

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eighty-second Session
March 22, 2023**

The Senate Committee on Finance was called to order by Chair Marilyn Dondero Loop at 6:10 p.m. on Wednesday, March 22, 2023, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator Nicole J. Cannizzaro, Vice Chair
Senator Dallas Harris
Senator Dina Neal
Senator Rochelle T. Nguyen
Senator Pete Goicoechea
Senator Heidi Seevers Gansert
Senator Robin L. Titus

STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Cathy Crocket, Chief Principal Deputy Fiscal Analyst
Paul Breen, Committee Assistant
Joko Cailles, Committee Secretary
Helen Wood, Committee Secretary

OTHERS PRESENT:

Ben Kieckhefer, Chief of Staff, Office of the Governor
Amy Stephenson, Director, Office of Finance, Office of the Governor
Dale Erquiaga, Acting Chancellor, Nevada System of Higher Education
Cisco Aguilar, Secretary of State
Brady Easterling, American Federation of State, County and Municipal Employees
Richard Zemke

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Paul Moradkhan, Las Vegas Chamber of Commerce
Lauri Brown
Carl Lackey
Blaine Harper
Janell Woodward
John Warren
Gloria Sharlein
Eric Marchand
Larry Coffee
Terri Laird, Retired Public Employees of Nevada
Deborah Hinds
Jean Lampson
Lorayn Walser
Abrieann Garcia
Kevin Seipp
Unidentified Testifier
Amanda Hunt
Jaqueline Martin-Ramirez
Leticia Zuniga
Saralinda Kiser
Destiny Long
Vanessa Luis
Daniel Smith
Felicia Boney
Kent Ervin, Nevada Faculty Alliance
Ian M. Hartshorn
Lisa Thomas
Tracy Sherman, Chair, Faculty Senate, Nevada System of Higher Education
Doug Unger, Nevada Faculty Alliance

CHAIR DONDERO LOOP:

We will start with Assembly Bill (A.B.) 268.

BEN KIECKHEFER (Chief of Staff, Office of the Governor):

During the Governor's State of the State, Governor Joe Lombardo made a commitment to doing better by State employees. Assembly Bill 268 is the first measure to make good on this promise.

ASSEMBLY BILL 268 (1st Reprint): Makes appropriations for the payment of retention incentives to certain employees of the State Government. (BDR S-1037)

Governor Lombardo proposed a retention incentive payment of \$2,000 per year for State employees in appreciation for their work during the pandemic and as incentive to continue working as State employees. The retention incentive payment is to show we value our workers and want them to stay with us.

We prioritized these retention incentive payments as a component of our one-time cash on hand. This appropriation is out of the current fiscal year (FY) 2022-2023, as proposed in the budget for the next biennium, as well as an acceleration of those payments into the current fiscal year.

Section 1 of A.B. 268 appropriates \$20,970,000 out of the State General Fund to provide two retention incentive payments to State employees in quarterly installments. Employees qualify for retention incentive payments if they are working at the end of March for the third quarter and on June 16, 2023, for the fourth quarter. Retention incentive payments will be incorporated into regularly scheduled paychecks through the State personnel system and incorporated into biweekly paychecks for State employees.

All employees would receive retention incentive payments regardless of their salary, which provides an enhanced benefit to those employees at the lower end of our salary schedules. The average wage for the 16,597 State employees is \$29.62 per hour. It equates to an annual 3.2 percent retention incentive payment. More than 5,000 of those employees earn less than \$50,000 a year. For employees making less than \$50,000, it would be a minimum of 4 percent retention incentive payment. These retention incentive payments are consequential when compounded with the proposed cost of living adjustment (COLA) of 8 percent and 4 percent over the next biennium in the Executive Budget.

Vacancies in State positions were the most significant concern voiced to us by department heads. According to the March 3, 2023, Statewide Vacancy Report, Nevada has a 21 percent vacancy rate. This retention incentive payment is an effort to ensure we do not lose more valuable State employees and are able to hire more to fill the vacancy rate as we move into the next biennium.

SENATOR TITUS:

I have received text messages, emails, and phone calls regarding this bill and how it was amended and passed in the Assembly Ways and Means Committee. Now, I am looking at the proposed amendment presented by the Nevada Faculty Alliance (NFA). What is the background on the bill and the proposed amendment, and how did we get another amendment that puts the Nevada System of Higher Education (NSHE) back in?

MR. KIECKHEFER:

We originally submitted A.B. 268's budget to include all Executive Branch State employees as well as State-funded positions in NSHE classified staff and professional faculty. When we presented A.B. 268 to the Assembly, there was disagreement over the calculation methodology, including whether the budget was sufficient to cover the full gamut of employees.

There was a lot back and forth over who is, and who is not, included. Our intent was to include NSHE professional faculty, but they were carved out in the Assembly Committee on Ways and Means amendment that was attached to the bill and is now included in the first reprint. The NFA amendment adds NSHE professional faculty back in.

Some staff would be in; others would be out based on salary bands. I need to work with our personnel system to see if we can implement that solution. I do not know if it would be easy to add the incentive to everybody except a certain group of staff within our system.

