

Amendment No. 522

Assembly Amendment to Assembly Bill No. 249 (BDR 23-521)
Proposed by: Assembly Committee on Commerce and Labor
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will ADD an appropriation where one does not currently exist in A.B. 249.

ASSEMBLY ACTION		Initial and Date		SENATE ACTION		Initial and Date			
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of **green bold underlining** is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) **orange double underlining** is deleted language in the original bill proposed to be retained in this amendment.

JWP/MSN



Date: 4/15/2015

A.B. No. 249—Makes various changes relating to collective bargaining.
 (BDR 23-521)



ASSEMBLY BILL NO. 249—ASSEMBLYMEN WHEELER, O’NEILL, DICKMAN, GARDNER, HAMBRICK; DOOLING, ELLISON, HICKEY, SHELTON AND TITUS

MARCH 11, 2015

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes relating to collective bargaining. (BDR 23-521)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact. Effect on the State: No.

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

AN ACT relating to local governments; authorizing the Local Government Employee-Management Relations Board to appoint a Deputy Commissioner; requiring that a copy of a proposed collective bargaining agreement or similar agreement of a local government employer be made available to the public before its approval by the governing body of the local government; revising the process of fact-finding and arbitration following an impasse in bargaining; removing a portion of the budgeted ending fund balance of the general fund of a local government from the scope of collective bargaining and from consideration by a fact finder or arbitrator; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

The Local Government Employee-Management Relations Board administers the provisions governing labor relations between local government employers and employee organizations. (NRS 288.080, 288.110) The Board is authorized by existing law to appoint a Commissioner, who serves in the unclassified service of the State. (NRS 288.090) Section 2.5 of this bill additionally authorizes the Board to appoint a Deputy Commissioner and section 8.5 of this bill makes an appropriation for that purpose.

Existing law provides that any new, extended or modified collective bargaining agreement or similar agreement between a local government employer and an employee organization must be approved at a public hearing by the governing body of the local government. At such a hearing, the chief executive officer of the local government must report on the fiscal impact of the proposed agreement. (NRS 288.153) **Section 4** of this bill requires that a copy of the proposed agreement be posted on the Internet website of the local government or deposited with the county clerk not less than 21 days before the date of such a hearing. In addition, **sections 1 and 4** of this bill require the chief executive officer to report whether the agreement is financially sustainable, meaning that the local government employer has the financial ability to pay compensation or monetary benefits in a given amount during the term of the agreement or for 3 years, whichever is longer, giving consideration to reserved money, nonrecurring revenue or a potential loss of revenue.

If an impasse is reached in collective bargaining negotiations, existing law establishes a process of fact-finding and arbitration. Existing law requires a fact finder to make a

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determination of the financial ability of the local government to grant monetary benefits. After the fact finder makes his or her report, the governing body of the local government employer must meet to consider the fiscal impact of the fact finder’s findings and recommendations, based upon a report from the chief executive officer of the local government. (NRS 288.200) **Section 5** of this bill requires that the fact finder make a determination of the amount of compensation and monetary benefits that is financially sustainable for the local government employer, and that the chief executive officer and governing body also report on and consider whether the fact finder’s findings and recommendations are financially sustainable. **Sections 6 and 7** of this bill make similar changes relating to the process of final and binding arbitration.

Existing law limits the extent to which money in certain governmental funds may be expended by a local government employer pursuant to a collective bargaining agreement or considered by a fact finder or arbitrator in determining the financial ability of the local government employer to pay monetary benefits. (NRS 288.200, 288.215, 288.217, 354.6241) **Sections 3 and 8** of this bill provide that a budgeted ending fund balance for the general fund of a local government of not more than 25 percent of the total budgeted expenditures from the general fund, less capital outlay: (1) is not subject to collective bargaining negotiations; and (2) must not be considered by a fact finder or arbitrator in resolving issues of ability to pay or financial sustainability. **Section 3 further provides that a fact finder or arbitrator may consider certain money previously reserved by a local government employer if the governing body of the local government employer makes a finding that the continued reservation of the money is no longer necessary.**

