

DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.

Assembly Bill 392
Testimony in Government Affairs

Assembly Bill 392 would increase longevity payments made to encourage retention of employees in state service. Currently, state employees are eligible to receive a longevity payment totaling \$150 after serving 8 years in state government. The longevity payment increases \$50 for each additional year of service. After 25 years a state employee is entitled to receive an annual longevity payment of \$1,000.

I have asked staff to compare the longevity plan provided by state and local governments within the State of Nevada. City of Elko and Elko County employees are eligible to receive a longevity payment of \$200 after nine years of service. After 25 years of service employees are entitled to a total of \$1,400. The City of Carson City provides a longevity payment of \$200 after 7 years and employees with 25 years of service receive \$650. Employees of Washoe County receive \$500 after 5 years of service and \$2,500 after 25 years of service. Clark County and the City of Las Vegas employees earn longevity based on a set percentage times their annual salary. For an employee earning \$40,000 per year, the City of Las Vegas provides \$1,200 after 7 years and \$4,000 after 25 years. In Clark County

longevity payments begin after 8 years of service. For an employee earning \$40,000, an employee would receive a total of \$1,824 after 8 years and \$5,700 after 25 years.

AB 392 would increase longevity payments from \$50 for each additional year of service to \$100 for state employees with at least 17 years of service. Beginning in year 24, the annual increase would be \$150 per year compared to the current \$50 per year increase. AB 392 would increase the longevity payment for a state employee with 25 years of service from \$1,000 to \$1,450. The projected cost of AB 392 totals \$351,000 in FY 2003-04 and \$776,000 in FY 2004-05. Approximately one-half of the cost would be a state General Fund responsibility

The Governor's budget for the upcoming biennium does not recommend a cost-of-living salary increase for state employees. If a salary increase cannot be provided to state employees during the upcoming biennium, an increase in the longevity program to assist in the retention of our most experienced state employees is something I believe the Legislature should consider.

I would be happy to answer any questions.

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 20, 2003

Agency Submitting: Department of Personnel

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Increased cost of Longevity Payment in December, 2003 (Expense)		✓ \$350,925		
Increased cost of Longevity Payment in July, 2004 (Expense)			✓ \$350,925	
Increased cost of Longevity Payment in December, 2004 (Expense)			✓ \$424,725	
				\$1,551,300
Total		✓ \$350,925	✓ \$775,650	\$1,551,300

Explanation (Use Additional Sheets of Attachments, if required)

This bill proposes a \$25 increase in the rate of longevity for employees with ¹⁵17 through ²⁵23 years of continuous service and a \$50 increase for employees with ²⁴24 or more years of continuous service, up to a maximum of 30 years. The projected cost of this proposal is based on the number of employees in Central Payroll and NDOT who were eligible and received longevity on December 31, 2002. The additional cost for each year of continuous service has been multiplied by the number of employees at that level, as represented on the attached spreadsheet.

Assuming there is no change in the number of employees eligible for longevity, the projected increase in FY 04 for one semi-annual payment covering the period from 7/1/03 through 12/31/03 would be \$350,925. It should be noted that the period from 1/1/04 through 6/30/04 is paid in July after the close of the fiscal year. Therefore, the additional expense for that period is projected in FY 05.

Effect on future biennia was also calculated with the assumption that there would be no change in the number of employees eligible for longevity.

Name Carol L. Thomas
Title Chief Personnel Manager

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date March 24, 2003

Agency response and estimated costs appear reasonable.

Name John P Comeaux
Title Director

**Increased Costs of Longevity Payments for AB 392 Based on Number of Employees
Who Received Longevity Payments in December 2002**

