
SENATE BILL NO. 214—COMMITTEE ON EDUCATION

(ON BEHALF OF THE COMMITTEE TO CONDUCT
A STUDY CONCERNING THE COST AND
AFFORDABILITY OF HIGHER EDUCATION)

FEBRUARY 18, 2019

Referred to Committee on Education

SUMMARY—Authorizes the Nevada System of Higher Education to create a faculty compensation system that includes regular in-rank salary increases. (BDR 34-382)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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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 education; encouraging the Board of Regents of the University of Nevada to establish a comprehensive system for the compensation of the unclassified employees of the Nevada System of Higher Education that contains certain provisions; encouraging the Board to evaluate factors relating to compensation of unclassified employees of the System and make recommendations to the Legislature; requiring the Board to annually report certain information to the Interim Finance Committee if it creates such a comprehensive system for the compensation of the unclassified employees of the System; requiring the Interim Finance Committee to make certain determinations regarding such a comprehensive system for the compensation of the unclassified employees of the System; providing for the separate transmission of certain budgetary information relating to such a comprehensive system for the compensation of the unclassified employees of the System in certain circumstances; and providing other matters properly relating thereto.



Legislative Counsel's Digest:

1 Existing law generally provides that the officers and members of the teaching
 2 staff of the Nevada System of Higher Education are in the unclassified service of
 3 the State. (NRS 284.140) Existing law authorizes the Board of Regents of the
 4 University of Nevada to fix the salaries of the academic staff of the System. (NRS
 5 396.280) **Section 1** of this bill encourages the Board of Regents to adopt
 6 regulations that establish a comprehensive system for the compensation of the
 7 unclassified employees of the System which addresses a variety of factors relating
 8 to employment, classification and compensation. **Section 1** encourages the Board
 9 of Regents to include in the comprehensive system a system to annually increase
 10 the salary of unclassified employees who meet or exceed standards of performance
 11 while remaining in the same rank or grade. **Section 1** also encourages the Board of
 12 Regents to study and make recommendations to each regular session of the
 13 Legislature concerning the compensation of unclassified employees of the System.

14 Existing law generally requires all departments, institutions and other agencies
 15 of the Executive Department of the State Government to submit budgetary
 16 information to the Chief of the Budget Division of the Office of Finance for the
 17 purpose of preparing the executive budget. (NRS 353.210) Existing law authorizes
 18 the Legislative Department and the Judicial Department of the State Government
 19 and the Public Employees' Retirement System and the Tahoe Regional Planning
 20 Agency to submit their budgets directly to the Legislature. (NRS 353.246) If the
 21 Board of Regents establishes such a comprehensive system for the compensation of
 22 the unclassified employees of the System, **section 1**: (1) requires the Board of
 23 Regents to annually submit to the Interim Finance Committee a report regarding the
 24 comprehensive system; and (2) requires the Interim Finance Committee to
 25 determine whether the comprehensive system satisfies certain criteria and, if so,
 26 certify the budget for the system to annually increase the salary of unclassified
 27 employees who meet or exceed standards of performance while remaining in the
 28 same rank or grade to be submitted separately to the Legislature. If the
 29 comprehensive system is certified by the Interim Finance Committee: (1) **section 2**
 30 of this bill requires the Nevada System of Higher Education to submit the budget
 31 for its system of in-rank salary increases to the Chief of the Budget Division and
 32 the Fiscal Analysis Division of the Legislative Counsel Bureau on or before
 33 September 1 of each even-numbered year; and (2) **section 3** of this bill generally
 34 exempts the Nevada System of Higher Education from the requirements of the
 35 State Budget Act for the purpose of submitting the budget for its system of in-rank
 36 salary increases to the Legislature.