Our original intent was to include professional faculty who were carved out based on variants and interpretation of positions, versus full time equivalents, versus the vacancy rate that was applied when calculating the budget. We have no objection to including professional faculty back in the bill.

SENATOR CANNIZZARO:

How much budget was originally allocated from the Governor's Office for retention incentive payments that would apply for the remainder of this fiscal year? What would it cost to include all employees?

MR. KIECKHEFER:

The original bill included \$23 million. The Assembly Amendment No. 4 to A.B. 268 ([Exhibit C](#)) reduced it to the number that is now in the bill.

We included \$20 million in the one-shot appropriation. We added in \$3 million to accommodate payroll taxes that were inadvertently omitted.

FY 2023 One-Shot: This request funds a retention bonus of \$1,000 for current state employees in FY23.

Governor's Finance Office-Special Appropriation (BUDGET OVERVIEW-21)

AMY STEPHENSON (Director, Office of Finance, Office of the Governor):

When the Executive Budget came over, we submitted the \$20 million one-shot appropriation based on the number of employees. The original bill included only Executive Branch, NSHE staff and professional State-supported staff and was based on the numbers we pulled at that moment in time. After talking to our payroll department, we added in payroll taxes of 1.45 percent, which added \$3 million. In the Assembly, we worked with staff to come up to the numbers we have now. We would need to calculate what it would cost to add the professionals back in.

SENATOR CANNIZZARO:

I see \$20 million for Executive staff plus \$3 million for taxes that includes NSHE professional staff. The calculations we have before us are a little more than \$20 million. Where is the money to pay for the additional staff? The amendment from NFA, which you stated you are not averse to, includes staff within NSHE who would be subject to receiving this bonus at 95 percent of the Governor's salary. This amendment includes \$3 million to cover a small portion of professional staff.

How, with \$20 million in a one-shot appropriation, can we include all professional staff plus all Executive Branch staff? I understand there is an additional requirement for the Legislative Branch and obviously for Nevada Public Employees' Retirement System (PERS), but those are very small amounts. If we are talking about including all NSHE professional staff, or even part of that, the 95 percent of the Governor's salary is more than \$3 million. Where is the money included that covers all those key professionals?

MR. KIECKHEFER:

Our original calculation included 28,000 employees. It incorporated a vacancy rate of 20 percent, which is 22,400 total personnel. We multiplied 22,400 personnel by \$1,000 for the 2 retention incentive payments, which is

\$22,400,000. When you incorporate the 1.45 percent tax, that comes to \$22,750,000. We rounded that up to \$23 million to be safe.

One of the changes in Assembly Amendment No. 4 to A.B. 268, Exhibit C, adjusted the vacancy factor from 20 percent to 10 percent. Adjusting down to 10 percent adjusted the total appropriation needed to meet the personnel number.

SENATOR CANNIZZARO:

The number of personnel multiplied by the retention incentive payment gets us to \$20 million, but this bill is a little more than \$23 million. In earlier testimony, you said \$3 million was added to the \$20 million one-shot appropriation to pay for payroll taxes. That number was closer to \$23 million to begin with. Am I misunderstanding something?

MR. KIECKHEFER:

We believe it was \$23 million to begin with. That included professional employees and NSHE.

SENATOR CANNIZZARO:

The one-shot appropriation was for \$20 million to cover employees plus \$3 million for payroll taxes. Is it \$23 million to cover all employees plus payroll taxes or \$20 million in a one-shot appropriation?

MR. KIECKHEFER:

We budgeted \$20 million in the one-shot appropriation in the Executive Budget. That \$20 million one-shot appropriation is \$3 million short of what is needed to fund this bill. That is why we added the \$3 million one-shot appropriation.

SENATOR CANNIZZARO:

There does not seem to be enough budget to cover the employee populations we are talking about. You mentioned differences in calculations, but I am struggling with where the money is to cover additional employees because it does not seem to exist in the one-shot appropriation.

MR. KIECKHEFER:

We budgeted \$20 million in the one-shot appropriation sent over as a part of the Executive Budget. It was probably \$3 million light for what was necessary to fund this bill. We added the \$3 million to the total appropriation request which

is \$3 million more than what was in the bill. It is \$3 million light. We believe the revenue is there to cover that. We would not be appropriating money we do not have if you pass A.B. 268.

SENATOR CANNIZZARO:

The \$23 million covers all employees, not \$20 million for the employees and \$3 million for taxes, but you testified \$3 million was needed to cover payroll taxes. It is still \$20 million to cover all these employees, which is where I am struggling. Assembly Bill 268 only has a little more than \$20 million. Is the \$3 million to help pay the retention incentive payments or is it \$3 million to cover the costs for the payroll taxes?

MR. KIECKHEFER:

The \$3 million was added in the original draft of A.B. 268 to cover the payroll taxes.

CHAIR DONDERO LOOP:

If you have 28,000 employees' times a \$1,000 retention incentive payment, that is not \$20 million.

MR. KIECKHEFER:

We subtracted out \$5,600,000, which is 20 percent of the total appropriation to cover the vacancy rate. We are not going to appropriate money for employees who do not exist.