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

Section 1. Chapter 288 of NRS is hereby amended by adding thereto a new section to read as follows:

“Financially sustainable” means that a local government employer has the financial ability to pay compensation and monetary benefits in a given amount during the term of a collective bargaining agreement or for 3 years, whichever is longer, giving consideration to the limitations set forth in NRS 354.6241, any nonrecurring revenue or potential loss of revenue and the other criteria set forth in NRS 288.200, 288.215 and 288.217, as applicable.

Sec. 2. NRS 288.020 is hereby amended to read as follows:

288.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 288.025 to 288.075, inclusive, *and section 1 of this act* have the meanings ascribed to them in those sections.

Sec. 2.3. **NRS 288.034 is hereby amended to read as follows:**

288.034 “Commissioner” means the Commissioner *or Deputy Commissioner* appointed by the Board.

Sec. 2.5. **NRS 288.090 is hereby amended to read as follows:**

288.090 1. The members of the Board shall annually elect one of their number as Chair and one as Vice Chair. Any two members of the Board constitute a quorum.

2. The Board may, within the limits of legislative appropriations and any other available money:

(a) Appoint a Commissioner, *Deputy Commissioner* and a Secretary, who are in the unclassified service of the State; and

(b) Employ such additional clerical personnel as may be necessary, who are in the classified service of the State.

Sec. 3. NRS 288.150 is hereby amended to read as follows:

288.150 1. Except as provided in subsection 4 ~~†~~ *and NRS 354.6241*, every local government employer shall negotiate in good faith through one or more

1 representatives of its own choosing concerning the mandatory subjects of
2 bargaining set forth in subsection 2 with the designated representatives of the
3 recognized employee organization, if any, for each appropriate bargaining unit
4 among its employees. If either party so requests, agreements reached must be
5 reduced to writing.

6 2. The scope of mandatory bargaining is limited to:

- 7 (a) Salary or wage rates or other forms of direct monetary compensation.
- 8 (b) Sick leave.
- 9 (c) Vacation leave.
- 10 (d) Holidays.
- 11 (e) Other paid or nonpaid leaves of absence.
- 12 (f) Insurance benefits.
- 13 (g) Total hours of work required of an employee on each workday or
14 workweek.
- 15 (h) Total number of days' work required of an employee in a work year.
- 16 (i) Discharge and disciplinary procedures.
- 17 (j) Recognition clause.
- 18 (k) The method used to classify employees in the bargaining unit.
- 19 (l) Deduction of dues for the recognized employee organization.
- 20 (m) Protection of employees in the bargaining unit from discrimination
21 because of participation in recognized employee organizations consistent with the
22 provisions of this chapter.
- 23 (n) No-strike provisions consistent with the provisions of this chapter.
- 24 (o) Grievance and arbitration procedures for resolution of disputes relating to
25 interpretation or application of collective bargaining agreements.
- 26 (p) General savings clauses.
- 27 (q) Duration of collective bargaining agreements.
- 28 (r) Safety of the employee.
- 29 (s) Teacher preparation time.
- 30 (t) Materials and supplies for classrooms.
- 31 (u) The policies for the transfer and reassignment of teachers.
- 32 (v) Procedures for reduction in workforce consistent with the provisions of this
33 chapter.
- 34 (w) Procedures and requirements for the reopening of collective bargaining
35 agreements that exceed 1 year in duration for additional, further, new or
36 supplementary negotiations during periods of fiscal emergency. The requirements
37 for the reopening of a collective bargaining agreement must include, without
38 limitation, measures of revenue shortfalls or reductions relative to economic
39 indicators such as the Consumer Price Index, as agreed upon by both parties.

40 3. Those subject matters which are not within the scope of mandatory
41 bargaining and which are reserved to the local government employer without
42 negotiation include:

43 (a) Except as otherwise provided in paragraph (u) of subsection 2, the right to
44 hire, direct, assign or transfer an employee, but excluding the right to assign or
45 transfer an employee as a form of discipline.