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

1 **Section 1.** Chapter 396 of NRS is hereby amended by adding
 2 thereto a new section to read as follows:

3 *1. The Legislature hereby encourages the Board of Regents*
 4 *to:*

5 *(a) Adopt regulations that establish a comprehensive system*
 6 *for the compensation of the unclassified employees of the System,*
 7 *including, without limitation, the academic staff of the System,*
 8 *which address a variety of factors relating to employment,*
 9 *classification and compensation, including, without limitation,*
 10 *establishing:*



- 1 (1) *A consistent system of titles for positions;*
2 (2) *A uniform system of ranks or grades within each*
3 *position;*
4 (3) *A range of minimum and maximum salaries for each*
5 *rank or grade and for each position or group of positions;*
6 (4) *A system for increases in salary by promotion between*
7 *ranks or grades;*
8 (5) *A method to adjust salaries to account for changes in*
9 *the cost of living due to inflation; and*
10 (6) *A system to annually increase the salary of each*
11 *unclassified employee who meets or exceeds an established*
12 *standard of performance while remaining in the same rank or*
13 *grade. Such a system must:*
14 (I) *Contain criteria for the establishment of minimum*
15 *standards of performance for the award of an increase in salary*
16 *and for determining whether an unclassified employee has met or*
17 *exceeded such standards;*
18 (II) *Allow for the award of an increase in salary of*
19 *different amounts to each unclassified employee based on the job*
20 *experience, professional credentials and evaluation of the*
21 *performance of the unclassified employee; and*
22 (III) *Establish a method for determining the amount of*
23 *each award of an increase in salary to an unclassified employee.*
24 (b) *Make recommendations to each regular session of the*
25 *Legislature concerning the funding and amounts of salaries of,*
26 *and awards of an increase in salary pursuant to subparagraph (6)*
27 *of paragraph (a) to, unclassified employees of the System to*
28 *ensure that the System is able to recruit and retain a well-qualified*
29 *and effective academic staff. In making such recommendations,*
30 *the Board of Regents is encouraged to consider:*
31 (1) *Surveys of salaries for comparable jobs in both public*
32 *and private institutions of higher learning in the United States and*
33 *in both public and private employment outside of higher*
34 *education;*
35 (2) *Changes in the cost of living;*
36 (3) *The rate of turnover in, and the difficulty of recruitment*
37 *for, particular positions or groups of positions; and*
38 (4) *The differences in compensation necessary to maintain*
39 *an equitable relationship between and within ranks or grades of*
40 *similar positions.*
41 2. *If the Board of Regents adopts regulations to establish a*
42 *comprehensive system for the compensation of unclassified*
43 *employees of the System pursuant to paragraph (a) of subsection*
44 *1, the Board of Regents shall submit a report regarding the*
45 *comprehensive system for compensation to the Interim Finance*



1 *Committee on or before July 1 of each year. Such a report must*
2 *include sufficient information for the Interim Finance Committee*
3 *to evaluate the effectiveness of the comprehensive system for*
4 *compensation and to ensure that no waste, fraud or abuse is*
5 *occurring within the comprehensive system. The Board of Regents*
6 *may satisfy the requirements of this subsection by providing, for*
7 *each unclassified employee of the System and for both the current*
8 *fiscal year and the immediately preceding fiscal year, the*
9 *following information in a manner that does not personally*
10 *identify any unclassified employee:*

11 *(a) A tracking number for the unclassified employee;*

12 *(b) The institution that employs the unclassified employee;*

13 *(c) The name of the college, division or other similar unit in*
14 *which the unclassified employee is employed;*

15 *(d) The position and grade or rank of the unclassified*
16 *employee;*

17 *(e) Whether the unclassified employee is employed full-time*
18 *and, if not, for what fraction of a full-time equivalent the*
19 *unclassified employee is employed;*

20 *(f) The annual salary of the unclassified employee and the*
21 *amount of that salary which is supported by state appropriations;*

22 *(g) The total compensation received by the unclassified*
23 *employee and the amount of that compensation which is supported*
24 *by state appropriations; and*

25 *(h) Any award of an increase in salary received by the*
26 *unclassified employee pursuant to subparagraph (6) of paragraph*
27 *(a) of subsection 1.*

28 *3. If the Board of Regents adopts regulations to establish a*
29 *comprehensive system for the compensation of unclassified*
30 *employees of the System pursuant to paragraph (a) of subsection 1*
31 *and submits to the Interim Finance Committee the reports*
32 *required by subsection 2, the Interim Finance Committee shall, on*
33 *or before August 15 of each even-numbered year, review the*
34 *reports submitted pursuant to subsection 2 for that year and the*
35 *immediately preceding year and determine whether:*

