

ASSEMBLY BILL NO. 467—COMMITTEE  
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE SUNSET SUBCOMMITTEE  
OF THE LEGISLATIVE COMMISSION)

MARCH 27, 2017

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the Personnel Commission in the Division of Human Resource Management of the Department of Administration and the Merit Award Program. (BDR 23-551)

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 state employees; requiring the Governor to appoint alternate members to the Personnel Commission in the Division of Human Resource Management of the Department of Administration; revising the requirements for establishing a quorum of the Commission; revising provisions governing the Merit Award Program; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law provides for the appointment of five members to the Personnel  
2 Commission in the Division of Human Resource Management of the Department of  
3 Administration and establishes that three members of the Commission constitute a  
4 quorum. Existing law further authorizes a quorum to exercise any power conferred  
5 on the Commission other than adopting, amending or rescinding regulations of the  
6 Commission which requires a majority vote of the entire Commission. (NRS  
7 284.030, 284.055) **Sections 1 and 2** of this bill: (1) require the Governor to appoint  
8 five alternate members to the Commission; (2) revise the quorum requirements of  
9 the Commission; and (3) provide that a majority vote of the five members of the  
10 Commission is required for any action by the Commission.

11 The Merit Award Program is established under existing law to provide awards  
12 to state employees who propose suggestions which would reduce or eliminate state  
13 expenditures or improve the operation of the State Government. (NRS 285.030,  
14 285.060) The Program is administered by the Merit Award Board.



15 Under existing law, the Merit Award Board is authorized, within the limits of  
16 legislative appropriations, to expend a maximum of \$1,000 for expenses relating to  
17 the operation of the Board. (NRS 285.030) **Section 4** of this bill deletes those  
18 provisions regarding the maximum amount authorized for such expenditures.  
19 Existing law enumerates the criteria for an employee suggestion to be eligible for  
20 an award from the Merit Award Program and includes, as part of the criteria, the  
21 requirement that the suggestion is not under active consideration by the state  
22 agency affected. (NRS 285.050) **Section 5** of this bill amends the criteria for  
23 eligibility for such an award to require that the suggestion has not been previously  
24 considered by the state agency affected.

25 Existing law requires the Secretary of the Board to refer the employee  
26 suggestion to the head of the state agency or agencies affected, or his or her  
27 designee, for consideration. Existing law further: (1) requires the head of the state  
28 agency, or his or her designee, to report his or her findings and recommendations  
29 concerning the employee suggestion to the Board within 30 days after the referral;  
30 and (2) sets forth the required contents of the report. (NRS 285.060) **Section 6** of  
31 this bill: (1) requires the head of the state agency, or his or her designee, to report  
32 recommendations concerning the employee suggestion only if applicable rather  
33 than requiring such recommendations for each employee suggestion that was  
34 referred; (2) provides that the Board may extend the 30-day reporting period; and  
35 (3) revises the timeline for the Board to submit the required annual report  
36 concerning employee suggestions to the Budget Division of the Office of Finance  
37 and the Interim Finance Committee.

38 Under existing law, awards made to state employees under the Merit Award  
39 Program are required to be paid in two equal installments. One payment is required  
40 to be made within 30 days after the end of the first fiscal year during which the  
41 employee suggestion was adopted and one payment is required to be made within  
42 30 days after the end of the subsequent fiscal year. (NRS 285.070) **Section 7** of this  
43 bill provides instead that: (1) the first payment is required to be made within 90  
44 days after the end of the fiscal year during which the State realized certain savings  
45 or improvement in the operation of State Government as a result of the adoption of  
46 the employee suggestion; and (2) the second payment is required to be made within  
47 90 days after the end of the fiscal year immediately following the fiscal year during  
48 which the first installment was paid.

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

1 **Section 1.** NRS 284.030 is hereby amended to read as follows:

2 284.030 1. There is hereby created in the Division a  
3 Personnel Commission composed of five members appointed by the  
4 Governor.

