

SENATE BILL NO. 360—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 25, 2021

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to public employment.
(BDR 23-1011)

FISCAL NOTE: Effect on Local Government: No.
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 public employment; revising the membership, appointment and qualifications of certain members of the Public Employees’ Retirement Board; revising the appointment of certain members of the Board of the Public Employees’ Benefits Program; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes the Public Employees’ Retirement System for
2 providing benefits for the retirement, disability or death of public employees. (NRS
3 286.110) Existing law also provides that the governing authority of the System is
4 the Public Employees’ Retirement Board, consisting of seven members appointed
5 by the Governor, and sets forth the qualifications and terms of the members of the
6 Board. (NRS 286.120, 286.130) Existing law provides that three members of the
7 Board must be employees of the State of Nevada or its political subdivisions and,
8 among other qualifications, must be appointed from written nominations submitted
9 by various governmental employees and staff. (NRS 286.130) **Section 1** of this bill
10 reduces that membership to two members and adds a member who: (1) has had at
11 least 10 years of service as an employee of the State of Nevada or Nevada System
12 of Higher Education; (2) is not an elected officer of the State of Nevada or the
13 Nevada System of Higher Education; (3) is an active member of the Public
14 Employees’ Retirement System; and (4) is appointed from a written list of
15 nominations of 10 classified state employees submitted by the labor organization
16 representing the largest number of classified state employees participating in the
17 System.

18 Existing law: (1) creates the Board of the Public Employees’ Benefits Program,
19 consisting of 10 members, and sets forth the qualifications and terms of
20 appointment of the members; and (2) requires the Board to establish and carry out
21 the Public Employees’ Benefits Program, which is required to include a program of
22 group life, accident or health insurance, or any combination thereof. (NRS 287.041,
23 287.043) Under existing law, the Board must have two members who are



24 employees in the classified service of the State appointed by the Governor upon
25 consideration of any recommendations of organizations that represent state
26 employees. (NRS 287.041) **Section 2** of this bill revises the appointment of these
27 two members by requiring the Governor to make the appointments from a list of
28 nominations of 10 classified employees submitted by the labor organization
29 representing the largest number of classified state employees participating in the
30 Program.

31 **Section 3** of this bill provides that: (1) each member of the Public Employees'
32 Retirement Board and the Board of the Public Employees' Benefits Program who is
33 serving on June 30, 2021, continues to serve until the expiration of his or her
34 current term or until vacancy, whichever occurs first; and (2) on and after July 1,
35 2021, upon the expiration of a term of such a member or a vacancy otherwise
36 occurring, appointments must be made in accordance with **section 1 or 2** of this
37 bill, as applicable.

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

1 **Section 1.** NRS 286.130 is hereby amended to read as follows:
2 286.130 1. ~~Three~~ *Two* members of the Board must be
3 persons who:

4 (a) Have had at least 10 years of service as employees of the
5 State of Nevada or its political subdivisions;

6 (b) Are not elected officers of the State of Nevada or its political
7 subdivisions;

8 (c) Are active members of the System; and

9 (d) Are appointed from written nominations submitted by the
10 following groups:

11 (1) Employees of the State and the Nevada System of Higher
12 Education;

13 (2) The academic staff of school districts;

14 (3) Employees of cities, excluding Carson City;

15 (4) Employees of counties, including Carson City and
16 excluding employees of county hospitals;

17 (5) Employees of county hospitals, public utilities, power
18 districts, sanitation districts, classified school employees and
19 employees of other districts as determined by the Board; and

20 (6) Employees whose current positions entitle them to
21 participate in the Police and Firefighters' Retirement Fund.

22 ↪ Each nominee must be a member of the group or organization
23 that is nominating the nominee.

24 2. *One member of the Board must be a person who:*

25 (a) *Has had at least 10 years of service as an employee of the*
26 *State of Nevada or the Nevada System of Higher Education;*

27 (b) *Is not an elected officer of the State of Nevada or the*
28 *Nevada System of Higher Education;*

29 (c) *Is an active member of the System; and*



1 *(d) Is appointed from a written list of nominations of 10*
2 *classified state employees submitted by the labor organization*
3 *representing the largest number of classified state employees*
4 *participating in the System.*

5 **3.** Two members of the Board must be persons who:

6 (a) Have had at least 10 years of service as employees of the
7 State of Nevada or its political subdivisions;

8 (b) Are not elected officers of the State of Nevada or its political
9 subdivisions;

10 (c) Are active members of the System; and

11 (d) Are appointed from written nominations submitted by the
12 following groups:

13 (1) Administrators of school districts or members of boards
14 of trustees of school districts; and

15 (2) Members of boards of county commissioners or the
16 governing bodies of cities or administrators of counties or cities.

17 ~~[3-]~~ **4.** One member of the Board must be a person who:

18 (a) Is an employee of the State of Nevada or its political
19 subdivisions with at least 10 years of service;

20 (b) Is serving in a position at least equivalent to the manager of
21 a department or division;

22 (c) Is not an elected officer of the State of Nevada or its political
23 subdivisions; and

24 (d) Is an active member of the System.