36 *(a) The comprehensive system for the compensation of*
37 *unclassified employees of the System satisfies the criteria*
38 *established by paragraph (a) of subsection 1;*

39 *(b) The compensation provided by the comprehensive system,*
40 *including, without limitation, the system to annually increase the*
41 *salary of unclassified employees pursuant to subparagraph (6) of*
42 *paragraph (a) of subsection 1, is adequate, reasonable and free*
43 *from waste, fraud or abuse;*



1 (c) *The Board of Regents has made reasonable efforts to*
2 *provide recommendations to the Legislature pursuant to*
3 *paragraph (b) of subsection 1; and*

4 (d) *The reports provided by the Board of Regents pursuant to*
5 *subsection 2 were complete, accurate and sufficient for the*
6 *Interim Finance Committee to evaluate the comprehensive system*
7 *for the compensation of unclassified employees of the System.*

8 4. *If the Interim Finance Committee determines that*
9 *paragraphs (a) to (d), inclusive, of subsection 3 are satisfied, the*
10 *Interim Finance Committee shall certify that the budget for the*
11 *system to annually increase the salary of unclassified employees*
12 *pursuant to subparagraph (6) of paragraph (a) of subsection 1 of*
13 *the comprehensive system for the compensation of unclassified*
14 *employees of the System qualifies to be submitted separately to the*
15 *Legislature and exempted from the provisions of NRS 353.150 to*
16 *353.245, inclusive, pursuant to NRS 353.246.*

17 **Sec. 2.** NRS 353.210 is hereby amended to read as follows:

18 353.210 1. Except as otherwise provided in subsections 6 and
19 7, on or before September 1 of each even-numbered year, all
20 departments, institutions and other agencies of the Executive
21 Department of the State Government, and all agencies of the
22 Executive Department of the State Government receiving state
23 money, fees or other money under the authority of the State,
24 including those operating on money designated for specific purposes
25 by the Nevada Constitution or otherwise, shall prepare, on blanks
26 furnished them by the Chief, and submit to the Chief:

27 (a) The number of full-time equivalent positions within the
28 department, institution or agency.

29 (b) The number of full-time equivalent positions within the
30 department, institution or agency that have been vacant for at least
31 12 months, the number of months each such position has been
32 vacant and the reasons for each such vacancy.

33 (c) Any existing contracts for services the department,
34 institution or agency has with temporary employment services or
35 other persons, the proposed expenditures for such contracts in the
36 next 2 fiscal years and the reasons for the use of such services. If
37 such contracts include any privatization contracts, a copy of each of
38 those privatization contracts together with:

39 (1) A statement specifying the duration of the privatization
40 contracts;

41 (2) The number of privatization contracts proposed for the
42 next 2 fiscal years and the estimated expenditures for the
43 privatization contracts; and

44 (3) An analysis of each of the privatization contracts, which
45 includes, without limitation:



1 (I) For the preceding, current and next fiscal years, the
2 annual amount required to perform each of the privatization
3 contracts; and

4 (II) For the preceding and current fiscal years, the number
5 of persons the department, institution or agency employed pursuant
6 to the privatization contracts, reflected as the equivalent full-time
7 position if the persons were regularly employed by the department,
8 institution or agency, including the equivalent hourly wage and the
9 cost of benefits for each job classification.

10 (d) Estimates of expenditure requirements of the department,
11 institution or agency, together with all anticipated income from fees
12 and all other sources, for the next 2 fiscal years compared with the
13 corresponding figures of the last completed fiscal year and the
14 estimated figures for the current fiscal year.

15 2. The Chief shall direct that one copy of the forms submitted
16 pursuant to subsection 1, accompanied by every supporting schedule
17 and any other related material, be delivered directly to the Fiscal
18 Analysis Division of the Legislative Counsel Bureau on or before
19 September 1 of each even-numbered year.

20 3. The Budget Division of the Office of Finance shall give
21 advance notice to the Fiscal Analysis Division of the Legislative
22 Counsel Bureau of any conference between the Budget Division of
23 the Office of Finance and personnel of other state agencies
24 regarding budget estimates. A Fiscal Analyst of the Legislative
25 Counsel Bureau or his or her designated representative may attend
26 any such conference.

