TESTIMONY TO SENATE COMMITTEE ON GOVERNMENT AFFAIRS

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Chair Flores and Members of the Senate Committee on Government Affairs,

AB 232 proposes to grant a full year of PERS retirement credit to school district employees who work as little as 900 hours—equivalent to approximately 22 weeks of full-time employment in a school year. If passed, this bill would further burden an already overextended pension system and would do so without addressing the actual challenges facing Nevada's education system.

The Nevada Public Employees' Retirement System (PERS) is already under significant financial pressure. At the close of FY 2021, PERS had $58.3 billion in assets but $76.6 billion in liabilities, creating an unfunded liability of $18.3 billion and a funding ratio of 76.2%. However, this estimate is based on an actuarial accounting method that does not fully account for financial risk, meaning the true liability is much greater. The true value of the system's unfunded liability at the close of FY 2010, for example, was about $41.0 billion while PERS only reported an unfunded liability of $10.4 billion.[1] By granting a full year of pension credit for less than a full year of service, AB 232 exacerbates long-term financial risks for Nevada's taxpayers.

This bill is aiming to incentivize individuals to enter education for PERS benefits risking employees prioritizing financial benefits over student achievement and wellbeing. Nevada's focus should be on attracting and retaining high-quality professionals committed to improving academic outcomes—not making entry-level teaching positions more attractive purely for financial perks.

Moreover, entry-level teaching positions in Nevada are already highly competitive. In Clark County School District (CCSD), **for example, a new teacher with a bachelor's degree earns just shy of $60,000 annually,[2] and the average teacher salary was $87,444 in 2023, with a median of $84,968.[3]** Given these figures, it is difficult to justify additional pension incentives,

[1] Nevada Policy, "PERS: Assessing the Liability", Solutions Sourcebook, 2024, https://learn.nevadapolicy.org/courses/solutions-sourcebook-for-nevada-policymakers/
[2] Negotiated Agreement Between Clark County School District and the Clark County Education Association, 2023-2025, https://ccsd.net/employees/resources/pdf/ccea_agreement.pdf
[3] Transparent Nevada, "Job title summary for Clark County School District", https://transparentnevada.com/salaries/2022/clark-county-school-district/job_title_summary/

especially when funding could be directed toward policies that would actually improve student achievement, educator quality, and academic engagement.

AB 232 expands pension liabilities at the expense of long-term fiscal responsibility without meaningfully improving education in Nevada. The state should focus on structural improvements in education policy that address teacher retention through workplace quality, professional growth, and student achievement—rather than pension benefits for part-year employees. For these reasons we urge the committee to oppose this legislation.

Thank you for your time.