

MINUTES OF MEETING - WAYS AND MEANS COMMITTEE
NEVADA STATE LEGISLATURE
1968 SPECIAL SESSION

FEBRUARY 8, 1968

Meeting was called to order by Chairman Glaser at 9:45 AM in the Ways and Means Committee room.

Present: Glaser, Mello, Bowler, Ashworth, Young, Webb, Howard
Tyson, Jacobsen

Absent: None

Various materials were distributed to members of the committee: brochures on Elko Community College, the proposed general and vocational-technical education division, a report on progress to date, a winter term enrollment summary for 1967-68, a proposed program-faculty structure for 1968-69; a memo dated February 7, 1968 on the differences between Medicare and Medicaid; a comparison of cigarette tax revenues apportioned to counties for the first seven months of the fiscal years (July-January); a graph of the general fund revenues and expenditures (actual and estimated) from 1963 to 1968, a comparison of population growth and general fund operation from 1963 to 1968, a comparison of population growth and total spending power - legislative authorizations plus general fund appropriations for 1963-1968; a letter dated February 7, 1968 from the Budget Division concerning the distributive school fund reversion; and a breakdown for 1967-68 ADA by counties including Lincoln, Lyon, White Pine and Storey prepared by the Department of Administration.

SB 5: Provides for emergency financial assistance to school districts.
Estimated cost to state: \$101,553.

Mr. Barrett went over the bill with the committee, stating that the first part is just a presentation of the case for the emergency aid to schools. The county school districts have to submit a justification for this to the Board of Education and then this is reviewed and recommendations made by the Board of Examiners for amounts based on this. The appropriation in the budget shows how we arrived at the amount. It was basically the result of Mr. John Dolan of the Administration Department going to the 4 districts that are in trouble, reviewing their budgets and recommending these figures. The second part is a revision of the Nevada Plan to make it say what the Department of Education was interpreting it to say. It guarantees the school district basic support based upon the ADA of the previous year. If the ADA is less than the prior year and was not anticipated at the time estimates were made, then they may receive additional apportionments in an amount not to exceed the total apportionment for the prior year.

Mr. John Dolan of the Budget Division reviewed the material distributed to the committee pertaining to the budget and needs of the 4 school districts which are in trouble: Lyon, Lincoln, Storey and White Pine. He went over the data on Lyon County first. Their loss in revenue resulted from the mine strike, and will also carry over into next year. He went through each category with the Lyon County Superintendent of Schools to see where it could be cut down. However, so many of these are contractual. If we eliminated things like new bleachers and other miscellaneous items including the ordering of station wagons we could come up with a possible \$28,000 we could cut back. Also, they have

\$28,000 in contingency but this is not really useable because it is set aside to help pay for the teachers' salary increases for next year. If we used it this year it would mean that they would be short next year, so we recommend leaving this in there. Our recommendation for state aid for this year is \$56,909. Mr. Barrett compared their 1967-68 budget of \$1,529,514 to last year's of \$1,316,543 with an ADA of 1991. The proposals for 1968-69 are based on the prediction that the mines will be back up. The total budget is given as \$1,571,514, based upon this year's spending budget plus increases in salaries.

We recommend that these counties receive no more than the minimum amount. They would then have to justify their need on a year to year basis. The State Department of Education have come up with different figures from ours. They recommend no state aid the first year and \$86,000 the second year which is a difference of \$15,000 from our figures. This is a result of the difference between the way we interpret how to calculate last year's ADA and their method. We feel the law says the amount you are guaranteed is exactly the amount you had last year. In Lyon County, this year's guarantee of ADA is last year's and Kindergarten this year.

The figures were gone over for Storey County. They can get by without any emergency state aid for this year or next.

The figures were gone over for White Pine County. They had anticipated the copper strike when they prepared the budget. Their deficit could be made up without emergency aid. Explanation was given of the method of paying teachers' salaries on a 12 month basis rather than the present 9 month basis which would yield \$85,058 as a one-shot deal. Next year would be taken care of by the ADA and the bullion tax being back up.

Mr. Prince asked if the strike doesn't straighten out, would we have to come back again next year to get any money. ... Mr. Dolan said that the emergency aid is all designated to go to Lyon County as a one shot thing which would expire. We did not add any money in in case the strike should continue. Mr. Barrett said this would have to be a legislative matter. Mr. Dolan said next year's guarantee could not be lower than this year's ADA.

Mr. Prince said that even though the ADA falls down, you still have to pay the teachers for the balance of that year. Could it be provided in that bill that they would be guaranteed the same as in the previous year. Mr. Barrett said yes - it just needs to be clarified. The question is, can you adjust to a higher level of aid. It is only a basic support figure in a dollar guarantee.

Mr. Dolan went over the figures given for Lincoln County, and declared no state aid is needed here. However, there still appears to be a problem because expenditures appear to be ahead of revenues in certain months. So we gave them the state apportionment earlier than actually due to take care of this. For the year 1968-69 no state aid is called for either for Lincoln County. However, this calls for a reduction in instructional staff of eleven. This would hurt the education offered so we went through and found several independent categories where projects for next year were higher than last year. The ADA is 50 students less than this year. We felt some items as construction of a track field could be left out this year and keep some more of the instructors. The last page of Lincoln County figures shows what we felt the budget could

be without such a drastic reduction in staff. We cut some of the staff because of fewer children, especially in the girls training school. 50% of the staff budget would be for certified staff.