46 (b) The right to reduce in force or lay off any employee because of lack of
47 work or lack of money, subject to paragraph (v) of subsection 2.

48 (c) The right to determine:

- 49 (1) Appropriate staffing levels and work performance standards, except for
50 safety considerations;
- 51 (2) The content of the workday, including without limitation workload
52 factors, except for safety considerations;
- 53 (3) The quality and quantity of services to be offered to the public; and

1 (4) The means and methods of offering those services.

2 (d) Safety of the public.

3 4. Notwithstanding the provisions of any collective bargaining agreement
4 negotiated pursuant to this chapter, a local government employer is entitled to take
5 whatever actions may be necessary to carry out its responsibilities in situations of
6 emergency such as a riot, military action, natural disaster or civil disorder. Those
7 actions may include the suspension of any collective bargaining agreement for the
8 duration of the emergency. Any action taken under the provisions of this subsection
9 must not be construed as a failure to negotiate in good faith.

10 5. The provisions of this chapter, including without limitation the provisions
11 of this section, recognize and declare the ultimate right and responsibility of the
12 local government employer to manage its operation in the most efficient manner
13 consistent with the best interests of all its citizens, its taxpayers and its employees.

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

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

21 **Sec. 4.** NRS 288.153 is hereby amended to read as follows:

22 288.153 1. Any new, extended or modified collective bargaining agreement
23 or similar agreement between a local government employer and an employee
24 organization must be approved by the governing body of the local government
25 employer at a public hearing. ~~††he†~~

26 2. *Not less than 21 days before the date of the hearing, the governing body*
27 *shall cause a copy of the proposed agreement to be posted and made available for*
28 *downloading on the Internet website of the local government or, if the local*
29 *government does not have such a website, deposited with the county clerk of the*
30 *county in which the local government is located. If it is so deposited, the proposed*
31 *agreement is a public record and must be open for public inspection pursuant to*
32 *NRS 239.010.*

33 3. *At the hearing, the* chief executive officer of the local government shall
34 report to *the governing body of* the local government the fiscal impact of the
35 *proposed* agreement ~~††~~ *and whether the proposed agreement is financially*
36 *sustainable.*

37 **Sec. 5.** NRS 288.200 is hereby amended to read as follows:

38 288.200 Except in cases to which NRS 288.205 and 288.215, or NRS 288.217
39 apply:

40 1. If:

41 (a) The parties have failed to reach an agreement after at least six meetings of
42 negotiations; and

43 (b) The parties have participated in mediation and by April 1, have not reached
44 agreement,

45 either party to the dispute, at any time after April 1, may submit the dispute to an
46 impartial fact finder for the findings and recommendations of the fact finder. The
47 findings and recommendations of the fact finder are not binding on the parties
48 except as provided in subsections 5, 6 and 11. The mediator of a dispute may also
49 be chosen by the parties to serve as the fact finder.

50 2. If the parties are unable to agree on an impartial fact finder or a panel of
51 neutral arbitrators within 5 days, either party may request from the American
52 Arbitration Association or the Federal Mediation and Conciliation Service a list of
53 seven potential fact finders. If the parties are unable to agree upon which arbitration

1 service should be used, the Federal Mediation and Conciliation Service must be
2 used. Within 5 days after receiving a list from the applicable arbitration service, the
3 parties shall select their fact finder from this list by alternately striking one name
4 until the name of only one fact finder remains, who will be the fact finder to hear
5 the dispute in question. The employee organization shall strike the first name.

6 3. The local government employer and employee organization each shall pay
7 one-half of the cost of fact-finding. Each party shall pay its own costs of
8 preparation and presentation of its case in fact-finding.