SENATOR SEEVERS GANSERT:

If you have 28,000 people and a 20 percent vacancy rate, 80 percent of that is 22,400 people. Factoring in the \$1,000 retention incentive payment, the raw number is \$22,400,000. Do you need \$22,400,000 plus another \$3 million to cover taxes?

MR. KIECKHEFER:

I stand corrected. I was off slightly in terms of the \$3 million in stating that it covered both the taxes and a full accounting of the need to cover the State employees. When you incorporate the payroll tax amount, it gets you to \$22,750,000.

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SENATOR SEEVERS GANSERT:

Do we agree that \$20,400,000 covers the \$1,000 incentive retention payment and payroll taxes are another \$3 million?

MR. KIECKHEFER:

No, payroll taxes are not another \$3 million.

SENATOR SEEVERS GANSERT:

You have the taxes down as \$35,000. That does not sound right. Is there a digit missing?

MS. STEPHENSON:

Payroll taxes at 1.45 percent are \$324,800.

SENATOR SEEVERS GANSERT:

You need \$22,750,000. That makes sense because you do not pay taxes like a normal employer because we do not have social security.

CHAIR DONDERO LOOP:

Mr. Kieckhefer, please repeat those numbers.

MR. KIECKHEFER:

We budgeted 28,000 employees from the Executive Branch that includes State employees and NSHE classified employees and State funded professional employees. We factored in a 20 percent vacancy rate. That equals 22,400 employees at a \$1,000 incentive retention payment for the remaining 2 quarters of this fiscal year. That equals \$22,400,000 multiplied by 1.45 percent payroll tax. The final number is \$22,750,000. We rounded that number up to \$23,000,000, which is the number in the bill.

SENATOR SEEVERS GANSERT:

Are the retention incentive payments eligible for PERS benefits?

MR. KIECKHEFER:

No, they are not. I also want to point out PERS was in the original A.B. 268 draft. It is not calculated in the first reprint.

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SENATOR SEEVERS GANSERT:

Roughly \$22,750,000 included all employees, but the draft A.B. 268 excludes some nonclassified employees. The amended bill before us was amended and removes nonclassified staff at NSHE. We also have an NFA amendment before us. I have received a lot of inquiries on differentiating between different members of the same institutions.

SENATOR GOICOECHEA:

The number is \$20,970,000 in the bill we are hearing. Clearly, that is incorrect.

MR. KIECKHEFER:

Assembly Bill 268 includes the \$20,970,000 but does not include the 4,100 professional employees at NSHE. It also uses a different vacancy rate factor to calculate the dollar figure as it was calculated by the Legislative Counsel Bureau (LCB). The two differences are the exemption of the professional employees and the decrease in vacancy factor from 20 percent to 10 percent.

SENATOR GOICOECHEA:

As I look at the proposed conceptual amendment offered, there is nearly a \$4 million difference. I know it is not fair to ask you to address the conceptual amendment.

MR. KIECKHEFER:

I do not have the amendment in front of me.

SENATOR GOICOECHEA:

We will wait until we get to that point, but at this point, the \$20,970,000 is accurate.

MR. KIECKHEFER:

It is accurate from what I understand for what is in the bill. If our intent is to include professional faculty of NSHE, it would be insufficient to cover those employees.

SENATOR GOICOECHEA:

Is that your intent?

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MR. KIECKHEFER:

That was the intent in the original bill.

SENATOR GOICOECHEA:

We need to adjust the numbers.

SENATOR NGUYEN:

Was \$22,750,000 the original amount requested?

MR. KIECKHEFER:

We submitted in the Executive Budget a \$20 million one-shot appropriation. When we recognized we needed to increase the appropriation to cover all employees we intended to include, we increased it to a \$23 million appropriation in the bill itself, So when you say original, I want to make sure I am clear we put \$20 million in the budget as a one-shot appropriation, and we requested \$23 million in the legislation.

SENATOR NGUYEN:

Was the \$20 million one-shot intended to cover all employees, including professionals who are no longer included?

MR. KIECKHEFER:

When we submitted A.B. 268, it was sufficient to cover professional employees. As we refined it, we wanted to make sure we requested enough money. We increased it by \$3 million in the legislation that was then amended down as a part of the amendment processed in the Assembly.

SENATOR NGUYEN:

Was that because they were trying to stay within the \$20 million one-shot appropriation that was a part of the original request?

MR. KIECKHEFER:

They did not state their intent as to whether it was a financial or policy decision.

SENATOR NGUYEN:

If we are looking at the Proposed Conceptual Amendment to Section 1 of A.B. 268 dated 03/22/2023 ([Exhibit D](#)) presented by the NFA, they have

a different number, which is \$24,816,000. Under your calculations, it should be \$23 million to cover everything. Their math is wrong, or your math is wrong.

MR. KIECKHEFER:

We are calculating different things. The NFA tried to salary-band those eligible for the retention incentive payments based on capping it at 95 percent of the Governor's salary. There would be some employees in the Executive Branch, physicians and others, who would be outside of that. We are calculating different numbers.

