

NEVADA LEGISLATURE - SPECIAL SESSION

JOINT MEETING OF
SENATE FINANCE COMMITTEE
SENATE EDUCATION COMMITTEE

February 12, 1968

The joint Meeting of the Senate Finance Committee and the Senate Education Committee was called to order February 12, 1968, in Room 50, State Capitol Building, by Chairman of the Senate Finance Committee, Floyd R. Lamb at 10:20 a.m.

All members of the Senate Finance Committee were present with the exception of Senator Fransway.

All members of the Senate Education Committee were present.

Also present: Howard Barrett, Budget Director
Burnell Larson, Department of Education
Lincoln Liston, Department of Education
Donald Perry, Department of Education
James Butler, Department of Education
Mrs. W. Wedow, Department of Education
Members of the Press

Chairman Floyd R. Lamb called on Burnell Larson as the first speaker to list suggested changes in Senate Bill No. 5.

Mr. Larson named three suggested changes: 1. Regular apportionments for a School District with increasing ADA. 2. Apportionments for School Districts with a decrease basing the apportionment on the Average Daily Attendance of the former year. 3. Making emergency apportionments to the School Districts that still have not been able to make adjustments to cover their budget, resulting in the difficulties found in Lyon County at present or possibly Storey or White Pine. I think perhaps I will ask Mr. Liston to go through these.

Mr. Liston: We will turn to Paragraph (e). The idea of the amendment as it is proposed would result in all state aid in education being contained in Distributive School Funds and in short, school aid could be apportioned and could all be contained in Chapter 322. The first determined by ADA. It would be compulsory where the School District would have a lesser ADA this year than the prior year and the District also which due to unforeseen changes ended up with contractual obligations that could not be reduced. Paragraph (e) would enable a situation of this type to be taken care of. The District would be able to apply only if ADA were less than the

prior year. Storey County he claimed looks as though they could have an ADA of 13 to 15 pupils less than last year. The amount would be the \$700,000 plus the difference in pupils.

Paragraph (f) would allow taking into consideration other circumstances when there is a loss of anticipated receipts from the local ability of a district to use its money. Lyon County's assessed value was 25% based on proceeds of mines. With the strike going on for a year, proceeds of mines have just disappeared. 25% of the money is gone. That kind of financial hardship in a district will need to be replaced from some source so this Paragraph lets us look at other circumstances to determine whether or not a district is experiencing financial hardship. Certain conditions have been written into the bill whereby objective review and analysis would be made. The district must experience the lesser ADA or loss in local income. The school makes its application to the Board of Education and in accordance with guidelines for evaluating needs for financial aid as established by the State Board of Education we would like to pass out some ideas we have developed, he stated. See attached form.

He stated the State Board of Education would accept the application, review it and it would be put into the form of a resolution, given to the State Board of Examiners, and if there was enough money to meet the emergency, it would be approved. They would then so inform the State Board of Education, and the money would be paid.

Under Paragraph (e), there is a clause which gives permission based on last year's greater ADA. The first two paragraphs show how the ADA would be counted for comparison purposes.

On (e) of the attached form, the request would have to set forth the then current estimate of the receipts the School District would look forward to receiving and expenditures remaining to be paid that cannot be paid unless the request is granted. It is not a matter of reading your budget and finding what you can cut out of it he explained, but a look at it makes it evident what they need to spend for the rest of the year.

Senator Brown asked about estimates of the local School Districts being out of line, and discussion followed on manipulation of the budget by over and under estimation of ADA etc.

Mr. Larson stated that it is probably not necessary to identify the emergency fund by adding to it provisions in (f). This substitutes for setting aside a certain amount for emergencies. At this point we can identify emergency for Lyon County. The money would cover that requirement, but we can foresee other problems

coming up, and if other emergencies are coming up, they need to be met. This is a different approach than we had before where apportionments could be made when we needed them. In this case, each request would have to be on its own merit. The question is whether the State Board of Examiners should be involved in this. With the objectivity we have outlined, we feel a great deal of that objectivity determines what is reasonable in an emergency.

Senator Lamb stated that nobody has any qualms about the Board of Education per se, but that he wanted to be shown why it was better to have the authority with the Board of Education than with someone else.

Mr. Larson replied that he felt the Board of Education was better qualified to know the need. He stated they carried on considerable auditing, etc., all year long, and felt that the Board of Education was in better condition to know the situation than anyone else.

Senator Dodge asked when estimates are given as to Distributive School Funds on the basis of ADA, whose estimates are given?

Mr. Larson replied that the State Department of Education made its estimates separately and apart based on historical fact. If it was an increase in ADA, they determined these factors. He said they looked at the Distributive School Fund overall picture.

Mr. Liston then stated that Paragraph (f) NRS 347.170 was written into the act to regularize apportionment. He stated that many times in the past the legislators had been requested to help in school emergencies, and there would be disproportionment as they would help everyone although particular counties were in serious shape. He said he thought they could concoct a particular formula for basic aid to schools that would cost less in the long run and serve the purpose better.

The meat of the regulation he stated is in the responsibilities of the Superintendent in making his recommendations. The Superintendent would then take that count of ADA and substitute that into the budget that was approved for this school district at the beginning of the fiscal year.

Discussion on the tax rate, particularly of Douglas, Ormsby, Humboldt and Eureka Counties.

Senator Dodge brought up the matter of the different methods of budgeting by different school superintendents, mentioning that by overcount of ADA etc., they could run into trouble, particularly in their commitment of teachers' salaries. Mr. Liston stated that their estimates are based on ADA and their budgets carefully screened.

Mr. Donald Perry was called upon to speak by Senator Lamb. He stated he supported his colleagues, and that White Pine County even though it has sufficient reserve to carry through now, will eventually run into trouble, because even though the strike ended immediately, it would be a year before the school would again receive income from the mines. Loss of the mine tax has happened in several counties and these counties are now in trouble.

Mr. Barrett stated that the Budget Division had no authorship in the original bill. He stated it was really two bills and the first redefines ADA. He said they did not feel the bill did what the Department of Education says it does. It can be counted by categories instead of by ADA. If they will just put in some of the procedures in the statutes to make sure this is what the legislation intends-- The other part of the bill establishing emergency funding was purposely made part of the emergency funding and not part of the Distributive School Fund.

Mr. Barrett stated that the emergency funding would not handle any of the 874 problem. He stated their figures in the Distributive School Fund were contained in Page 16 of the budget and did not agree with those of the Department of Education. He stated this did not mean that one of them was wrong. Mr. Liston's figure he said was a larger estimate and did not have the deduction of the Lander County Flood. He stated in effect, they could have a red figure in the Distributive School Fund. He stated that the amendments the Department of Education had come up with had little or no value in his estimation.


Mr. Butler spoke briefly saying he felt the bill tremendously improves the management and control aspect of emergency funding when needed.

Senator Lamb adjourned the meeting until 9:00 a.m. Tuesday morning.

Respectfully submitted,



Viola R. Bonawitz - Secretary



Floyd R. Lamb - Chairman