SENATE BILL NO. 51–COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS

(ON BEHALF OF THE DIVISION OF HUMAN RESOURCE MANAGEMENT OF THE DEPARTMENT OF ADMINISTRATION)

PREFILED NOVEMBER 19, 2018

Referred to Committee on Legislative Operations and Elections

SUMMARY—Makes various changes regarding the State Personnel System. (BDR 23-183)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets fomitted material is material to be omitted.

AN ACT relating to the State Personnel System; authorizing the concurrent appointment of two employees to the same unclassified position for a temporary period in certain circumstances; revising provisions governing the compensation for overtime for positions in the Executive Department of the State Government; removing the requirement that the names on an eligible list for appointment and promotion be ranked; removing a prohibition against an employee in the Executive Department taking annual leave during the first 6 months of employment; prescribing the circumstances under which certain employees may file a grievance; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law governs generally the employment of persons in the classified and unclassified service of the Executive Department of the State Government. (Chapter 284 of NRS) Existing law authorizes certain officers to make appointments to positions in the unclassified service. (NRS 284.145) **Section 2** of this bill authorizes such an officer to appoint a full-time equivalent employee to serve concurrently in the same unclassified position held by another full-time equivalent employee for a maximum period of 90 days for purposes of transitioning the duties of the position to the newly appointed employee.





The federal Fair Labor Standards Act, which applies to most public and private employment, prescribes minimum wage and overtime compensation standards, which also affect disciplinary suspensions. The Act contains exemptions for different types of employment. (29 U.S.C. §§ 201 et seq.) However, states and municipalities may enact their own standards that are more beneficial to employees than the standards of the Act. (29 U.S.C. § 218) Existing state law specifies that elected officers and certain employees in the unclassified and classified service in the Executive Department of the State Government must be paid on a salary basis, are not entitled to overtime compensation and are not subject to disciplinary suspensions for less than 1 week. Section 3 of this bill removes these categories specified in state law, and instead requires the Division of Human Resource Management of the Department of Administration to determine which positions in the classified or unclassified service are not entitled to overtime compensation pursuant to regulations adopted by the Personnel Commission. Sections 1, 4, 8 and 10 of this bill make conforming changes.

Existing law requires the Personnel Commission to adopt regulations for the establishment of eligible lists for appointment and promotion which are required to contain the names of successful applicants in the order of their relative excellence in the respective examinations. (NRS 284.250) **Section 5** of this bill: (1) removes the requirement that the names on such a list be ranked; and (2) instead requires each such list to contain the names of applicants who meet the minimum

qualifications of the position.

Section 6 of this bill removes the prohibition in existing law against an employee in the Executive Department taking annual leave during the first 6 months of employment. (NRS 284.350) **Section 9** of this bill makes a conforming

change

Under existing law, a "grievance" is defined as an act, omission or occurrence which an employee who has attained permanent status feels constitutes an injustice relating to any condition arising out of the relationship between an employer and an employee. (NRS 284.384) Existing law requires the Personnel Commission to adopt regulations which: (1) provide for the adjustment of any grievance except for a grievance for which a hearing is provided by federal law or certain state laws; and (2) require the Employee-Management Committee to make final decisions for the adjustment of such a grievance. (NRS 284.384) Section 7 of this bill limits the circumstances in which such an employee is authorized to file a grievance under the regulations adopted by the Personnel Commission to instances where: (1) the employee feels the injustice occurred as a result of a violation of a policy adopted by the agency with which the employee is employed or a federal or state law; and (2) a separate process is not provided by state or federal law for the adjustment of a grievance concerning the violation of the policy or law.

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

Section 1. NRS 281.100 is hereby amended to read as follows: 281.100 1. Except as otherwise provided in this section and NRS 284.180, the services and employment of all persons who are employed by the State of Nevada, or by any county, city, town, township or other political subdivision thereof, are limited to not more than 8 hours in any 1 calendar day and not more than 40 hours in any 1 week.





