognized by the local government employer,] it shall be recognized by the local government employer as the exclusive bargaining agent of the local government employees in that bargaining unit.

3. A local government employer may withdraw recognition from an employee organization which:

- (a) Fails to present a copy of each change in its constitution or bylaws, if any, or to give notice of any change in the roster of its officers, if any, and representatives;
- (b) Disavows its pledge not to strike against the local government employer under any circumstances; or
- (c) Ceases to be supported by a majority of the local government employees in the bargaining unit for which it is recognized.

[[(d) Fails to negotiate in good faith with the local government employer.]]

4. If an employee organization is aggrieved by the refusal or withdrawal of recognition, or by the recognition or refusal to withdraw recognition of another employee organization, the aggrieved employee organization may appeal to the board. If the board in good faith doubts whether any employee organization is supported by a majority of the local government employees in a particular bargaining unit, it may conduct an election by secret ballot upon the question. Subject to judicial review, the decision of the board is binding upon the local government employer and all employee organizations involved.

SEC. 3. NRS 288.180 is hereby amended to read as follows:

288.180 Notice [by employee organization] of desire to negotiate.

1. Whenever [an employee organization] either party desires to negotiate concerning any matter which is subject to negotiation pursuant to this chapter, it shall give written notice of such desire to [the local government employer] the other party. If the subject of negotiations requires the budgeting of money by the local government employer, the employee organization shall give such notice on or before January 15.

2. The public employer shall make available in a timely manner to the employee organization all reasonable and necessary data required by the employee organization in order to formulate negotiations proposals.

3. The parties shall promptly commence negotiations.

[2] 4. This section does not preclude, but this chapter does not require, informal discussion between an employee organization and a local government employer of any matter which is not subject to negotiation or contract under this chapter. An such

informal discussion is exempt from all requirements of notice or time schedule.

SEC. 4. NRS 288.190 is hereby deleted in its entirety.

SEC. 5. NRS 288.200 is hereby amended to read as follows:

288.200 1. Prior to April 15 either party may request the services of a mediator. The State Labor Commissioner shall upon the request of either party, appoint an impartial and disinterested person to act as mediator. It shall be the function of the mediator to bring the parties together to effectuate a settlement of the dispute, but the mediator may not compel the parties to agree. The mediator shall have the authority to establish the time and dates for meetings and to compel the parties to attend.

[1] 2. If by [April 1,] May 1 the parties have not reached agreement, either party [at any time up to May 1, may submit the dispute] may declare that an impasse has been reached between them involving any unresolved issues, and may submit such issues to an impartial factfinder for his findings and recommendations. These findings and recommendations are [not] final and binding on the parties. [except as provided in subsections 6 and 7.]

[2] 3. If the parties are unable to agree on an impartial factfinder within 5 days, either party may request from the American Arbitration Association a list of seven potential factfinders. The parties shall select their factfinder from this list by alternately striking one name until the name of only one factfinder remains, who will be the factfinder to hear the dispute in question. The employee organization shall strike the first name.

[3] 4. The local government employer and employee organization each shall pay one-half of the cost of factfinding. However, each party shall pay its own costs of factfinding incurred in the preparation and presentation of its case in factfinding.

[4] 5. The factfinder shall report his findings and recommendations to the parties to the dispute within 30 days after the conclusion of the factfinding hearing. Such report shall be made no later than [June 5, except as modified by the provisions of subsection 5] August 1, except that in each odd-numbered year any factfinding hearing shall be stayed until 10 days after the adjournment of the regular session of the legislature, sine die.

- [5] 6. [In a regular legislative year, the factfinding hearing shall be stayed:
- (a) In cases involving school districts, up to 15 days after the adjournment of the legislature sine die if the governor has exercised his authority pursuant to subsection 7.
 - (b) Up to 10 days after the adjournment of the legislature sine die in all other cases.

[6] 7. The parties to the dispute may agree, prior to the submission of the dispute to factfinding, to make the findings and recommendations on all or any specified issues final and binding on the parties.

[7] 8. If the parties do not mutually agree to make the factfinding and recommendations of the factfinder final and binding, the governor shall have the emergency power and authority, at the request of either party and prior to submission of the dispute to factfinding, to order prior to May 1, that the findings and recommendations on all or any specified issues of a factfinder in a particular dispute will be final and binding. In a regular legislative year, in cases involving school districts, the governor may exercise his authority under this subsection within 10 days after the adjournment of the legislature sine die. The exercise of this authority by the governor shall be made on the basis of his evaluation regarding the overall best interests of the state and all its citizens, the potential fiscal impact both within and outside the political subdivision, as well as any danger to the safety of the people of the state or a political subdivision.

[8] 9. Any factfinder [whether acting in a recommendatory or binding capacity,] shall base his recommendations or award on the following criteria:

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

In determining the financial ability of the local government employer, the factfinder shall consider the accuracy of the information provided as well as the reasonableness of the priorities for expenditure established by the local government employer.

