

101 NORTH CARSON STREET
CARSON CITY, NEVADA 89701-3713
OFFICE: (775) 684-5670



1 STATE OF NEVADA WAY
LAS VEGAS, NEVADA 89119-4339
OFFICE: (702) 486-2500

Office of the Governor

June 12, 2025

The Honorable Francisco Aguilar
Nevada Secretary of State
101 North Carson Street
Carson City, Nevada 89701

Re: Assembly Bill 188 of the 83rd Legislative Session

Dear Secretary of State Aguilar:

I am forwarding to you, for filing within the time limit set forth in the Nevada Constitution and without my approval, Assembly Bill 188 ("AB 188"), which is titled as follows:

AN ACT relating to the Public Employees' Benefits Program; requiring the Board of the Public Employees' Benefits Program to report certain information relating to the costs of health insurance for certain retirees; revising provisions relating to the subsidy paid for certain health and welfare benefits for certain state employees who have retired with state service; revising requirements for certain retired public officers and employees to reinstate insurance under the Program; revising provisions relating to certain subsidies paid to the Program for the 2025-2027 biennium; requiring the Joint Interim Standing Committee on Government Affairs to conduct an interim study on the Program; making an appropriation; and providing other matters properly relating thereto.

AB 188 proposes changes to the limit on certain health reimbursement arrangement balances. This Session, Nevada's Public Employees' Benefits Program (the "Program") received an appropriation for these health reimbursement arrangements through Assembly Bill 583. However, despite increasing the limits on these health reimbursement arrangements, AB 188 contains no additional appropriation to fund the increased reserves required to cover those higher balances. While AB 188 does contain a general fund

appropriation to fund an additional contribution of \$1.00 per month per year of service, that is not sufficient to address the Program's health reimbursement reserve requirements. This bill also imposes changes to eligibility requirements and creates duplicative reporting requirements for the Program. In so doing, AB 188 not only increases the Program's administrative workload but also significantly escalates its financial risk without providing adequate funding to manage these added responsibilities.

Because AB 188 increases health reimbursement arrangement limits without providing sufficient funding and adds administrative burdens that would strain the Program, I cannot support it.

For these reasons, I veto this bill and return it without my signature or approval.

Respectfully submitted,



JOE LOMBARDO

Governor of Nevada

Enclosure

cc: The Honorable Stavros Anthony, President of the Senate (without enclosure)
The Honorable Nicole Cannizzaro, Senate Majority Leader (without enclosure)
The Honorable Steve Yeager, Speaker of the Assembly (without enclosure)
Brendan Bucy, Secretary of the Senate (without enclosure)
Bonnie Borda Hoffecker, Chief Clerk of the Assembly (without enclosure)
Diane Thornton, Legislative Counsel Bureau, Director (without enclosure)
Asher Killian, Legislative Counsel Bureau, Legislative Counsel (without enclosure)