- 2. The period of daily employment mentioned in this section commences from the time the employee takes charge of any equipment of the employer or acts as an assistant or helper to a person who is in charge of any equipment of the employer, or enters upon or into any conveyance of or operated by or for the employer at any camp or living quarters provided by the employer for the transportation of employees to the place of work.
 - 3. This section does not apply to:

- (a) Officials of the State of Nevada or of any county, city, town, township or other political subdivision thereof, or employees of the State [whose employment is governed by] who are determined not to be entitled to compensation for overtime pursuant to NRS 284.148.
- (b) Employees of the State of Nevada or of any county, city, town, township or other political subdivision thereof who:
- (1) Are engaged as employees of a fire department, or to nurses in training or working in hospitals, or to police, deputy sheriffs or jailers;
- (2) Chose and are approved for a variable workday or variable 80-hour work schedules within a biweekly pay period;
- (3) Work more than 8 hours but not more than 10 hours in any 1 workday or 40 hours in any 1 workweek;
- (4) Are executive, administrative, professional or supervisory employees; or
- (5) Are covered by a collective bargaining agreement which establishes hours of service.
 - (c) Employees of the Legislative Counsel Bureau.
- (d) Work done directly by any public utility company pursuant to an order of the Public Utilities Commission of Nevada or other public authority.
- 4. Any employee whose hours are limited by subsection 1 may be permitted, or in case of emergency where life or property is in imminent danger may be required, at the discretion of the officer responsible for the employment of the employee, but subject to any agreement made pursuant to NRS 284.181, to work more than the number of hours limited. If so permitted or required, the employee is entitled to receive, at the discretion of the responsible officer:
 - (a) Compensatory vacation time; or
 - (b) Overtime pay.
- 5. Any officer or agent of the State of Nevada, or of any county, city, town, township, or other political subdivision thereof, whose duty it is to employ, direct or control the services of an employee covered by this section, who violates any of the provisions of this section as to the hours of employment of labor as provided in this section, is guilty of a misdemeanor.





- **Sec. 2.** NRS 284.145 is hereby amended to read as follows:
- 284.145 1. Officers authorized by law to make appointments to positions in the unclassified service and appointing officers of departments or institutions whose employees are exempt from the provisions of this chapter may make appointments from appropriate registers of eligible persons maintained by the Division without affecting the continuance of the names on the list.
- Officers authorized by law to make appointments to positions in the unclassified service may appoint a full-time equivalent employee to serve concurrently in a position in the unclassified service held by another full-time equivalent employee for a period of not more than 90 days for the purpose of transitioning the duties of the position to the newly appointed employee.
 - **Sec. 3.** NRS 284.148 is hereby amended to read as follows:
- 1. An elected officer or an employee in the unclassified service who is on the personal staff of an elected officer, an appointed head of a department or division who serves at the pleasure or discretion of an elected officer or an executive, administrative or professional employee within the meaning of the Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201 et seq.:
- (a) Must be paid on a salary basis, within a maximum amount established by law;
- (b) Is not entitled to compensation for overtime; and
- (c) Is not subject to disciplinary suspensions for less than 1 week.
- 2. An employee in the classified service who is an executive, administrative or professional employee within the meaning of the Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201 et seq., and who is either a head of a department, division or bureau, or a doctoral level professional:
- (a) Must be paid on a salary basis;
- (b) Is not entitled to compensation for overtime; and
- 34 (c) Is not subject to disciplinary suspensions for less than 1 week.
 - 3.] Unless otherwise specified by statute, the Division shall determine which positions in the classified and unclassified service are [subject to the provisions of this section.] not entitled to compensation for overtime pursuant to regulations adopted by the Commission.
 - The Commission shall adopt regulations setting forth the manner in which the Division determines which positions in the classified and unclassified service are not entitled to compensation for overtime.



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- **Sec. 4.** NRS 284.180 is hereby amended to read as follows:
- 284.180 1. The Legislature declares that since uniform salary and wage rates and classifications are necessary for an effective and efficient personnel system, the pay plan must set the official rates applicable to all positions in the classified service, but the establishment of the pay plan in no way limits the authority of the Legislature relative to budgeted appropriations for salary and wage expenditures.
- 2. Credit for overtime work directed or approved by the head of an agency or the representative of the head of the agency must be earned at the rate of time and one-half, except for those employees [described in] who are determined not to be entitled to compensation for overtime pursuant to NRS 284.148.
- 3. Except as otherwise provided in subsections 4, 6, 7 and 9, overtime is considered time worked in excess of:
 - (a) Eight hours in 1 calendar day;
 - (b) Eight hours in any 16-hour period; or
 - (c) A 40-hour week.