SENATOR CANNIZZARO:

Assembly Amendment No. 4 to A.B. 268, [Exhibit C](#), adopted in the Assembly, removes staff and drops the number from \$23 million to \$20,970,000. The \$23 million includes professional staff at NSHE. I understand this amendment is not yours and you are calculating different numbers, but I think there seems to be an issue with what the \$23 million covers. Even without all of the professional staff, it is still over \$3 million additional to include just a portion of NSHE's professional staff. It does not seem \$23 million will cover all of that.

Assembly Amendment No. 4 to A.B. 268, [Exhibit C](#), also includes things like the Legislature staff and PERS staff. Those are both in different sections of this bill and not part of the \$20 million. It also includes Judicial staff. There is not enough money, even in the original version of the bill, to cover all those professional staff, even based on what is being submitted.

MR. KIECKHEFER:

We are all struggling with understanding what assumptions have been built into three different entities' calculations of what the number should be. I do not know how the NFA calculated its numbers, whether they included a vacancy rate or how they determined employees who were above the 95 percent cap. My information from the system was that roughly 4,100 professionals were cut out of the original bill when the amendment was adopted. There were additional groups of State employees added back into the bill.

Three or four different people are doing the math. It is no big surprise there is disagreement. I cannot speak to how either Legislative Counsel Bureau or the NFA calculated their financials.

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SENATOR CANNIZZARO:

My understanding is that your office agreed to this amendment.

MR. KIECKHEFER:

We received a mockup amendment. We are working on a deadline to get the retention incentive payment to State employees. The mockup amendment included support to the Executive Branch and State employees. Through the give and take of the legislative process, we decided to accept the Assembly amendment as presented, knowing it carved out people we intended to include.

SENATOR CANNIZZARO:

This seems to be a numbers issue. There is not enough money in the \$23 million. I understand the NFA is working on different numbers. There is always work between LCB, Fiscal staff and Governor's Finance Office to come up with costs so we can budget appropriately. That process happens in every budget that is submitted in the Executive Budget. It happens in every bill that has an appropriation attached to it. It is not a unique process.

Nevada Faculty Alliance may have different numbers based on their vacancy factor, but it feels like we are not operating in the same ballpark, if they are coming up with a small percentage of qualified professional staff, and there is an even bigger number from you.

We received Assembly Amendment No. 4 to A.B. 268, Exhibit C, from the Assembly that was agreed to but now is not what we wanted. It is very hard to figure out the actual number. How much will this cost? What is the intent when putting forth a one-shot appropriation and saying, "This is what we believe is going to cover everything"?

If we are going to approve bills like this, we must be able to have a valid number to approve. It seems there was not enough money in the original bill. The numbers do not add up and it feels off.

MR. KIECKHEFER:

I do not think we are that far off, or that the addition of NSHE professional employees is insignificant. Assembly Bill 268 includes the majority of NSHE professionals according to information presented by them a couple of days ago. If we were to look at what is being proposed for NSHE, the

amendments that were incorporated in the Assembly that added additional people to the mix, then we are probably not as far off as we think. If we all sat down in a room, we could probably hash out the numbers quickly.

SENATOR CANNIZZARO:

When we are budgeting, we must be able to say this is how much money it is, and this is what we can afford. It is important to have accurate numbers, and these numbers must be verifiable. Our back and forth is not meant and should not be taken as an affront to the hardworking NSHE professionals at every level and every institution here in the State.

MR. KIECKHEFER:

The desire to take care of State employees is a shared priority of the Governor and the Legislature. We would be more than happy to sit down with NSHE and your Fiscal staff and come to numbers we can all agree on.

SENATOR TITUS:

When you sit down and work out the exact numbers, be sure to include both classified and unclassified NSHE staff.

DALE ERQUIAGA (Acting Chancellor, Nevada System of Higher Education):

The vacancy rate of 15 percent across my institution is slightly less than the State's vacancy rate. That is still a big hole. I have other means of filling that rate with part-time staff. My staff hired by Letters of Appointment and part-time staff are not being discussed today. We are only talking about full-time staff in this bill. That was made clear by the Governor and the Assembly.

We have watched and had conversations with leadership and Committee chairs about this math. I got to the \$23 million counting the vacancy rate in a different way than the Assembly. That probably would have covered faculty and classified staff.

The NFA amendment is not the NSHE amendment. Nevada Faculty Alliance used an idea that we had advanced to the chair about capping it, but we did not bring you an amendment because I did not want to have this math conversation you are going through. My commitment to the Chair was that I would not do that but would come here proud that my classified staff is included in this bill. We would have the math conversation later.

There are 7,778 professional employees in our payroll system and 4,161 of them are State supported. We have self-supporting funds, grant funds, gift funds and non-State dollars that fund others.

State law provides an exemption for NSHE employees from the requirement that no State employee can make more than the Governor's salary. That does not include medical professionals and dental professionals, your staff, NSHE employees and my employees. We are aware certain NSHE employees make a lot more than 95 percent of the Governor's salary. In my system, it is anybody who makes more than \$161,559.

There are about 300 of us at NSHE who make more than \$161,559. A little over 3,800 of my employees are paid equivalent to what State employees make. Those are the people we would like to receive the retention bonus payment. I do not know if those people were in the original bill. We will need to work out that number.