9 4. A schedule of dates and times for the hearing must be established within 10
10 days after the selection of the fact finder pursuant to subsection 2, and the fact
11 finder shall report the findings and recommendations of the fact finder to the parties
12 to the dispute within 30 days after the conclusion of the fact-finding hearing.

13 5. The parties to the dispute may agree, before the submission of the dispute
14 to fact-finding, to make the findings and recommendations on all or any specified
15 issues final and binding on the parties.

16 6. If the parties do not agree on whether to make the findings and
17 recommendations of the fact finder final and binding, either party may request the
18 formation of a panel to determine whether the findings and recommendations of a
19 fact finder on all or any specified issues in a particular dispute which are within the
20 scope of subsection 11 are to be final and binding. The determination must be made
21 upon the concurrence of at least two members of the panel and not later than the
22 date which is 30 days after the date on which the matter is submitted to the panel,
23 unless that date is extended by the Commissioner of the Board. Each panel shall,
24 when making its determination, consider whether the parties have bargained in
25 good faith and whether it believes the parties can resolve any remaining issues. Any
26 panel may also consider the actions taken by the parties in response to any previous
27 fact-finding between these parties, the best interests of the State and all its citizens,
28 the potential fiscal effect both within and outside the political subdivision, and any
29 danger to the safety of the people of the State or a political subdivision.

30 7. Except as otherwise provided in subsection 10, any fact finder, whether the
31 fact finder's recommendations are to be binding or not, shall base such
32 recommendations or award on the following criteria:

33 (a) A preliminary determination must be made as to ~~the~~ :

34 (1) *The financial ability of the local government employer based on all*
35 *existing available revenues as established by the local government employer and*
36 *within the limitations set forth in NRS 354.6241, with due regard for the obligation*
37 *of the local government employer to provide facilities and services guaranteeing the*
38 *health, welfare and safety of the people residing within the political subdivision* ~~;~~
39 *and*

40 (2) *The amount of compensation and monetary benefits that is*
41 *financially sustainable for the local government employer.*

42 ~~;~~ ~~Except as otherwise provided in this paragraph and NRS 354.6241, in~~
43 ~~making those determinations, the fact finder shall not consider any nonrecurring~~
44 ~~revenue or nonrecurring transfer of money or any money reserved by the local~~
45 ~~government employer to pay the current or future costs of health benefits for~~
46 ~~retired employees or workers' compensation benefits. The fact finder may~~
47 ~~consider nonrecurring revenue or a nonrecurring transfer of money in~~
48 ~~determining the ability of the local government employer to make a nonrecurring~~
49 ~~payment of compensation or monetary benefits.~~

50 (b) ~~One~~ If the fact finder ~~has determined~~ determines in accordance with
51 paragraph (a) that there is a current financial ability to grant *compensation and*
52 *monetary benefits* ~~;~~ and ~~subject to the provisions of paragraph (c),~~ *the amount*
53 *of compensation and monetary benefits that is financially sustainable,* the fact

finder shall consider, to the extent appropriate, *the* compensation of other government employees, both in and out of the State and 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 and the fact finder shall consider whether the Board found that either party had bargained in bad faith.

~~[(e) A consideration of funding for the current year being negotiated. If the parties mutually agree to arbitrate a multiyear contract, the fact finder must consider the ability to pay over the life of the contract being negotiated or arbitrated.]~~

↪ The fact finder's report must contain the facts upon which the fact finder *has* based ~~the fact finder's~~ *his or her* determination of financial ability to grant *compensation and* monetary benefits and *the amount of compensation and monetary benefits that is financially sustainable, and* the fact finder's recommendations or award.

8. Within 45 days after the receipt of the report from the fact finder, the governing body of the local government employer shall hold a public meeting in accordance with the provisions of chapter 241 of NRS. The meeting must include a discussion of:

(a) The issues of the parties submitted ~~pursuant to subsection 3;~~ *to the fact finder;*

(b) The report of findings and recommendations of the fact finder; and

(c) The overall fiscal impact of the findings and recommendations ~~and~~ *and whether they are financially sustainable*, which must not include a discussion of the details of the report.