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- 4. Firefighters who choose and are approved for a 24-hour shift shall be deemed to work an average of 56 hours per week and 2,912 hours per year, regardless of the actual number of hours worked or on paid leave during any biweekly pay period. A firefighter so assigned is entitled to receive 1/26 of the firefighter's annual salary for each biweekly pay period. In addition, overtime must be considered time worked in excess of:
 - (a) Twenty-four hours in one scheduled shift; or
- (b) Fifty-three hours average per week during one work period for those hours worked or on paid leave.
- → The appointing authority shall designate annually the length of the work period to be used in determining the work schedules for such firefighters. In addition to the regular amount paid such a firefighter for the deemed average of 56 hours per week, the firefighter is entitled to payment for the hours which comprise the difference between the 56-hour average and the overtime threshold of 53 hours average at a rate which will result in the equivalent of overtime payment for those hours.
- 5. The Commission shall adopt regulations to carry out the provisions of subsection 4.
- 6. For employees who choose and are approved for a variable workday, overtime will be considered only after working 40 hours in 1 week.
- 7. Employees who are eligible under the Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201 et seq., to work a variable 80-hour work schedule within a biweekly pay period and who choose and are approved for such a work schedule will be considered eligible





for overtime only after working 80 hours biweekly, except those eligible employees who are approved for overtime in excess of one scheduled shift of 8 or more hours per day.

- 8. An agency may experiment with innovative workweeks upon the approval of the head of the agency and after majority consent of the affected employees. The affected employees are eligible for overtime only after working 40 hours in a workweek.
- 9. This section does not supersede or conflict with existing contracts of employment for employees hired to work 24 hours a day in a home setting. Any future classification in which an employee will be required to work 24 hours a day in a home setting must be approved in advance by the Commission.
- 10. All overtime must be approved in advance by the appointing authority or the designee of the appointing authority. No officer or employee, other than a director of a department or the chair of a board, commission or similar body, may authorize overtime for himself or herself. The chair of a board, commission or similar body must approve in advance all overtime worked by members of the board, commission or similar body.
- 11. The Division shall prepare and submit quarterly to the Budget Division of the Office of Finance a report regarding all overtime worked by employees of the Executive Department in the quarter. The Budget Division shall:
 - (a) Review the report and analyze the overtime reported; and
- (b) Transmit quarterly to the State Board of Examiners the report and the analysis of the Budget Division regarding the report.
- 12. A state employee is entitled to his or her normal rate of pay for working on a legal holiday unless the employee is entitled to payment for overtime pursuant to this section and the regulations adopted pursuant thereto. This payment is in addition to any payment provided for by regulation for a legal holiday.
 - **Sec. 5.** NRS 284.250 is hereby amended to read as follows:
- 284.250 1. The Commission shall adopt regulations for the establishment of eligible lists for appointment and promotion which must contain the names of [successful] applicants [in the order of their relative excellence in the respective examinations.] who meet the minimum qualifications of the position.
- 2. The term of eligibility of applicants on such lists is 1 year, but the term may be extended by the Administrator to a maximum of 3 years.
 - **Sec. 6.** NRS 284.350 is hereby amended to read as follows:
- 284.350 1. Except as otherwise provided in subsections 2, 3 and 4, an employee in the public service, whether in the classified or unclassified service, is entitled to annual leave with pay of 1 1/4 working days for each month of continuous public service. The





annual leave may be cumulative from year to year not to exceed 30 working days. The Commission may by regulation provide for additional annual leave for long-term employees and for prorated annual leave for part-time employees.

- 2. Except as otherwise provided in this subsection, any annual leave in excess of 30 working days must be used before January 1 of the year following the year in which the annual leave in excess of 30 working days is accumulated or the amount of annual leave in excess of 30 working days is forfeited on that date. If an employee:
- (a) On or before October 15, requests permission to take annual leave; and
- (b) The employee's request for leave is denied in writing for any reason.
- the employee is entitled to payment for any annual leave in excess of 30 working days which the employee requested to take and which the employee would otherwise forfeit as the result of the denial of the employee's request, unless the employee has final authority to approve use of the employee's own accrued leave and the employee received payment pursuant to this subsection for any unused annual leave in excess of 30 working days accumulated during the immediately preceding calendar year. The payment for the employee's unused annual leave must be made to the employee not later than January 31.
- 3. Officers and members of the faculty of the Nevada System of Higher Education are entitled to annual leave as provided by the regulations adopted pursuant to subsection 2 of NRS 284.345.
- 4. The Commission shall establish by regulation a schedule for the accrual of annual leave for employees who regularly work more than 40 hours per week or 80 hours biweekly. The schedule must provide for the accrual of annual leave at the same rate proportionately as employees who work a 40-hour week accrue annual leave.
- 5. No elected state officer may be paid for accumulated annual leave upon termination of the officer's service.
- 6. [During the first 6 months of employment of any employee in the public service, annual leave accrues as provided in subsection 1, but no annual leave may be taken during that period.
- 7.] No employee in the public service may be paid for accumulated annual leave upon termination of employment unless the employee has been employed for 6 months or more.
- [8.] 7. Upon the request of an employee, the appointing authority of the employee may approve the reduction or satisfaction of an overpayment of the salary of the employee that was not obtained by the fraud or willful misrepresentation of the employee