25 ~~[4-]~~ **5.** One member of the board must be a person who:

26 (a) Has had at least 10 years of service as an employee of the
27 State of Nevada or its political subdivisions;

28 (b) Is not an elected officer of the State of Nevada or its political
29 subdivisions; and

30 (c) Is receiving an allowance for service or disability retirement
31 pursuant to this chapter.

32 ~~[5-]~~ **6.** A member of the Board shall serve for 4 years, so long
33 as the member has the qualifications required by this section, and
34 until the member's successor is appointed and takes office. A
35 member of the Board who no longer has the qualifications specified
36 in the subsection under which the member was appointed may serve
37 the remainder of the member's term if the member loses those
38 qualifications in the final 24 months of the member's term.

39 **Sec. 2.** NRS 287.041 is hereby amended to read as follows:

40 287.041 1. There is hereby created the Board of the Public
41 Employees' Benefits Program. The Board consists of 10 members
42 appointed as follows:

43 (a) Two members who are professional employees of the
44 Nevada System of Higher Education, appointed by the Governor
45 upon consideration of any recommendations of organizations that



1 represent employees of the Nevada System of Higher Education.
2 One such member must reside in northern Nevada and the other
3 member must reside in southern Nevada.

4 (b) Two members who are retired from public employment,
5 appointed by the Governor upon consideration of any
6 recommendations of organizations that represent retired public
7 employees.

8 (c) Two members who are employees in the classified service of
9 the State, appointed by the Governor ~~upon consideration of any~~
10 ~~recommendations of organizations that represent state employees.]~~
11 *from a list of nominations of 10 classified state employees*
12 *submitted by the labor organization representing the largest*
13 *number of classified state employees participating in the Public*
14 *Employees' Benefits Program.*

15 (d) One member who is employed by this State in a managerial
16 capacity and has substantial and demonstrated experience in risk
17 management, group insurance programs, health care administration
18 or employee benefits programs appointed by the Governor.

19 (e) Two members who have substantial and demonstrated
20 experience in risk management, group insurance programs, health
21 care administration or employee benefits programs appointed by the
22 Governor.

23 (f) The Director of the Department of Administration or a
24 designee of the Director approved by the Governor.

25 2. Of the nine persons appointed to the Board pursuant to
26 paragraphs (a) to (e), inclusive, of subsection 1, at least four
27 members must have a bachelor's degree or a more advanced degree,
28 or equivalent professional experience, in business administration,
29 economics, medicine, accounting, actuarial science, insurance, risk
30 management or health care administration, and at least two members
31 must have education or proven experience in the management of
32 employees' benefits, insurance, risk management, health care
33 administration or business administration.

34 3. Each person appointed as a member of the Board must:

35 (a) Except for a member appointed pursuant to paragraph (e) of
36 subsection 1, have been a participant in the Program for at least 1
37 year before the person's appointment;

38 (b) Except for a member appointed pursuant to paragraph (e) of
39 subsection 1, be a current employee of the State of Nevada or
40 another public employer that participates in the Program or a retired
41 public employee who is a participant in the Program;

42 (c) Not be an elected officer of the State of Nevada or any of its
43 political subdivisions; and

44 (d) Not participate in any business enterprise or investment:

45 (1) With any vendor or provider to the Program; or



1 (2) In real or personal property if the Program owns or has a
2 direct financial interest in that enterprise or property.

3 4. Except as otherwise provided in this subsection, after the
4 initial terms, the term of an appointed member of the Board is 4
5 years and until the member's successor is appointed and takes office
6 unless the member no longer possesses the qualifications for
7 appointment set forth in this section or is removed by the Governor.
8 If a member loses the requisite qualifications within the last 12
9 months of the member's term, the member may serve the remainder
10 of the member's term. Members are eligible for reappointment. A
11 vacancy occurring in the membership of the Board must be filled in
12 the same manner as the original appointment.

13 5. The appointed members of the Board serve at the pleasure of
14 the Governor.

15 **Sec. 3.** 1. The amendatory provisions of sections 1 and 2 of
16 this act do not affect the current terms of appointment of any person
17 who, on June 30, 2021, is a member of the Public Employees'
18 Retirement Board or the Board of the Public Employees' Benefits
19 Program and each such member continues to serve until the
20 expiration of his or her current term or until a vacancy occurs,
21 whichever occurs first.

22 2. On and after July 1, 2021, upon the expiration of a term or a
23 vacancy otherwise occurring on the:

24 (a) Public Employees' Retirement Board; or

25 (b) Board of the Public Employees' Benefits Program,

26 ↪ the vacancy must be filled in the manner provided by NRS
27 286.130, as amended by section 1 of this act, and NRS 287.041, as
28 amended by section 2 of this act, as applicable.

29 **Sec. 4.** This act becomes effective on July 1, 2021.