↪ The fact finder must not be asked to discuss the decision during the meeting.

9. The chief executive officer of the local government shall report to the local government the fiscal impact of the findings and recommendations ~~and~~ *and whether they are financially sustainable*. The report must include, without limitation, an analysis of the impact of the findings and recommendations on compensation and reimbursement, funding, benefits, hours, working conditions or other terms and conditions of employment.

10. Any sum of money which is maintained in a fund whose balance is required by law to be:

(a) Used only for a specific purpose other than the payment of compensation to the bargaining unit affected; or

(b) Carried forward to the succeeding fiscal year in any designated amount, to the extent of that amount,

↪ must not be counted in determining the financial ability of a local government employer *or the amount of compensation and monetary benefits that is financially sustainable* and must not be used to pay any *compensation or* monetary benefits recommended or awarded by the fact finder.

11. The issues which may be included in a panel's order pursuant to subsection 6 are:

(a) Those enumerated in subsection 2 of NRS 288.150 as the subjects of mandatory bargaining, unless precluded for that year by an existing collective bargaining agreement between the parties; and

(b) Those which an existing collective bargaining agreement between the parties makes subject to negotiation in that year.

↪ This subsection does not preclude the voluntary submission of other issues by the parties pursuant to subsection 5.

Sec. 6. NRS 288.215 is hereby amended to read as follows:

288.215 1. As used in this section:

1 (a) "Firefighters" means those persons who are salaried *or hourly* employees
2 of a fire prevention or suppression unit organized by a political subdivision of the
3 State and whose principal duties are controlling and extinguishing fires.

4 (b) "Police officers" means those persons who are salaried *or hourly*
5 employees of a police department or other law enforcement agency organized by a
6 political subdivision of the State and whose principal duties are to enforce the law.

7 2. The provisions of this section apply only to firefighters and police officers
8 and their local government employers.

9 3. If the parties have not agreed to make the findings and recommendations of
10 the fact finder final and binding upon all issues, and do not otherwise resolve their
11 dispute, they shall, within 10 days after the fact finder's report is submitted, submit
12 the issues remaining in dispute to an arbitrator who must be selected in the manner
13 provided in NRS 288.200 and have the same powers provided for fact finders in
14 NRS 288.210.

15 4. The arbitrator shall, within 10 days after the arbitrator is selected, and after
16 7 days' written notice is given to the parties, hold a hearing to receive information
17 concerning the dispute. The hearings must be held in the county in which the local
18 government employer is located and the arbitrator shall arrange for a full and
19 complete record of the hearings.

20 5. At the hearing, or at any subsequent time to which the hearing may be
21 adjourned, information may be presented by:

22 (a) The parties to the dispute; or

23 (b) Any interested person.

24 6. The parties to the dispute shall each pay one-half of the costs incurred by
25 the arbitrator.

26 7. A determination ~~of the~~ *must be made as to:*

27 (a) *The financial ability of ~~the~~ the local government employer ~~must be~~ based*
28 ~~on ~~the~~~~

29 ~~—(a) All~~ *all* existing available revenues as established by the local government
30 employer and within the limitations set forth in NRS 354.6241, with due regard for
31 the obligation of the local government employer to provide facilities and services
32 guaranteeing the health, welfare and safety of the people residing within the
33 political subdivision ~~the~~; *and*

34 (b) ~~Consideration of funding for the current year being negotiated. If the~~
35 ~~parties mutually agree to arbitrate a multi-year contract the arbitrator must consider~~
36 ~~the ability to pay over the life of the contract being negotiated or arbitrated.~~

37 ~~Onee~~ *The amount of compensation and monetary benefits that is financially*
38 *sustainable for the local government employer.*

