

SENATE BILL 142



BACKGROUND: In the final hours of the 2019 Legislative Session, Senate Bill 543 (the “Pupil Centered Funding Plan”) was passed with only a single public hearing. NSEA has consistently advocated moving towards greater equity in education, ensuring all school districts have the resources necessary to provide a high-quality education for every Nevada student. NSEA opposed Senate Bill 543 for a host of policy concerns, one of which was an anti-union end fund balance provision buried in the bill. With limited time spent discussing such a complex bill, the issue of ending fund balance received very little attention in the overall SB543 discussion.

However, previously in the same session, significant thought was put into how to treat ending fund balance not subject to collective bargaining. The Nevada Administrative Code (NAC 354.660) already states a school district ending fund balance of up to 8.3% of its annual budget is not subject to employee negotiations. Senate Bill 26 proposed putting this language in the Nevada Revised Statutes. After a full hearing on the subject, the bill failed to clear the committee. Another bill, Senate Bill 111 addressed the issue of ending fund balances and clarified that any monies from the state intended for salary or benefits for employees of school districts would be subject to negotiations with an employee organization.

Language in Senate Bill 543 doubling the amount of ending fund balance walled off from collective bargaining was a gross departure from current practice, policy, and previous direction of the legislature. This provision is anti-union and anti-collective bargaining and could tie up as much as \$740 million in ending fund balances while Nevada school districts continue to suffer

from an educator shortage. This provision will make it nearly impossible for education unions to win much-needed raises at the bargaining table.

WHAT DOES THE BILL DO? Senate Bill 142 was introduced on February 23, 2021 by Senator Roberta Lange. SB142 repeals the provision contained in SB543 walling off school district ending fund balances from employee negotiations.

WHAT CHANGES? In short, if SB142 is passed, the rules for negotiations between school districts and education unions will continue the way they have been conducted for years. With the ending fund balance provision contained in 2019’s Senate Bill 543 repealed, the collective bargaining rules on school district ending fund balance would revert to the 8.3% based upon the Nevada Administrative Code (NAC 354.660).

WHY IS SB142 GOOD POLICY? Collective bargaining, a mutual exchange of positions followed by an agreement, enables a group of employees with a “community of interest” to negotiate a binding, written contract with an employer. It gives workers a voice in their workplace and has become a respected approach. Collective bargaining is the most proven system for improving standards and quality of life for working people, including delivering higher wages. When labor and management can come to an agreement on salary and benefits, everyone benefits. If this provision were to remain at 16.6%, it will make it nearly impossible for any education union to ever win a raise at the bargaining table, further harming educator recruitment and retention. Creating an incentive for Nevada school districts to sit on up to \$740 million is clearly bad policy for educators but will also harm students.