My number does not include a vacancy rate. It is a real number. If that number is too big, we can slice it a different way. There are 3,000 people in my system who make about \$90,000 or less. It is a \$3 million figure. I do not want to leave out the additional employees who make between \$90,000 and \$161,000. They work just as hard. I recognize they make more than many Nevadans and I understand the math around here. I know how this building runs on dollars.

Those are my real numbers. I will make NSHE Chief Financial Officer Andrew Clinger available to you. My employees deserve this just as every other State worker. I am asking you to cover the State people. To make this easy, you could add a section to A.B. 268, as done for the Judicial Branch, that says \$3 million or \$4 million is given to NSHE. I will work out the math and pay the tax. You could treat this appropriation the way the Legislative and Judicial appropriations were treated.

SENATOR SEEVERS GANSERT:

If you were allocated a lump sum and did not use all of it based on the criteria they have to be full-time and State funded, then would the money you did not use revert?

MR. ERQUIAGA:

Yes.

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SENATOR SEEVERS GANSERT:

The criteria is very specific. The reversion date in A.B. 268 is September 20, 2023. Will unused money go back into the pool?

MR. ERQUIAGA:

Yes.

SENATOR NGUYEN:

What is the total number of NSHE professional staff?

MR. ERQUIAGA:

There are 7,778 full-time professional staff in the NSHE system. That includes 4,161 State supported positions. It does not include staff paid by non-State dollars.

SENATOR NGUYEN:

You indicated your intention was to include all those people. Was your intention at the time you submitted the initial \$20 million one-shot appropriation to include all 7,800 employees, or was that the pared down number minus the vacancy rate?

MR. ERQUIAGA:

It was the State-supported number of 4,161 added to the classified employees. I did not give you those numbers because those were already in A.B. 268. There are 1,700 classified employees on State-supported dollars in my system. There are another 300 or 400 who are probably on non-State dollars, which we will cover. Those 1,700 are in this bill, but the 4,161 were taken out because of the math in the Assembly.

CISCO AGUILAR (Secretary of State):

I am speaking in favor of A.B. 268. Our offices only work because of the people in them. The ability for State workers to adequately serve Nevada is only because of our incredibly hardworking staff. Like many other agencies, the Secretary of State's office is critically understaffed, even though our office is one of the highest revenue generators to the General Fund. We still cannot pay employees the wages they deserve. Assembly Bill 268 would be an amazing gesture to employees who have stuck with us through thick and thin.

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BRADY EASTERLING (American Federation of State, County and Municipal Employees):

I am with the American Federation of State, County and Municipal Employees (AFSCME). We support A.B. 268. We appreciate and support these efforts to fill critical vacancies and show State workers they are valued.

RICHARD ZEMKE:

I am a State employee of 13 years. I came to Nevada during hard times and furloughs. I knew we had to make a lot of sacrifices. I was willing to make that sacrifice, as was my family. After 13 years, I am at a better spot, and I work to encourage people I meet to work for the State. It is a rewarding career; however, a lot of people told me they can make more money at Starbucks. It hits your heart when you put your heart out there for the State. Thank you for getting this to the table. Whatever you can do with the math, that is great. I appreciate whatever you can do to make the decision not so divisive so we can all feel proud.

PAUL MORADKHAN (Las Vegas Chamber of Commerce):

I am with the Las Vegas Chamber of Commerce. The Chamber supports A.B. 268. We appreciate the Governor for bringing this bill forward. We recognize the workforce challenges the State faces in today's labor market and the need to support our workforce with these retention incentive payments.

LAURI BROWN:

I work in Elko at the Nevada Youth Training Center, in maintenance, and I support A.B. 268.

CARL LACKEY:

I am a game biologist with the Nevada Department of Wildlife. I have been around long enough to remember the longevity pay benefits that were taken away several years ago. Those benefits helped bridge the gap in pay between State employees and the private sector. The retention bonuses proposed in A.B. 268 will go a long way in showing State workers they are valued, the same way the longevity pay benefits used to.

BLAINE HARPER:

I am a staff research associate in the NSHE system and a member of the AFSCME Local 4041. I support A.B. 268. These bonuses will go a long way to

show State workers we are appreciated for the work we do to make our community stronger.

JANELL WOODWARD:

I am a proud member of AFSCME Local 4041. I work for the Nevada Office of the Military, Division of Emergency Management, as the State hazard mitigation officer. We are working the flood disaster from the recent storms and have been working many long hours. I spent the last week and a half looking for two State employee civil engineers to go out to our local communities with us to perform preliminary damage assessment. I was unable to find anyone who was not already busy. I finally found one person on Monday morning about an hour before we left. We found the second person Tuesday, about 30 minutes before we left. This is an example of the shortage of employees in the State system that is so important.

I wholeheartedly support A.B. 268. These two additional \$500 retention bonuses would go a long way to make State employees feel valued and want to remain employees serving the people of Nevada.

JOHN WARREN:

I work at the Nevada State Library and Archives. I am with the AFSCME Local 4041, and I support A.B. 268. Nevada faces an enormous understaffing crisis, especially in our area. These bonuses will go a long way to show State workers we are appreciated for the work we do to make our community stronger.