(b) Once the factfinder has determined in accordance with paragraph (a) that there is a current financial ability to grant monetary benefits, he shall use normal criteria for interest disputes regarding the terms and provisions to be included in an agreement in assessing the reasonableness of the position of each party as to each issue in dispute. The factfinder's report shall contain the facts upon which he based his recommendations or award.

Section SEC. 9/ NRS 288.250 is hereby amended to read as follows:

6 288.250 [1] If a strike is commenced or continued in violation of an order issued pursuant to NRS 288.240, the court may [1: (a) punish the employee organization or organizations guilty of such violation by a fine of not more than \$50,000 against each organization for each day of continued violation.

(b) Punish any office of an employee organization who is wholly or partly responsible for such violation by a fine of not more than \$1,000 for each day of continued violation, or by imprisonment as provided in NRS 22.110.

(c) Punish any employee of the state or of a local government employer who participates in such strike by ordering the dismissal or suspension of such employee.

2. Any of the penalties enumerated in subsection 1 may be applied alternatively or cumulatively, in the discretion of the court.] ~~impose general contempt sanctions against the employees of organization or any employee guilty of such violation or both~~

SEC. 10. NRS 288.135 and 288.137 ~~and 288.260~~ are hereby repealed.

Department of Taxation

CARSON CITY, NEVADA 89710

In-State Toll Free 800-992-0900



MIKE O'CALLAGHAN, Governor

JOHN J. SHEEHAN, Executive Director

March 25, 1977

MEMORANDUM

TO: Senator James Gibson
Chairman, Governmental Affairs Committee

Fr: James C. Lien
Deputy Executive Director

Subject: SB 310

I apologize for not being available when testimony was being taken on SB 310 due to my teaching a class in Reno for State Personnel's Staff Development Division.

I feel that SB 310 is a step back instead of forward in assuring accountability in the local government budgeting process. It is often the smaller government which has a fiscal problem and makes fiscal errors due to the lack of well trained persons in the area of finance. This bill would tend to emphasize that problem by allowing certain entities to return to the cash basis of accounting which prevents sound fiscal management and does not allow for governing boards to understand where they stand in relationship of true committed expenditures versus available resources.

The bill excludes those entities that fall under the exemption provided in NRS 354.475, which are small districts under \$30,000, and excludes enterprise funds under NRS 354.610. Enterprise funds are self-supporting funds such as hospital, water, sewer, lunch programs, etc.

The \$500,000 limit means that the bill would not apply to any of the 17 counties including Carson City and would apply to only two of the State's 16 cities - Caliente in Lincoln County and Gabbs in Nye County. Only two of the 17 school districts would be affected - Storey County and Esmeralda County. We feel its of particular importance that school districts with their series of Federal funds and the fiscal year overlapping of certain expenditures, such as teachers' salaries, be on modified or full accrual accounting. Thirty - six of the 41 towns would be eligible under the bill which means that a county which is normally responsible for the budgeting of towns could actually have an accrual or modified accrual set of books for the basic county and cash basis books for the towns that they administer. The mixed methods of accounting certainly does not lend itself to efficient operation.

If the bill is to be given serious consideration, then the Department would suggest that the return be an option approved by the Department of Taxation as for entities applying under NRS 354.475 (small districts). We ask for that because we do have entities that are in default and accordingly having

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Senator James Gibson
Chairman, Governmental Affairs Committee
March 25, 1977

certain financial difficulties which we feel would be extended by returning to the cash basis of accounting. Some entities have found that when they went from the cash basis of accounting to modified accrual or full accrual they had a fiscal year end deficit as they had in essence been using the new year's resources to pay off prior year commitments.

Secondly, we'd suggest that page 2 line 21 be amended to read "upon a modified or full accrual basis".

The use of modified or full accrual basis of accounting is a process that one must be trained into; we find that there are certain entities which refuse to accept these methods of accounting as they do not understand them nor do they attempt to understand them. Budget officers maintaining that their governing boards only understand a cash basis of accounting are doing a disservice to themselves and to the governing board by not familiarizing themselves with the new processes. I feel that accountability would be seriously injured should SB 310 be passed and the progress that Nevada has made over the last several years in local government fiscal management would be severely reduced.

Should there be further questions regarding this bill, do not hesitate to contact me.

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS

Date 4-4-77 Time 2 PM Room 243

Bills or Resolutions to be considered	Subject	Counsel requested*
SB-242	Enacts State Employee-Management Relations Act. (BDR 23-44)	
SB-346	Expands subjects of bargaining between local Government employers and employees and limits prohibition against strikes to certain employees. (BDR 23-1072)	
FOR COMMITTEE ACTION		
SB-310	Provides for optional bases of accounting for certain local governments. (BDR 31-1024)	
SB-193	Provides for assessments for improving certain streets. (BDR 20-737)	

*Please do not ask for counsel unless necessary.