

NEVADA LEGISLATURE - SPECIAL SESSION

JOINT MEETING OF
SENATE FINANCE COMMITTEE
SENATE EDUCATION COMMITTEE

February 20, 1968

A joint meeting of the Senate Finance Committee and the Senate Education Committee was called to order by Co-Chairman, Floyd R. Lamb, on February 20, 1968 at 11:20 a.m. regarding Senate Bill 18.

All members of the Senate Finance Committee were present.
All members of the Senate Education Committee were present.

Also present: Howard Barrett, Budget Director
John Dolan, Deputy Budget Director
Senator Dodge (entered at 11:27 a.m.)
Burnell Larson, Department of Education
Lincoln Liston, Department of Education
Donald Perry, Department of Education
James Butler, Department of Education
Frank Daykin, Chief Deputy, Legislative
Counsel (entered at 11:35 a.m.)

Senator Hug stated that since there was not enough money in the Distributive School Fund, it was suggested that Messrs. Larson and Barrett get together to work something out that would be agreeable to the Budget Division and to the Board of Education, whereupon he called upon Mr. Larson to speak.

Mr. Larson stated that they had distributed a memorandum from the Department of Education and Administration which deals with the basic problem, and that is that more money can't be expended than is in the Distributive School Fund. This is indicated in subsection (3) of paragraph (f). He stated that they must be able to identify the amount they can use for emergency funding. It would identify a minimum amount of money and give the Board of Education a figure to work from.

Discussion followed on the Distributive School Fund Budgets for 1967-68 and 1968-69. Senator Lamb said that according to the figures, the Board of Education wouldn't have any money the second year, and if this was the case, they couldn't make any emergency grants the second year.

Mr. Barrett said this was true. However, the amounts shown are less than the amounts authorized by the last session of the Legislature.

He said that the Budget Division was now estimating \$370,000 less than what the Legislature authorized, and that the amount the Committee was authorizing would allow them to spend up to the amount authorized.

Senator Slattery asked how the Budget Division can calculate what they are going to have when they don't know the changes that might occur in the state causing emergencies.

Mr. Barrett stated that it was just an estimate.

Senator Farr asked if the second year money was used for emergencies after the first year money was gone, if this couldn't lead up to deficit spending, to which Mr. Barrett stated that this would not be deficit spending because they would come to the Legislature to ask for an appropriation.

Senator Pozzi said that if the Budget Division foresaw that they were going to run out of money, that they would ask for a supplemental at the next session.

Mr. Barrett stated that the \$72,000 was a tentative figure, and that the Committee had the figures from the 17 counties. He said they had anticipated that the copper strike would have an effect on the revenue of the counties.

Senator Lamb asked Mr. Barrett if he ever recalled a time they had come up for a regular session that a supplemental hadn't been asked for.

Mr. Barrett said there had been times. However, if emergencies come up, they have to come to the Legislature for a supplemental, and they just wanted to be sure the Committee understood.

Senator Hug stated that this seemed like it could cause a special session.

Senator Slattery said this Bill was like giving a blank check to the Board of Education.

Senator Brown reminded him that it had to go to the Board of Examiners.

Mr. Liston stated that the bottom sheet of the memorandum shows the reduction of 874 moneys as far as the basic support is concerned. If the loss of revenue caused an emergency, they would get aid under Paragraph (f). The session would cover what allotments were needed from this year.

Mr. Barrett said the structure of this will allow the Budget Division and the Board of Education to take care of other emergencies.

Senator Fransway asked how one agency could be singled out for this sort of authority, and what would keep other agencies from asking for the same type of authority.

Mr. Barrett stated this type of authorization had already been given to the Board of Education through the Distributive School Fund, and said you are asked to give this type of authorization in Paragraph (f).

Senator Fransway said it would be a supplemental Bill.

Mr. Barrett stated that it was entirely for emergencies.

Senator Brown brought up the matter of the Department of Education and the Board of Examiners already giving a gentleman's agreement for an interim finance committee if the request runs \$50,000 or over.

Mr. Daykin said there was no reference to the interim finance committee in the Bill, it was just a gentleman's agreement.

Senator Dodge stated this was a safeguard, and that a special session would cost more than giving the School Board the authority they requested in an emergency.

Discussion followed regarding differences in estimates and figures.

Mr. Barrett stated the Committee was concerned about Mineral County, and they will have a loss of 874 moneys, but the reason Mineral County is not included here is that they brought a \$71,000 cash balance into the new year, so they should be able to absorb the loss of \$53,000.

Senator Titlow asked what if Mineral County did not have the money they needed in the future.

Senator Gibson replied the answer to that would come under Paragraph (f).

Senator Lamb mentioned that some counties come out with more cash reserve than others because they budget more carefully, so that there is the possibility that those with reserves would spend more freely.

Mr. Larson said that the Board of Education hoped to establish guidelines and regulations that would eliminate this possibility and force the Board of Education to spell out exactly what constitutes an emergency.


Discussion was held regarding amending Senate Bill 18, Paragraph (f), subsection (3) as follows: By deleting the words, "Before

acting on any such application, the state board of education shall determine the amount available in the state distributive school fund for distribution under this paragraph, and shall make no distribution in excess of such amount." and by adding the words, "Before acting on any such application, the state board of education and state board of examiners, jointly, shall determine the difference between the total amount of dollars appropriated and authorized for expenditure during the biennium from the distributive school fund and the total of estimated requirements subject to payment under paragraphs (c) and (e) of this sub-section, and shall make no distribution in excess of such difference."

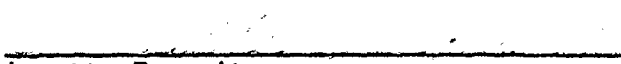
Senator Hug then proposed that each Committee meet separately and come out with their recommendations regarding the Bill. He further stated that he assumed that all members are in agreement that an interim finance committee will have the referral of any request of \$50,000 or more.

The meeting was then recessed at 12:00 noon.

Respectfully submitted,



Viola R. Bonawitz
Finance Committee Secretary



Annette Esposito
Education Committee Secretary



Floyd R. Lamb - Chairman