5 2. The Governor shall appoint:

6 (a) Three members who are representatives of the general public  
7 and have a demonstrated interest in or knowledge of the principles  
8 of public personnel administration.

9 (b) One member who is a representative of labor and has a  
10 background in personnel administration.

11 (c) One member who is a representative of employers or  
12 managers and has a background in personnel administration.



1 *(d) An alternate member for each member appointed pursuant*  
2 *to paragraphs (a), (b) and (c) to serve when the regular member is*  
3 *unable to attend a meeting of the Commission.*

4 **Sec. 2.** NRS 284.055 is hereby amended to read as follows:

5 284.055 1. The members of the Commission may meet at the  
6 times and places specified by the call of the Chair or a majority of  
7 the Commission, but a meeting of the Commission must be held  
8 regularly at least once every 3 months.

9 2. ~~Three~~ *Five* members of the Commission constitute a  
10 quorum. ~~A quorum may exercise any power conferred on the~~  
11 ~~Commission, but no regulations may be adopted, amended or~~  
12 ~~rescinded except by a~~ *A* majority vote of the ~~entire membership~~  
13 *five members* of the Commission ~~is required for any official~~  
14 *action taken by the Commission, including, without limitation:*

15 *(a) To adopt, amend or rescind a regulation of the*  
16 *Commission; and*

17 *(b) To decide an appeal to the Commission made by an*  
18 *employee in the public service of the State.*

19 3. *If an alternate member attends a meeting of the*  
20 *Commission in place of the regular member, the alternate member*  
21 *fully assumes the duties, rights and responsibilities of the replaced*  
22 *regular member for the duration of that meeting and is entitled to*  
23 *the compensation, allowances and expenses otherwise payable for*  
24 *members who attend the meeting.*

25 4. The Commission shall keep minutes and audio recordings or  
26 transcripts of the transactions of each meeting. Except as otherwise  
27 provided in NRS 241.035, the minutes, audio recordings and  
28 transcripts are public records and must be filed with the Division. A  
29 copy of the minutes or audio recordings must be made available  
30 to a member of the public upon request at no charge pursuant to  
31 NRS 241.035.

32 **Sec. 3.** NRS 285.010 is hereby amended to read as follows:

33 285.010 "Adoption" means the putting of an employee  
34 suggestion into ~~effect~~ *practice.*

35 **Sec. 4.** NRS 285.030 is hereby amended to read as follows:

36 285.030 1. The controlling authority of the Merit Award  
37 Program is the Merit Award Board.

38 2. The Board must be composed of five members as follows:

39 (a) Two persons who are members of the American Federation  
40 of State, County and Municipal Employees or its successor,  
41 designated by the executive committee of that Federation or its  
42 successor.

43 (b) One member from the Budget Division of the Office of  
44 Finance appointed by the Chief of the Budget Division.



1 (c) One member from the Division of Human Resource  
2 Management of the Department of Administration appointed by the  
3 Administrator of the Division.

4 (d) One member appointed by and representing the Governor.

5 3. The member from either the Budget Division of the Office  
6 of Finance or the Division of Human Resource Management of the  
7 Department of Administration must serve as the Secretary of the  
8 Board.

9 4. The Board shall adopt regulations for transacting its business  
10 and carrying out the provisions of this chapter.

11 ~~{5. Within the limits of legislative appropriations, the Board~~  
12 ~~may expend up to \$1,000 per year on expenses relating to the~~  
13 ~~operation of the Board.}~~

14 **Sec. 5.** NRS 285.050 is hereby amended to read as follows:

15 285.050 1. Except as otherwise provided in this section, any  
16 state employee or group of state employees may make an employee  
17 suggestion. An employee suggestion must be made in writing to the  
18 Board.