39 ~~the~~ *Except as otherwise provided in this paragraph and NRS 354.6241, in*
40 *making those determinations, the arbitrator shall not consider any nonrecurring*
41 *revenue or nonrecurring transfer of money or any money reserved by the local*
42 *government employer to pay the current or future costs of health benefits for*
43 *retired employees or workers' compensation benefits. The arbitrator may*
44 *consider nonrecurring revenue or a nonrecurring transfer of money in*
45 *determining the ability of the local government employer to make a nonrecurring*
46 *payment of compensation or monetary benefits.*

47 8. If the arbitrator ~~has determined~~ *determines* in accordance with ~~this~~
48 subsection 7 that there is a current financial ability to grant *compensation and*
49 *monetary benefits ~~the~~ and the amount of compensation and monetary benefits that*
50 *is financially sustainable*, the arbitrator shall consider, to the extent appropriate,
51 *the* compensation of other governmental employees, both in and out of this State.

52 ~~the~~ 9. At the recommendation of the arbitrator, the parties may, before the
53 submission of a final offer, enter into negotiations. If the negotiations are begun, the

1 arbitrator may adjourn the hearings for a period of 3 weeks. An agreement by the
 2 parties is final and binding, and upon notification to the arbitrator, the arbitration
 3 terminates.

4 ~~9-1~~ 10. If the parties do not enter into negotiations or do not agree within 30
 5 days, each of the parties shall submit a single written statement containing its final
 6 offer for each of the unresolved issues.

7 ~~10-1~~ 11. The arbitrator shall, within 10 days after the final offers are
 8 submitted, accept one of the written statements, on the basis of the criteria provided
 9 in NRS 288.200 ~~11~~ and this section, and shall report the decision to the parties. The
 10 decision of the arbitrator is final and binding on the parties. Any award of the
 11 arbitrator is retroactive to the expiration date of the last contract.

12 ~~11-1~~ 12. The decision of the arbitrator must include a statement:

13 (a) Giving the arbitrator's reason for accepting the final offer that is the basis
 14 of the arbitrator's award; and

15 (b) Specifying the arbitrator's estimate of the total cost of the award.

16 ~~12-1~~ 13. Within 45 days after the receipt of the decision from the arbitrator
 17 pursuant to subsection ~~10-1~~ 11, the governing body of the local government
 18 employer shall hold a public meeting in accordance with the provisions of chapter
 19 241 of NRS. The meeting must include a discussion of:

20 (a) The issues submitted pursuant to subsection 3;

21 (b) The statement of the arbitrator pursuant to subsection ~~11-1~~ 12; and

22 (c) The overall fiscal impact of the decision ~~11~~ and whether it is financially
 23 *sustainable*, which must not include a discussion of the details of the decision.

24 ~~13~~ The arbitrator must not be asked to discuss the decision during the meeting.

25 ~~13-1~~ 14. The chief executive officer of the local government shall report to
 26 the local government the fiscal impact of the decision ~~11~~ and whether it is
 27 *financially sustainable*. The report must include, without limitation, an analysis of
 28 the impact of the decision on compensation and reimbursement, funding, benefits,
 29 hours, working conditions or other terms and conditions of employment.

30 **Sec. 7.** NRS 288.217 is hereby amended to read as follows:

31 288.217 1. The provisions of this section govern negotiations between
 32 school districts and employee organizations representing teachers and educational
 33 support personnel.

34 2. If the parties to a negotiation pursuant to this section have failed to reach an
 35 agreement after at least four sessions of negotiation, either party may declare the
 36 negotiations to be at an impasse and, after 5 days' written notice is given to the
 37 other party, submit the issues remaining in dispute to an arbitrator. The arbitrator
 38 must be selected in the manner provided in subsection 2 of NRS 288.200 and has
 39 the powers provided for fact finders in NRS 288.210.

40 3. The arbitrator shall, within 30 days after the arbitrator is selected, and after
 41 7 days' written notice is given to the parties, hold a hearing to receive information
 42 concerning the dispute. The hearing must be held in the county in which the school
 43 district is located and the arbitrator shall arrange for a full and complete record of
 44 the hearing.