GLORIA SHARLEIN:

I am a mathematician with NSHE Administrative Faculty. All employees need every raise and incentive. In June 2022, my colleagues asked me to write about my personal situation and how State employees do not make enough money to fully support our families. I had to go to the food banks to provide meals for my daughter. Cost for rent, utilities and gas went up in the last year. I had to ask that my daughter's sports fees be waived. I pay out of pocket for some of my medical expenses because our insurance does not cover everything. Nothing was ever said to me, even though I shared my personal hardships that many of us are facing. In December my family blessingly was sponsored by Catholic Charities so my daughter could have Christmas presents.

Today, I was shocked to read that NSHE employees were left out of the incentives. Just as easy as you took NSHE employees off, you can put NSHE employees back. You cannot have classified NSHE employees wait any longer. The national average for my position is at least \$20,000 more and 100 percent remote. Each staff turnover we have costs about \$5,000. We will have more than a 20 percent vacancy if we do not see increases for classified and NSHE employees.

ERIC MARCHAND:

I teach at the College of Engineering at University of Nevada, Reno (UNR) where I have been an employee for about 23 years. I serve as Faculty Senate Chair representing the academic and administrative faculty on campus. I am providing testimony as a citizen and not offering a perspective as a UNR or NSHE employee, although it is in line with what Acting Chancellor Erquiaga has already presented.

As a faculty member, I teach undergraduate and graduate classes. The COVID-19 pandemic was very challenging and we are still working through trying to get on the right track. I conduct externally funded research where I support graduate students, undergraduate students and research funding to the university that comes from non-State dollars. I work on outreach in Nevada to support higher education. I have observed firsthand the challenges higher education employees like me face.

We were excited to hear Governor Lombardo's recommendations in the State of the State. We have heard about the potential restoration of the 12 percent budget cuts, COLAs of 8 percent and 4 percent, deferred maintenance funding to NSHE, \$5 million to reevaluate the funding formula and the quarterly bonuses.

The focus on higher education and other State priorities was heartening. My colleagues and I were disappointed to find that NSHE had been carved out of A.B. 268. The fact that our nonclassified employees were included was a good thing. They deserve it, as do all State employees. I call on members of the Senate Finance Committee to propose appropriate amendments that include NSHE professional staff. It is the right thing to do for equity and to set an example that the higher education employees are as valued as other State employees.

LARRY COFFEE:

I work for the Nevada Department of Employment, Training and Rehabilitation, Bureau of Vocational Rehabilitation with the Nevada Bureau of Services to Persons who are Blind and Visually Impaired. I am an orientation and mobility instructor, teaching our blind clients how to use the mobility cane and how to get around independently. I am a proud member of AFSCME Local 4041. I support A.B. 268.

Our Agency has been hit extremely hard with vacancies. There are only two orientation and mobility instructors in the State. I am responsible for covering the southern half of Nevada. We have felt the lack of staff, and we are just starting to get some of the vacancies filled. As we face these understaffing crises, these bonuses would go a long way in showing us we are appreciated for the work we do and the difference we make in building and making our community stronger.

TERRI LAIRD (Retired Public Employees of Nevada):

I am the executive director for Retired Public Employees of Nevada, a nonprofit nonpartisan organization with nearly 8,000 dues paying members and 17 chapters Statewide. Of those, 2,000 are active employees. We support A.B. 268. It should include all qualified State employees.

DEBORAH HINDS:

I work for the Department of Health and Human Services, Division of Public and Behavioral Health within adult mental health and am a proud member of AFSCME Local 4041. I am starting my 17th year with the same agency. I loved the campus at the start. We had such a vivacious staff, but we are suffering because we served as vital support during the lockdown for agencies such as Nevada Division of Welfare and Supportive Services during the lockdown and the Department of Corrections. Without us giving the help that our public so deserves, we cannot keep them safe.

We have been understaffed and are falling ill. We need the support of A.B. 268 to bring up our morale and feel that we are worthwhile. The retention pay will help lessen the economic pressures the pandemic caused.

JEAN LAMPSON:

I am an administrative assistant at Truckee Meadows Community College. I support A.B. 268. These bonuses would go a long way. Our morale is very

low. It is hard to feel like we are appreciated, and it would be wonderful if the members of the Senate Finance Committee would support this.

LORAYN WALSER:

I am a management analyst and have worked for the State for 21 years. I am a member of AFSCME Local 4041 and a supporter of A.B. 268. My 13-person agency has three vacancies and has not filled the position of supervisor for the past five months. I have had to take over many of those duties without any corresponding increase in pay. I am not the only employee faced with this situation, so I am supporting the passage of A.B. 268. It is a great way for the State to show appreciation for the loyalty of its workers in our service to Nevadans. I would appreciate your support for A.B. 268.

ABRIEANN GARCIA:

I am a State worker in Las Vegas and support A.B. 268. I believe all State employees should be included, not only the union members.

KEVIN SEIPP:

I am the Great Basin College Faculty Chair and electrical technology professor. The faculty and classified staff of Great Basin College in Elko support A.B. 268 and urge this body to support an amendment to include all employees on the State-supported side.