19 2. To be eligible for an award pursuant to NRS 285.070, a state  
20 employee or group of state employees must make a suggestion:

21 (a) Which is not ~~{currently}~~ under active consideration *and has*  
22 *not been previously considered* by the state agency affected;

23 (b) For which the act of developing or proposing is not a normal  
24 part of the job duties of the state employee, whether acting  
25 individually or as a member of a group of state employees;

26 (c) Which is not within the state employee's authority or  
27 responsibility to carry out or implement, whether acting individually  
28 or as a member of a group of state employees;

29 (d) Which proposes to do more than merely suggest that an  
30 existing policy or procedure be followed correctly;

31 (e) Which does not concern an individual grievance or  
32 complaint;

33 (f) Which would not reduce the quality or quantity of services  
34 provided by the relevant state agency; and

35 (g) Which would not transfer costs from one state agency to  
36 another state agency.

37 3. If duplicate employee suggestions are submitted, only the  
38 state employee or group of state employees who makes the first  
39 employee suggestion received is eligible for an award pursuant to  
40 NRS 285.070.

41 4. Except as otherwise provided in this subsection, a state  
42 employee, either individually or as a member of a group of state  
43 employees, may not ~~{make}~~ *submit* more than two employee  
44 suggestions in any calendar year. For any employee suggestion  
45 ~~{made}~~ *submitted* by a state employee, either individually or as a



1 member of a group of state employees, that is approved in a  
2 calendar year, the state employee may ~~make~~ *submit* one additional  
3 employee suggestion during ~~the~~ *that same* calendar year.

4 5. The Board may, in consultation with the Budget Division of  
5 the Office of Finance and the Interim Finance Committee, establish  
6 such additional standards for the making and submission of  
7 employee suggestions as it deems proper.

8 **Sec. 6.** NRS 285.060 is hereby amended to read as follows:

9 285.060 1. Upon receiving an employee suggestion pursuant  
10 to NRS 285.050, the Secretary of the Board shall:

11 (a) Record and acknowledge receipt of the employee suggestion;

12 (b) Notify the state employee or each state employee of a group  
13 of state employees who ~~made~~ *submitted* the employee suggestion  
14 of any undue delays in the consideration of the employee  
15 suggestion; and

16 (c) Refer the employee suggestion at once to the head of the  
17 state agency or agencies affected, or his or her designee, for  
18 consideration.

19 2. Within 30 days after receiving an employee suggestion that  
20 is referred pursuant to subsection 1, the head of the state agency, or  
21 his or her designee, shall report his or her findings and *, if*  
22 *applicable*, recommendations to the Board ~~+~~ *unless the Board has,*  
23 *for good cause, extended the period.* The report must indicate:

24 (a) Whether the employee suggestion has been adopted.

25 (b) If adopted:

26 (1) The day on which the employee suggestion was ~~placed~~  
27 *in effect* ~~+~~ *put into practice.*

28 (2) The actual or estimated reduction, elimination or  
29 avoidance of *state* expenditures or any improvement in ~~operations~~  
30 *the operation of the State Government* made possible by the  
31 employee suggestion.

32 (3) If the employee suggestion was ~~made~~ *submitted* by a  
33 group of state employees, a recommendation of the distribution of  
34 any potential award made pursuant to NRS 285.070 to each state  
35 employee in the group. Such a distribution must be proportionate,  
36 fair and equitable based on the contributions by each state employee  
37 to the employee suggestion.

38 (c) If rejected, the reasons for rejection.

39 (d) If applicable, whether legislation will be required before the  
40 employee suggestion may be adopted.

41 3. The Board shall:

42 (a) Review the findings and *, if applicable*, recommendations of  
43 the state agency and may obtain additional information or take such  
44 other action as is necessary for prompt, thorough and impartial  
45 consideration of each employee suggestion.



1 (b) Evaluate each employee suggestion, taking into  
2 consideration any action by the state agency, staff recommendations  
3 and the objectives of the Merit Award Program.

4 (c) Monitor the efficacy and progress of employee suggestions  
5 that have been adopted and ~~placed into effect.~~ *put into practice.*

6 (d) Provide a report to the Budget Division of the Office of  
7 Finance and the Interim Finance Committee not later than ~~30~~ *90*  
8 days after the end of each fiscal year summarizing, for that fiscal  
9 year:

10 (1) The employee suggestions that were rejected by state  
11 agencies.