45 4. The parties to the dispute shall each pay one-half of the costs of the
 46 arbitration.

47 5. A determination ~~of the~~ *must be made as to:*

48 (a) The financial ability of ~~the~~ the school district ~~to be~~ based on ~~the~~
 49 ~~(a) All~~ all existing available revenues as established by the school district and
 50 within the limitations set forth in NRS 354.6241, with due regard for the obligation
 51 of the school district to provide an education to the children residing within the
 52 district ~~11~~; and

1 (b) ~~Consideration of funding for the current year being negotiated. If the~~
 2 ~~parties mutually agree to arbitrate a multi-year contract the arbitrator must consider~~
 3 ~~the ability to pay over the life of the contract being negotiated or arbitrated.~~

4 ~~Onee~~ *The amount of compensation and monetary benefits that is financially*
 5 *sustainable for the school district.*

6 ~~But~~ *Except as otherwise provided in this paragraph and NRS 354.6241, in*
 7 *making those determinations, the arbitrator shall not consider any nonrecurring*
 8 *revenue or nonrecurring transfer of money or any other money reserved by the*
 9 *school district to pay the current or future costs of health benefits for retired*
 10 *employees or workers' compensation benefits. The arbitrator may consider*
 11 *nonrecurring revenue or a nonrecurring transfer of money in determining the*
 12 *ability of the local government employer to make a nonrecurring payment of*
 13 *compensation or monetary benefits.*

14 6. If the arbitrator ~~has determined~~ *determines* in accordance with ~~this~~
 15 subsection 5 that there is a current financial ability to grant *compensation and*
 16 *monetary benefits* ~~and the amount of compensation and monetary benefits that~~
 17 *is financially sustainable*, the arbitrator shall consider, to the extent appropriate,
 18 *the* compensation of other governmental employees, both in and out of this State.

19 ~~6~~ 7. At the recommendation of the arbitrator, the parties may, before the
 20 submission of a final offer, enter into negotiations. If the negotiations are begun, the
 21 arbitrator may adjourn the hearing for a period of 3 weeks. If an agreement is
 22 reached, it must be submitted to the arbitrator, who shall certify it as final and
 23 binding.

24 ~~7~~ 8. If the parties do not enter into negotiations or do not agree within 30
 25 days after the hearing held pursuant to subsection 3, each of the parties shall submit
 26 a single written statement containing its final offer for each of the unresolved
 27 issues.

28 ~~8~~ 9. The arbitrator shall, within 10 days after the final offers are submitted,
 29 render a decision on the basis of the criteria set forth in NRS 288.200 ~~and this~~
 30 *section*. The arbitrator shall accept one of the written statements and shall report the
 31 decision to the parties. The decision of the arbitrator is final and binding on the
 32 parties. Any award of the arbitrator is retroactive to the expiration date of the last
 33 contract between the parties.

34 ~~9~~ 10. The decision of the arbitrator must include a statement:

35 (a) Giving the arbitrator's reason for accepting the final offer that is the basis
 36 of the arbitrator's award; and

37 (b) Specifying the arbitrator's estimate of the total cost of the award.

38 ~~10~~ 11. Within 45 days after the receipt of the decision from the arbitrator,
 39 the board of trustees of the school district shall hold a public meeting in accordance
 40 with the provisions of chapter 241 of NRS. The meeting must include a discussion
 41 of:

42 (a) The issues submitted pursuant to subsection 2;

43 (b) The statement of the arbitrator pursuant to subsection ~~9~~ 10; and

44 (c) The overall fiscal impact of the decision *and whether it is financially*
 45 *sustainable*, which must not include a discussion of the details of the decision.

46 ~~The~~ The arbitrator must not be asked to discuss the decision during the meeting.

47 ~~11~~ 12. The superintendent of the school district shall report to the board of
 48 trustees the fiscal impact of the decision ~~and whether it is financially~~
 49 *sustainable*. The report must include, without limitation, an analysis of the impact
 50 of the decision on compensation and reimbursement, funding, benefits, hours,
 51 working conditions or other terms and conditions of employment.