UNIDENTIFIED TESTIFIER:

I support A.B. 268. Nevada is facing a tremendous understaffing crisis. I do not know of one agency that has not been negatively impacted by the staffing shortage. The staffing shortage means we are not able to serve the community. I encourage this Committee to fully fund and make this happen for State of Nevada employees so not only do we feel appreciated, but we can put money back into the very communities we live in. Too many of us are living paycheck to paycheck.

AMANDA HUNT:

I am a rehabilitation technician with Nevada Department of Employment, Training and Rehabilitation. I have been with the State about a year. I am also a member of the AFSCME Local 4041. I support A.B. 268. The State of Nevada faces an understaffing crisis. These bonuses would go a long way to show State workers we are appreciated. We hire qualified rehabilitation counselors

and the next month they are gone. There is a trend of people coming and going because they are not being paid enough.

JAQUELINE MARTIN-RAMIREZ:

I am a five-year employee with the Nevada Department of Health and Human Services working in child support. I support A.B. 268. Our county, one of the largest in Nevada, is extremely understaffed. Our vacancy rate has skyrocketed, and we currently have up to eight open positions with no end in sight of being able to keep people in these positions. I would really appreciate it if the Senate Committee on Finance would approve A.B. 268.

LETICIA ZUNIGA:

I am a nurse coordinator with the Nevada Department of Health and Human Services, Division of Health Care Financing and Policy in Las Vegas. I have worked for the State for 21 years. I support A.B. 268. This would really help with paying the bills, but more than that, it would increase the morale of nurses working for the State and other State workers. Nurses come to work for the State and then quickly go to the private sector, the federal government or the county when they realize that they can get paid higher wages. I want to feel appreciated and valued as a State worker and I appreciate the Governor and all of you making this happen.

SARALINDA KISER:

I am a senior lecturer at UNR. I have taught at UNR for 25 years. This year we lost two members of our department to out-of-State jobs. It will be difficult to replace them because it is expensive to live in Reno. I wholeheartedly support A.B. 268 and sincerely hope you will be able to include NSHE professional workers in this bill, as many of us are living paycheck to paycheck or hold more than one job. We serve a vital function in educating our populace for a vibrant future for Nevada.

DESTINY LONG:

I support A.B. 268. This bill would go a long way in making workers feel appreciated and incentivize new workers.

VANESSA LUIS:

I am with the Nevada Department of Health and Human Services, Division of Health Care Financing and Policy in the Las Vegas office. I am a proud member

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of AFSCME Local 4041. I support A.B. 268. I would like to thank you for your time, and I hope you are able to help us in supporting and passing this bill.

DANIEL SMITH:

I am an administrative faculty member at UNR. I support A.B. 268. I am disappointed with removal of professional staff from this bill. I started at UNR seven years ago and in the last three years, have seen my department cut in half. My coworkers left for higher paying jobs in the private sector. I love my job, but my workload continues to increase. With inflation considerations, I now make \$200 less a month than when I started. This bill is a great way to show that the sacrifices State workers make are appreciated and understood, but it is vital all State employees are recognized under this bill. Thank you so much for your time and consideration and passing A.B. 268 with all State employees included.

FELICIA BONEY:

I am an internal job developer with the Nevada Department of Employment, Training and Rehabilitation Vocational Rehabilitation Division in Las Vegas. I have been with the State of Nevada for eight years. I support A.B. 268.

State workers show up every day, rain, sleet or snow, and commit the utmost customer service for our clients. It is hard to do when we are not even able to live paycheck to paycheck. In recent times, I have considered getting a second job, but that takes away from my family. This pay increase and what the government and our Legislature is trying to do is imperative to not only secure but retain good valuable State workers and improve morale throughout the State.

I love what I do, but I also love being able to provide for my family. This is a very important time for us as State workers. We need to be able to retain a certain level of integrity and get people with the same to work for the State by compensating them financially.

KENT ERVIN (Nevada Faculty Alliance):

Nevada Faculty Alliance enthusiastically supports the retention bonuses for classified colleagues and our friends at AFSCME, but A.B. 268 in its current form is unequitable for NSHE professional staff. We oppose this bill because of our understanding of Committee protocol to ask for a change to the bill.

I appreciate the discussion and hope you all can get in the room, reach an agreement and get out your calculators.

It was arbitrary to remove NSHE professionals while retaining bonuses for professional employees and other State agencies. Removing NSHE professionals made our members feel like second class State employees. Retention issues at NSHE are dire as evidenced by our overall turnover rate of 14 percent last year. Bonuses would really help.

I do not think our testimony will be much different than what you heard in support of this bill. People look up NSHE salaries and see the coaches and surgeons' salaries that are part of the medical school practice plans. Much of that money does not come from the State. People are misled into believing high salaries are the norm at NSHE.

The NFA's opposition testimony to [A.B. 268](#) as amended to exclude NSHE professional staff is shown in ([Exhibit E](#)). The first chart on page 2 shows NSHE employee salaries ranging from \$30,000 to \$200,000. The vertical axis is the number of employees that ranges from 0 to 1,600. The yellow bar is classified employees. The median salary is around \$50,000. The blue bar is our rank-and-file professional employees. I want to point out that in the \$40,000 to \$60,000 range, there are just as many professional employees as classified employees. The red bar is our executive and clinical employees who make \$200,000 or more.