Years of Service	Increased Cost of Longevity	Number of NDOT & Central Payroll Employees on 12/31/02	Increased Cost of Longevity on December 2003	Number of NDOT & Central Payroll Employees on 6/30/04	Increased Cost of Longevity on July 2004	Number of NDOT & Central Payroll Employees on 12/31/04	Increased Cost of Longevity on December 2004
17	25	317	7,925	317	7,925	334	8,350
18	50	241	12,050	241	12,050	317	15,850
19	75	167	12,525	167	12,525	241	18,075
20	100	140	14,000	140	14,000	167	16,700
21	125	175	21,875	175	21,875	140	17,500
22	150	196	29,400	196	29,400	175	26,250
23	175	155	27,125	155	27,125	196	34,300
24	225	168	37,800	168	37,800	155	34,875
25	275	127	34,925	127	34,925	168	46,200
26	325	77	25,025	77	25,025	127	41,275
27	375	72	27,000	72	27,000	77	28,875
28	425	56	23,800	56	23,800	72	30,600
29	475	36	17,100	36	17,100	56	26,600
30	525	36	18,900	36	18,900	36	18,900
31	525	25	13,125	25	13,125	36	18,900
32	525	20	10,500	20	10,500	25	13,125
33	525	16	8,400	16	8,400	20	10,500
34	525	6	3,150	6	3,150	16	8,400
35	525	1	525	1	525	6	3,150
36	525	2	1,050	2	1,050	1	525
37	525	2	1,050	2	1,050	2	1,050
38	525	3	1,575	3	1,575	2	1,050
39	525	2	1,050	2	1,050	3	1,575
40	525	0	0	0	0	2	1,050
41	525	0	0	0	0	0	0
42	525	0	0	0	0	0	0
43	525	0	0	0	0	0	0
44	525	1	525	1	525	0	0
45	525	0	0	0	0	1	525
46	525	0	0	0	0	0	0
47	525	0	0	0	0	0	0
48	525	1	525	1	525	0	0
49	525					1	525
Total			350,925		350,925		424,725

Ⓐ = Incremental Increase of +\$25 per year.

Ⓑ = Incremental change = +50 each year.

* assuming a 5% increase, where is this supported?

Years of Service	Number of NDOT & Central Payroll Employees on 12/31/02	Number employees 2001	# Difference	% Difference
17	317	311	6	1.93%
18	241	248	-7	-2.82%
19	167	161	6	3.73%
20	140	194	-54	-27.84%
21	175	219	-44	-20.09%
22	196	187	9	4.81%
23	155	214	-59	-27.57%
24	168	182	-14	-7.69%
25	127	122	5	4.10%
26	77	107	-30	-28.04%
27	72	92	-20	-21.74%
28	56	72	-16	-22.22%
29	36	55	-19	-34.55%
30	36	52	-16	-30.77%
31	25	36	-11	-30.56%
32	20	33	-13	-39.39%
33	16	23	-7	-30.43%
34	6	8	-2	-25.00%
35	1	6	-5	-83.33%
36	2	8	-6	-75.00%
37	2	3	-1	-33.33%
38	3	5	-2	-40.00%
39	2	1	1	100.00%
40	0	1	-1	-100.00%
41	0	0	0	
42	0	2	-2	-100.00%
43	0	0	0	
44	1	1	0	0.00%
45	0	0	0	
46	0	0	0	
47	0	1	-1	-100.00%
48	1	0	1	
49				
Total	2042	2344		

G. 5/6

**CITY and COUNTY GOVERNMENT
LONGEVITY BENEFITS**

Employer*	First Year of Eligibility	Initial Amount Paid	Amount Paid at 10 years	Amount Paid at 25 years	Amount Paid at 25 years (As revised per A.B. 392)
State of Nevada	8	\$150.00	\$250.00	\$1,000.00	\$1,450.00
Carson City	7	\$200.00	\$275.00	\$650.00	\$650.00
Clark County	8	Annual salary x 0.57% x years of service			
City of Elko	9	\$200.00	\$275.00	\$1,400.00	\$1,400.00
Elko County	9	\$200.00	\$275.00	\$1,400.00	\$1,400.00
Las Vegas (1)	7	3% of annual salary	5% of annual salary	10% of annual salary	10% of annual salary
North Las Vegas (2)	7	3.5% of annual salary	5% of annual salary	10% of annual salary	10% of annual salary
Sparks	5	Base pay x 0.5% x years service to maximum set by bargaining contracts to maximum of 10% of base pay. Maximum longevity pay \$2,500.			
Washoe County	5	\$500.00	\$1,000.00	\$2,500.00	\$2,500.00

* Source: Department of Personnel as of FY 2002.

(1) Only employees hired before 9/1/01, or those represented by a bargaining unit are eligible for program.

(2) Only employees hired before 6/30/97, are eligible for program.