52 ~~12~~ 13. As used in this section:

1 (a) "Educational support personnel" means all classified employees of a school
2 district, other than teachers, who are represented by an employee organization.

3 (b) "Teacher" means an employee of a school district who is licensed to teach
4 in this State and who is represented by an employee organization.

5 **Sec. 8.** NRS 354.6241 is hereby amended to read as follows:

6 354.6241 1. The statement required by paragraph (a) of subsection 5 of
7 NRS 354.624 must indicate for each fund set forth in that paragraph:

8 (a) Whether the fund is being used in accordance with the provisions of this
9 chapter.

10 (b) Whether the fund is being administered in accordance with generally
11 accepted accounting procedures.

12 (c) Whether the reserve in the fund is limited to an amount that is reasonable
13 and necessary to carry out the purposes of the fund.

14 (d) The sources of revenues available for the fund during the fiscal year,
15 including transfers from any other funds.

16 (e) The statutory and regulatory requirements applicable to the fund.

17 (f) The balance and retained earnings of the fund.

18 2. Except as otherwise provided in NRS ~~288.200, 288.215, 288.217,~~
19 354.59891 and 354.613, to the extent that the reserve in any fund set forth in
20 paragraph (a) of subsection 5 of NRS 354.624 exceeds the amount that is
21 reasonable and necessary to carry out the purposes for which the fund was created,
22 the reserve may be expended by the local government pursuant to the provisions of
23 chapter 288 of NRS.

24 3. *For the purposes of chapter 288 of NRS ~~1-1~~:*

25 *(a) A budgeted ending fund balance for the general fund of a local*
26 *government of not more than 25 percent of the total budgeted expenditures from*
27 *the general fund, less any capital outlay:*

28 ~~(1)~~ *(1) Is not subject to negotiations with an employee organization; and*

29 ~~(2)~~ *(2) Must not be considered by a fact finder or arbitrator in determining*
30 *the financial ability of the local government to pay compensation or monetary*
31 *benefits or the amount of compensation and monetary benefits that is financially*
32 *sustainable.*

33 *(b) If and to the extent that the governing body of a local government*
34 *employer makes a finding that the continued reservation of money previously*
35 *reserved by the local government employer to pay the current or future costs of*
36 *health benefits for retired employees or workers' compensation benefits is no*
37 *longer necessary, the money may be considered by a fact finder or arbitrator in*
38 *determining the financial ability of the local government employer to pay*
39 *compensation or monetary benefits or the amount of compensation and monetary*
40 *benefits that is financially sustainable.*

41 4. *As used in this section:*

42 (a) "Employee organization" has the meaning ascribed to it in NRS 288.040.

43 (b) "Financially sustainable" has the meaning ascribed to it in section 1 of
44 this act.

45 **Sec. 8.5.** *1. There is hereby appropriated from the State General Fund*
46 *to the Local Government Employee-Management Relations Board the sum of*
47 *\$300,000 for the purpose of employing a Deputy Commissioner pursuant to*
48 *NRS 288.090, as amended by section 2.5 of this act.*

49 *2. Any remaining balance of the appropriation made by subsection 1*
50 *must not be committed for expenditure after June 30, 2017, by the entity to*
51 *which the appropriation is made or any entity to which money from the*
52 *appropriation is granted or otherwise transferred in any manner, and any*
53 *portion of the appropriated money remaining must not be spent for any*

1 purpose after September 15, 2017, by either the entity to which the money was
2 appropriated or the entity to which the money was subsequently granted or
3 transferred, and must be reverted to the State General Fund on or before
4 September 15, 2017.

5 Sec. 9. 1. This section and sections 1, 2 and 3 to 8, inclusive, of this act
6 becomes become effective upon passage and approval.

7 2. Sections 2.3, 2.5 and 8.5 of this act become effective on July 1, 2015.