The second chart on page 2 of [Exhibit E](#) shows our State professional employees' salaries, including NSHE, many of whom are not State funded. They are professional employees and include advisers, instructional technology people, library services, student services, program managers, as well as academic faculty. Many of the early career and community college faculty are in the \$50,000 to \$120,000 salary range.

We know there are some highly paid people at NSHE and the chancellor and president who do not need a \$500 retention bonus. Our amendment adds back NSHE professionals on State funding who make less than 95 percent of the Governor's salary. Please fix [A.B. 268](#).

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IAN M. HARTSHORN:

I am a faculty member at UNR and a member of NFA speaking on my own behalf. I urge the Committee to vote no on A.B. 268 as written. State workers desperately need support in the face of the rising cost of living. This bill supports nearly all State workers except faculty. Misperceptions of faculty abound.

Faculty are not the highly paid administrators many of you regularly interact with, such as our presidents, provosts and deans. Nor are they the regents with whom some of the Legislature have political grievances. Faculty are the lecturers teaching right now at this hour, English, civics and accounting at night classes in our community colleges and universities for \$30,000 and \$40,000 a year.

As a program director, I cannot find teachers for my department's vital classes and programs. We are hemorrhaging teachers across the system and not just those with short contracts, but permanent faculty like me. If the wages do not push us out, the sense that excluding us from consideration as a bipartisan effort will.

We are the professional staff, faculty and frontline workers who taught throughout the pandemic. We were State employees when the furloughs hit. We should be State employees when retention bonuses come. Please vote no on this version of the bill. Please amend it to include all State workers.

LISA THOMAS:

I am a faculty member at UNR School of Nursing. I am speaking as a private citizen. I have been at UNR for 18 years in my current role. Everybody I know wholeheartedly supports the intent of A.B. 268. I oppose this bill because of the provision that removes professional staff and faculty from the bonus.

It seems there is a perception that faculty make a lot of money. According to *Transparent Nevada*, of the 5,000 faculty listed, less than 500 of them make more than \$100,000. Of the 500 who make more than \$100,000, most are in the School of Medicine or have dean, director or full professor in their title, which means they have been at the school for at least 15 years.

The reason I continue to work at UNR is that I love what I do. I love teaching. I know I could make more money somewhere else. My youngest daughter, who

works at Renown, is an associate-degree prepared nurse and makes \$75,000 a year. University of Nevada, Reno hires masters-prepared faculty at \$74,000 a year.

I want to address salary overtime. I really appreciate the comment that we were State workers when we had furloughs. We are still State workers. I want to take it back a little bit further, back to when all the bodies are buried in the 2009 financial crisis.

From 2009 to 2014, all faculty within NSHE took between 6 and 12 days of furlough and some took salary cuts. For those of us who stayed with the University, that has impacted our salary even going forward. The cost of living is up over the past 10 years. The latest numbers are about 39 percent, but our salaries have remained flat. I encourage you to please pass the original version of A.B. 268 and reject the amendment that was adopted by the Assembly.

TRACY SHERMAN (Chair, Faculty Senate, Nevada System of Higher Education):
I am the Faculty Senate Chair at the College of Southern Nevada. I have been with the NSHE for 25 years. I support everything about A.B. 268 except the NSHE carve out.

Thank you very much for recognizing our hardworking, classified staff. They are amazing. Eliminating professional staff does not make us feel valued. The system of higher education is the economic engine of Nevada. We can solve nearly all the State's problems but only if we can recruit and retain the best possible employees. We respectfully ask that our professional staff not be left out of any retention incentive payments.

DOUG UNGER (Nevada Faculty Alliance):
The NFA must oppose this bill and suggest an amendment to A.B. 268 to restore Nevada faculty and professional employees in higher education. Our salaries are 16 to 21 percent below national averages. With inflation calculated in, salaries are even more out of kilter with national averages. We have a 14 to 15 percent turnover rate, which is twice what it was seven years ago, and it is getting worse.

The NFA survey, which had a 40 percent response rate, showed that more than half of our faculty are thinking of leaving because of low salaries. That was a shock to me, and it should be a shock to our administrators and to this

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Legislature. Retention bonuses will help our turnover rate, especially our junior faculty and administrative faculty, if they can be restored with an amendment. The math is close.

Thank you for looking at the NFA amendment, which we think is quite fair. I hope you all can get together and amend A.B. 268 which, unfortunately, we must oppose. We support these retention bonuses for all State employees and hope we can be included.

Remainder of page intentionally left blank; signature page to follow.

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CHAIR DONDERO LOOP:

Seeing no further public comment, this meeting is adjourned at 7:52 p.m.

RESPECTFULLY SUBMITTED:

Helen Wood,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
A.B. 268	C	4	2023 Session (82nd) / Amendment No. 4	Assembly Amendment No. 4 to <u>A.B. 268</u>
A.B. 268	D	10	NFA / Proposed Conceptual Amendment	Proposed Conceptual Amendment to Section 1 of <u>A.B. 268</u>
A.B. 268	E	23	Kent Ervin / Nevada Faculty Alliance	Opposition to <u>A.B. 268</u> as amended to exclude NSHE professional staff