Discussion on the amount (\$101,000) in the emergency fund and the need for justification to receive it.

Mr. Young asked about Lander County. Mr. Barrett said his office was never informed of any trouble in that county.

Mr. Garfinkle asked about these figures comparing with those of the Department of Education. ... Mr. Dolan said that Lyon's figures show a difference of \$14,000 from the capital construction category. There is also a discrepancy on the contingency fund - the Department of Education recommending using it the first year to eliminate aid and making it up the next year while the Budget Office recommends saving this for next year and aiding the first year. For Lincoln County, no emergency aid is recommended by the Budget Office, but the State Department of Education recommends \$13,887 for just the first year.

Mr. Preston Price, Superintendent of Schools in Lincoln County, appeared before the committee to urge emergency funds. He said the Department of Education and the Budget Office representatives both came to our district to examine our budgets and financial situation, but did not look in the classrooms or visit any schools. He said he differs with their recommendations because his concern is for the schools and the best education for the children. We have the lowest salary schedule in the state and have been operating on small emergency grants. We have been needing to have repairs made and renovations and we need a track field. Remodeling cannot be done during the school year; it must be done in the summer. We missed our estimate because our contract with Health and Welfare was for 60 girls at the girls school, but in the summer changes occurred so we only had around 30 girls. We also expanded for kindergarten children. So, by our best estimate we came out close to 800. However, because of the copper strike and the kindergarten class not materializing, we did not reach the estimate. We had already spent some of the capital outlay fund and placed some orders. We need \$685,000 to run this year according to the State Department of Education and we can go along with this. However, the federal government cut their percentage from 75% to 50% so instead of the \$13,000 aid figure we will need \$18,000 in emergency aid from the state this year. To continue our present program we need \$19,000. When we were asked if we could cut back and live with the budget presented, we did just that. However, Lyon County did not cut back staff or anything. Mr. Price told of the program they have had for the culturally deprived children. They get federal money for this if they maintain state and local support, but not if those funds are cut back. So we would lose all this - \$37,000 in state money plus \$40,000 in federal money. So, the Nevada Plan has been hard for Lincoln County to buy. The result is much less educational services than ever before, so we ask you to look at the educational requirements for our children, including our culturally deprived children. We want to put back our guidance program and also that for the mentally retarded children. It would be \$19,000 this year and \$37,000 next year. Copies of the summaries of our requests will be distributed. If this is granted, we will increase our student-teacher ratio but decrease 6 staff. We still request the track field. We have been bonded to the limit so there is no other way to go. We are therefore doing everything we can locally and would like to maintain some semblance

of our recent program. We do not think it was the intent of the Legislature to deprive the local areas of basic programs.

Mr. Howard asked if the federal money was connected with the Head Start program. Mr. Price explained that it's connected with Title I, whereby culturally deprived children receive extra training by federal monies only based on keeping state and local support. It's not the Head Start program.

Mr. Price gave the per person expenditures as \$664 per student which is the third highest on the scale and probably compares closely with that of Virginia City. We have 9 schools and 750 children in ADA. We have 3 high schools counting the Nevada girls training center which is a complete junior-senior high school, this being its first year in operation. In this school there are 36 ADA. We get \$40,000 supplemental appropriation from Health and Welfare Division.

Senator Dodge asked several questions on why they can't seem to get by with this new formula, why they say they can't operate the school on \$900 per student, and also expand their classrooms on their budget. Mr. Price said last year they get \$389,000. This year they operate a new school and picked up ADA and the state appropriates \$400,000. We can get by only on a very minimal program. The real problem is for the emergency appropriation to meet that expenditure figure of \$685,000.

Senator Dodge questioned the effects of the strike as it is not reflected in the local revenue figures. ... Mr. Price said there are so many fluctuations in the bullion tax monies that they don't count heavily on it, but it does affect jobs and the number of children for enrollment. Senator Dodge asked why then they estimated such a heavy increase in ADA in view of this. Mr. Price repeated their anticipated kindergarten and girls school contract for 60, neither of which evolved. He said they have never been off their estimate more than \$2,000 in the past 9 years, before now. Mr. Price explained how they utilize the instructors and secretaries from the federal grants for Title I and these special service instructors are not counted in the ratio figures in any of the counties, so their ratio of 1 teacher per 15.2 students and 1-9 in the girls school could be compared to the other counties. These instructors teach on a relief basis.

Mr. Glaser asked if we gave the additional funds to tide you over the error in ADA, are you indicating that in the future you could continue to operate under the Nevada Plan once you get off the ground? Mr. Price answered in the affirmative - the Nevada Plan would answer 98% of our educational problems.

Discussion on consolidation with Clark County being an ultimate solution to the problems of Lincoln County. Mr. Price said this would be supported by him and also the people of his county. The same schools would be operated; just that there would be a joint school district. Comments on Clark County being able to absorb their students and never even feel it.

Discussion on capital expenditures - if the school bill provides money for things as a track field. It has always been allowed as capital expenditures. Mr. Price said they spend about 3% in capital outlay funds as it is necessary to do at least that much improvement each year on something.

Discussion on the student-teacher ratio average for the state. 21 or 22.5
Meeting adjourned at 12:20 PM.