with a corresponding amount of the accrued annual leave of the employee.

Sec. 7. NRS 284.384 is hereby amended to read as follows:

284.384 1. An employee who has attained permanent status and feels that an injustice has occurred in the employer-employee relationship may file a grievance if:

(a) The employee feels the injustice occurred as a result of a violation of a policy adopted by the agency with which the employee is employed or state or federal law and

employee is employed or state or federal law; and

(b) A separate process is not provided by state or federal law for the adjustment of grievances concerning the violation of the policy or law.

2. The Commission shall adopt regulations which provide for the adjustment of grievances [for which a hearing is not provided by federal law or NRS 284.165, 284.245, 284.3629, 284.376 or 284.390 and] filed pursuant to subsection 1 or complaints filed pursuant to NRS 281.755. [Any grievance for which a hearing is not provided by NRS 284.165, 284.245, 284.3629, 284.376 or 284.390, or any complaint filed pursuant to NRS 281.755, is subject to adjustment pursuant to this section.

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- **3.** The regulations must provide procedures for:
- (a) Consideration and adjustment of the grievance or complaint within the agency in which it arose.
- (b) Submission to the Employee-Management Committee for a final decision if the employee is still dissatisfied with the resolution of the dispute.
- (c) If requested by an employee or agency, the use of a resolution conference to resolve a grievance or complaint.
 - [3.] 4. The regulations must include provisions for:
- (a) Submitting each proposed resolution of a dispute which has a fiscal effect to the Budget Division of the Office of Finance for a determination by that Division whether the resolution is feasible on the basis of its fiscal effects; and
 - (b) Making the resolution binding.
- [4.] 5. Any grievance or complaint which is subject to adjustment pursuant to this section may be appealed to the Employee-Management Committee for a final decision. Except as otherwise provided in subsection [3,] 4, a final decision of the Committee is binding. The Committee or an employee may petition a court of competent jurisdiction for enforcement of the Committee's binding decisions.
- [5.] 6. The employee may represent himself or herself at any hearing regarding a grievance or complaint which is subject to





adjustment pursuant to this section or be represented by an attorney or other person of the employee's own choosing.

- [6. As used in this section, "grievance" means an act, omission or occurrence which an employee who has attained permanent status feels constitutes an injustice relating to any condition arising out of the relationship between an employer and an employee, including, but not limited to, compensation, working hours, working conditions, membership in an organization of employees or the interpretation of any law, regulation or disagreement.]
 - Sec. 8. NRS 284.385 is hereby amended to read as follows:

284.385 1. An appointing authority may:

- (a) Dismiss or demote any permanent classified employee when the appointing authority considers that the good of the public service will be served thereby.
- (b) Except [as otherwise provided in] for those positions in the classified and unclassified service that the Division has determined are not entitled to compensation for overtime pursuant to NRS 284.148, suspend without pay, for disciplinary purposes, a permanent employee for a period not to exceed 30 days.
- 2. Before a permanent classified employee is dismissed, involuntarily demoted or suspended, the appointing authority must consult with the Attorney General or, if the employee is employed by the Nevada System of Higher Education, the appointing authority's general counsel, regarding the proposed discipline. After such consultation, the appointing authority may take such lawful action regarding the proposed discipline as it deems necessary under the circumstances.
- 3. A dismissal, involuntary demotion or suspension does not become effective until the employee is notified in writing of the dismissal, involuntary demotion or suspension and the reasons therefor. The Commission shall adopt regulations setting forth the procedures for properly notifying the employee of the dismissal, involuntary demotion or suspension and the reasons therefor.
- 4. No employee in the classified service may be dismissed for any reason relating to his or her religion, race, sexual orientation, or gender identity or expression.
 - **Sec. 9.** NRS 227.150 is hereby amended to read as follows:

227.150 1. The State Controller shall:

- (a) Open and keep an account with each county, charging the counties with the revenue collected, as shown by the auditor's statements, and also with their proportions of the salaries of the district judges, and crediting them with the amounts paid to the State Treasurer.
- (b) Keep and state all accounts between the State of Nevada and the United States, or any state or territory, or any person or public





officer of this State, indebted to the State or entrusted with the collection, disbursement or management of any money, funds or interests arising therefrom, belonging to the State, of every character and description, if the accounts are derivable from or payable into the State Treasury.