27 4. The estimates of expenditure requirements submitted
28 pursuant to subsection 1 must be classified to set forth the data
29 of funds, organizational units, and the character and objects of
30 expenditures by program or budgetary account and by category of
31 expense, and must include a mission statement and measurement
32 indicators in adequate detail to comply with the requirements of
33 subparagraph (3) of paragraph (b) of subsection 1 of NRS 353.205.
34 The organizational units may be subclassified by functions and by
35 agencies, bureaus or commissions, or in any other manner at the
36 discretion of the Chief.

37 5. If any department, institution or other agency of the
38 Executive Department of the State Government, whether its money
39 is derived from state money or from other money collected under
40 the authority of the State, fails or neglects to submit estimates of its
41 expenditure requirements as provided in this section, the Chief may,
42 from any data at hand in the Chief's office or which the Chief may
43 examine or obtain elsewhere, make and enter a proposed budget for
44 the department, institution or agency in accordance with the data.



6. Agencies, bureaus, commissions and officers of the Legislative Department, the Public Employees' Retirement System and the Judicial Department of the State Government shall submit to the Chief for his or her information in preparing the proposed executive budget the budgets which they propose to submit to the Legislature.

7. On or before September 1 of each even-numbered year, the Tahoe Regional Planning Agency shall submit the budget which the Agency proposes to submit to the Legislature *and, if its comprehensive system for the compensation of unclassified employees is certified by the Interim Finance Committee pursuant to subsection 4 of section 1 of this act, the Nevada System of Higher Education shall submit the budget for its system of in-rank salary increases which the System proposed to submit to the Legislature* to:

(a) The Chief for his or her information in preparing the proposed executive budget.

(b) The Fiscal Analysis Division of the Legislative Counsel Bureau.

8. The information provided by a department, institution or agency pursuant to paragraph (c) of subsection 1 is a public record and must be open to public inspection.

9. As used in this section ~~[, "privatization"]~~:

(a) "**Privatization** contract" means a contract executed by or on behalf of a department, institution or agency which authorizes a private entity to provide public services which are:

~~[(a)]~~ (1) Substantially similar to the services performed by the public employees of the department, institution or agency; and

~~[(b)]~~ (2) In lieu of the services otherwise authorized or required to be provided by the department, institution or agency.

(b) "*System of in-rank salary increases*" means the system to annually increase the salary of unclassified employees of the Nevada System of Higher Education adopted by the System pursuant to subparagraph (6) of paragraph (a) of subsection 1 of section 1 of this act.

Sec. 3. NRS 353.246 is hereby amended to read as follows:

353.246 1. Except as otherwise provided in subsection 2 of this section and subsections 6 and 7 of NRS 353.210, the provisions of NRS 353.150 to 353.245, inclusive, do not apply to agencies, bureaus, commissions and officers of the Legislative Department, the Public Employees' Retirement System, the Judicial Department of the State Government and the Tahoe Regional Planning Agency ~~[]~~ *and, if its comprehensive system for the compensation of unclassified employees is certified by the Interim Finance Committee pursuant to subsection 4 of section 1 of this act, to the*



1 *Nevada System of Higher Education for the purpose of submitting*
2 *the budget for its system of in-rank salary increases.*

3 2. The Legislative Department, the Public Employees'
4 Retirement System, the Judicial Department of the State
5 Government and the Tahoe Regional Planning Agency shall submit
6 their budgets , *and, if applicable, the Nevada System of Higher*
7 *Education shall submit the budget for its system of in-rank salary*
8 *increases*, to the Legislature in the same format as the proposed
9 executive budget unless otherwise provided by the Legislative
10 Commission. All projections of revenue and any other information
11 concerning future state revenue contained in those budgets must be
12 based upon the projections and estimates prepared by the Economic
13 Forum pursuant to NRS 353.228.

14 3. *As used in this section, "system of in-rank salary*
15 *increases" means the system to annually increase the salary of*
16 *unclassified employees of the Nevada System of Higher Education*
17 *adopted by the System pursuant to subparagraph (6) of paragraph*
18 *(a) of subsection 1 of section 1 of this act.*

19 **Sec. 4.** This act becomes effective on July 1, 2019.