12 (2) The employee suggestions that were adopted by state  
13 agencies and detailing any actual reduction, elimination or  
14 avoidance of expenditures or any improvement in ~~operations~~ *the*  
15 *operation of State Government* made possible by the employee  
16 suggestion.

17 (3) Any legislation required to be enacted before an  
18 employee suggestion may be adopted.

19 **Sec. 7.** NRS 285.070 is hereby amended to read as follows:

20 285.070 1. Except as otherwise provided in this section, after  
21 reviewing and evaluating an employee suggestion, the Board, in  
22 consultation with the Budget Division of the Office of Finance, may  
23 make an award to the state employee or to each state employee of a  
24 group of state employees who ~~made~~ *submitted* the employee  
25 suggestion.

26 2. If the amount of a proposed award will exceed \$5,000, the  
27 award must be approved by the Interim Finance Committee. On a  
28 quarterly basis, the Board shall transmit any proposed awards that  
29 exceed \$5,000 to the Director of the Legislative Counsel Bureau for  
30 transmittal to the Interim Finance Committee. In acting upon such  
31 an award, the Interim Finance Committee shall consider, among  
32 other things:

33 (a) The reduction, elimination or avoidance of *state* expenditures  
34 or any improvement in ~~operations~~ *the operation of the State*  
35 *Government* made possible by the employee suggestion; and

36 (b) The intent of the Legislature in enacting this chapter.

37 3. An award made pursuant to this section may not exceed:

38 (a) Ten percent of the amount of any actual savings to the State,  
39 as determined at the end of the second fiscal year after the adoption  
40 of the employee suggestion; or

41 (b) A total of \$25,000,

42 ↪ whichever is less, whether distributed to an individual employee  
43 or to a group of state employees who ~~made~~ *submitted* the  
44 employee suggestion.



1 4. Awards to employees arising out of adopted employee  
2 suggestions must, insofar as is practicable, be paid from money  
3 other than money in the State General Fund.

4 5. The total amount of an award made pursuant to this section  
5 must be paid in two equal installments. The first installment must be  
6 paid not later than ~~{30}~~ 90 days after the end of the fiscal year  
7 during which *the State realized a reduction, elimination or*  
8 *avoidance of state expenditures or any improvement in the*  
9 *operation of State Government as a result of the adoption of* the  
10 employee suggestion . ~~{was adopted, and the}~~ *The* second  
11 installment must be paid not later than ~~{30}~~ 90 days after the end of  
12 the ~~{subsequent}~~ fiscal year ~~{}~~ *immediately following the fiscal*  
13 *year during which the first installment was paid.*

14 6. A former state employee is eligible to receive an award  
15 pursuant to this section if the person was a state employee at the  
16 time he or she made an employee suggestion, or was a member of a  
17 group of state employees who ~~{made}~~ *submitted* an employee  
18 suggestion, that is subsequently adopted.

19 7. An award may not be made for an employee suggestion  
20 pursuant to this section until the State has realized a reduction,  
21 elimination or avoidance of *state* expenditures or any improvement  
22 in ~~{operations}~~ *the operation of the State Government* as a result of  
23 the *adopted* employee suggestion.

24 8. Any actual savings to the State resulting from the adoption  
25 of an employee suggestion that remains after an award is made  
26 pursuant to this section must be distributed as follows:

27 (a) Fifty percent must be transferred to the State General Fund;  
28 and

29 (b) After a revision to the appropriate work program pursuant to  
30 NRS 353.220, the remaining balance must be used by the state  
31 agency that employs the state employee or the group of state  
32 employees who ~~{made}~~ *submitted* the employee suggestion for one-  
33 time, nonoperational expenses which do not require ongoing  
34 maintenance, including, without limitation, training and equipment.

35 **Sec. 8.** This act becomes effective on July 1, 2017.