- (c) Settle the accounts of all county treasurers, and other collectors and receivers of all state revenues, taxes, tolls and incomes, levied or collected by any act of the Legislature and payable into the State Treasury.
- (d) Keep fair, clear, distinct and separate accounts of all the revenues and incomes of the State, and of all the expenditures, disbursements and investments thereof, showing the particulars of every expenditure, disbursement and investment.
 - 2. The State Controller may:

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- (a) Direct the collection of all accounts or money due the State, except as otherwise provided in chapter 353C of NRS, and if there is no time fixed or stipulated by law for the payment of any such accounts or money, they are payable at the time set by the State Controller.
- (b) Upon approval of the Attorney General, direct the cancellation of any accounts or money due the State.
- (c) Except as otherwise provided in subsection 3, withhold from the compensation of an employee of the State any amount due the State for the overpayment of the salary of the employee that has not been satisfied pursuant to subsection [8] 7 of NRS 284.350 or in any other manner.
- 3. Before any amounts may be withheld from the compensation of an employee pursuant to paragraph (c) of subsection 2, the State Controller shall:
- (a) Give written notice to the employee of the State Controller's intent to withhold such amounts from the compensation of the employee; and
- (b) If requested by the employee within 10 working days after receipt of the notice, conduct a hearing and allow the employee the opportunity to contest the State Controller's determination to withhold such amounts from the compensation of the employee.
- → If the overpayment was not obtained by the employee's fraud or willful misrepresentation, any withholding from the compensation of the employee must be made in a reasonable manner so as not to create an undue hardship to the employee.
- 4. The State Controller may adopt such regulations as are necessary to carry out the provisions of this section.
 - Sec. 10. NRS 463.080 is hereby amended to read as follows:
 - 463.080 1. The Board may:





- (a) Establish, and from time to time alter, such a plan of organization as it may deem expedient.
- (b) Acquire such furnishings, equipment, supplies, stationery, books, motor vehicles and other things as it may deem necessary or desirable in carrying out its functions.
- (c) Incur such other expenses, within the limit of money available to it, as it may deem necessary.
- 2. Except as otherwise provided in this chapter, all costs of administration incurred by the Board must be paid out on claims from the State General Fund in the same manner as other claims against the State are paid.
- 3. The Board shall, within the limits of legislative appropriations or authorizations, employ and fix the salaries of or contract for the services of such professional, technical and operational personnel and consultants as the execution of its duties and the operation of the Board and Commission may require.
- 4. The members of the Board and all the personnel of the Board, except clerical employees and employees [described in] in positions that the Division of Human Resource Management of the Department of Administration has determined are not entitled to compensation for overtime pursuant to NRS 284.148, are exempt from the provisions of chapter 284 of NRS. They are entitled to such leaves of absence as the Board prescribes, but such leaves must not be of lesser duration than those provided for other state employees pursuant to chapter 284 of NRS. [Employees described in NRS 284.148 are subject to the limitations specified in that section.]
- 5. Clerical employees of the Board are in the classified service but are exempt from the provisions of chapter 284 of NRS for purposes of removal. They are entitled to receive an annual salary which must be fixed in accordance with the pay plan adopted under the provisions of that chapter.
- 6. The Board shall establish, and modify as necessary, a comprehensive plan governing employment, job classifications and performance standards, and retention or discharge of employees to assure that termination or other adverse action is not taken against such employees except for cause. The plan must include provisions for hearings in personnel matters and for review of adverse actions taken in those matters.
- **Sec. 11.** 1. This section and sections 2 and 6 of this act become effective upon passage and approval.
- 2. Sections 3, 5 and 7 of this act become effective upon passage and approval for the purpose of adopting regulations and performing any preparatory administrative tasks that are necessary





to carry out those provisions, and on January 1, 2020, for all other purposes.

3. Sections 1, 4, 8, 9 and 10 of this act become effective on 4 January 1, 2020.





