

RPEN LEGISLATIVE ALERT II February 8, 2019

The first full week of the Nevada State Legislature let lawmakers from the south see just what winter is really like as Mother Nature dropped several inches of snowfall over Nevada's capital city slowing things down and leading to Governor Sisolak sending state employees home for the day at 1:30 on February 4. More snow fell Tuesday and although most committee hearings were introductory in nature, many of them had delayed starts because of the weather. But by Wednesday, things settled down when the sun finally came out.

Presentations came Thursday before the Assembly Government Affairs Committee from Tina Leiss, Executive Officer of the Public Employees Retirement System (PERS) and Damon Haycock, Executive Officer at the Public Employees Benefits Program (PEBP). Leiss gave the committee that includes several newcomers, a history of PERS and said based on their current funding policy the unfunded liability should be paid off in nearly 18 years. She said that's a fluid number however, and Assemblyman Richard Carillo said that number will always be fluid, mentioning that Medicare currently has a \$6 trillion unfunded liability. She also reminded the group that Nevada is one of 10 states that don't pay into Social Security so PERS is often the only form of retirement for many state workers. She also said PERS stands up better against many other state plans because it is one of a few states that pays its' half of the employee contributions, with employees (in most instances) paying the other half. Leiss said the average monthly retiree benefit is \$2,961. PERS' Chief Investment Officer Steve Edmundson also testified as to the success of PERS, whose fund stood at \$41.3 billion by the end of the fiscal year last June, with a 9.3% Investment Return net of fees, since inception. Edmundson responded to one question relating to how long that success can continue, by saying they know every year can't be great. However he said NV PERS is a "simple" fund and that they deliberately avoid taking great risks.

Haycock made a similar presentation on PEBP, outlining the history of the agency, and the successes they've had in the recent year, as well as some of the challenges. He said PEBP's mission is to "provide employees, retirees, and their families with access to high quality benefits at affordable prices". PEBP is funded by a combination of employer contributions and employee/retiree premium payments. The PEBP Board recently approved items to be considered under PEBP's 2019 plan year calling for an additional \$2.00 per month, per year of service for retirees in the Medicare Exchange along with additional contributions to primary participants Health Savings and Health Reimbursement Accounts. Haycock also outlined the 2017 session changes that included RPEN's effort to provide premium relief for the non-state, "orphan" members of PEBP who had faced escalating healthcare costs due to the dwindling pool that they were in.

RPEN's public employee coalition also came together this week on Thursday, February 7, for their first meeting of the 80th Session. Senator David Parks, who is also an RPEN Member, graciously donated his office space for our weekly meeting. Items highlighted by the coalition included collective bargaining for state employees, something Governor Sisolak highlighted in his State of the State address. Other issues to come include RPEN's privacy bill that passed both houses during the 2017 session only to be vetoed by then Governor Sandoval. RPEN's Lead Lobbyist Marlene Lockard is chairing the committee again, and said Senator Julia Ratti will bring the bill back for us. Another issue on RPEN's Legislative Agenda is restoration of retiree healthcare for state employees hired after July 1, 2012, stemming from action taken at the 2011 session that took those benefits away as a cost-cutting measure. Kent Ervin, representing the Nevada Faculty Alliance, said he calls this group "neglected stepchildren" since it's a similar situation as what happened with the "orphans" in PEBP.

Anyone wanting to follow a bill or watch a hearing online can visit the legislative website at <https://www.leg.state.nv.us/> or share your opinion on a bill (when our issues get assigned a number) by clicking on the following link and follow directions found at this site <https://www.leg.state.nv.us/App/Opinions/80th2019/>