

SENATE FINANCE COMMITTEE  
MINUTES OF MEETINGS  
FEBRUARY 8, 1973

The meeting was called to order at 8:30 a.m. Senator Lamb was in the chair.

PRESENT: Floyd R. Lamb, Chairman  
Warren L. Monroe  
B. Mahlon Brown  
James I. Gibson  
William J. Raggio  
Clifton Young  
Archie Pozzi

Earl Oliver, LCB Fiscal Analyst  
Bob Tripp, LCB Deputy Legislative Auditor  
Cy Ryan, UPI  
Howard Barrett, Budget Director  
William Bible, Chief Assistant, Budget Division  
Charles D. Snedelar, WPCACT  
Bob Bent, State School Boards Association  
E. L. Braden, Nye County Teacher Association  
J. G. Johnson, Superintendent Nye County  
Don Penny, NSEA  
Valorie Newcombe, President, Lyon ACT  
Iva Collins, President, Humboldt Assoc. of County  
Teachers  
Lonnie Shield, President, Washoe County Teachers  
Bob Scott, Superintendent Humboldt County  
Al Seeliger, Carson City  
Paul Hinz, Churchill  
Gene Scarseth, Douglas County  
Dick Wilson, NSEA President  
Marvin Kellfoil, Pershing County  
Leo Prestwich, Lincoln County  
Wayne S. Morteney, Esmeralda County  
Lou Hirschman, Assistant Superintendent, Churchill  
County  
Elmo Dericco, Superintendent, Churchill County  
John Hawkins, Supt. Carson City  
Craig Blackham, Ass't. Supt. Lyon County  
Nona Lee Baker, NSEA Board of Directors, Mineral  
County  
Wendell K. Newman, Ass't. Executive Director, NSEA  
Lynn White, Elko County Teachers Association  
Bill Moloney, President, SCAT  
Ed Psaltis, Washoe Teachers Association  
Shirlee Wedow, Nevada PTA  
Senator Richard E. Blakemore  
Senator John Foley  
Assemblyman Tim Hafen

Arlo K. Funk, Mineral County  
Gary Gray, Clark County Classroom Teachers  
Marvin Picollo, Superintendent, Washoe County  
Lincoln Liston, State Department of Education  
John Gamble, State Department of Education  
Robert J. Zander, Elko County Superintendent  
Richard Morgan, NSEA  
G. W. Brighton, Washoe County Assoc. Superintendent  
Evans Q. Vandegrift, Supervisor, Esmeralda County  
Menard Mans, White Pine  
Tod Carlini, Lyon County  
Frank Langlinaes, Lander County  
Kenny Guinn, Clark County Superintendent  
Carl Shaff, Eureka County  
Robert Petroni, Clark County

Mr. Liston of the Department of Education stated that the change from daily attendance to simple student enrollment as the basis for the funding formula is a good concept and that the two problem areas come from the retirement fund distribution and the opposition to the urban factor.

Robert Zander, Elko County Superintendent, said that the urban factor had not been objectively shown. He felt they were all running into an inflation problem and should perhaps have an inflation value, for instance \$20 per pupil allotted to all guaranteed monies.

Mr. Liston went over page 11 (see #2 in the supplemental data file). He said when there gets to be more of the same kind of schools in the same areas it creates a lot of intra-district problems, there needs to be more supervision, direction and controlling and this takes more technical and staff specialists. He said larger organizations cost more. The rural county representatives refuted this, stating increased volume costs less per unit than smaller units. Mr. Liston said these kind of specialists receive higher salaries, and that employees in urban areas require higher salaries than do rural workers, even though this was not actually fair, in order to compete with urban wages.

Mr. Liston cited three other states which had an urban factor. He said in New Jersey they recognized the urban factor when there got to be more than 10,000 pupils, for which they received an additional \$27 per pupil. In New York they compensate after 15,000 pupils. After financing all schools they go on to finance each of the six big cities individually, giving them an additional 17% of guaranteed support. In Pennsylvania they calculate the urban factor according to the population of the city rather than population of the school district.

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Mr. Picollo said the advocates of the rural factor seem to be that we have problems in larger counties caused by size. "We are spending all of the money on racial problems, staffing two security officers in each urban school, expensive equipment to have direct contact with police, etc. Our district attracts more disadvantaged people and handicapped children. But because Las Vegas is twice as large as Reno does it have twice as many problems?" asked Mr. Picollo. He said when Clark County gives salary raises this causes dissatisfaction in Washoe County, and while they weren't having difficulty attracting new teachers they were having morale problems with their current teaching staff.

A rural county superintendent stated that many rural schools had been consolidated over a great land area and that this consolidation hadn't really been taken into consideration. He suggested that the rural areas could obtain more funds by breaking down these consolidated districts into smaller schools. Senator Brown said that Washoe and Clark could also do this but that it was just good fiscal management to consolidate where possible.

Mr. Liston pointed out that under the urban factor actually it costs \$700 per student in urban schools but \$1,400 for each rural student. He said to compensate the teacher/student ratio is higher for these rural areas. The rural representative said that costs such as busing, etc., should show as a reflection of actual expenditure patterns and perhaps money should be distributed according to the actual expenditures. It was pointed out that Douglas and Carson City now have the highest teacher ratio under the urban factor.

Senator Gibson stated that there is now a migration of parents moving out of the urban areas to Henderson, surrounding valleys, etc., and that you now can't find housing in Boulder City because parents feel education is deteriorating in the urban areas. He said there are monitors in the halls, rest room doors have to be locked open, police are required at sports events, etc., but there aren't allotments for this directly in the formula. Kenny Guinn, Clark County Superintendent said it cost 1-1/2 million in transportation costs to satisfy the court edict in busing the sixth grade students. (The first through fifth grades were moved out of the North Las Vegas elementary school and were bused throughout the city and all sixth graders in the city were bused to this North Las Vegas school.)

Mr. Zander said it took rural counties 8-10 years to

become comparable in teachers salaries to Clark County. Senator Gibson said that they had 8,000 applicants last year for 200 positions in Clark County, and with the teacher surplus this shouldn't be a factor.

There are 73,112 total students enrolled in Clark County of which 65,910 are affected by the urban plan. There are 28,467 students enrolled in Washoe County, of which 27,159 are affected by the urban plan. Washoe has a larger percentage of urban students than Clark County.

Mr. Guinn pointed out that they have unusual costs such as a special school for 150 students with I.Q.'s between 30 and 50. Mr. Zander said it was difficult to run a class with 7 or 8 pupils and still have a variety of course offerings. He also said that for the biennium upcoming rural areas would lose about ten million. He said it was a question of not having enough dollars to take care of their needs more than anything else. Mr. Picollo said he felt the formula would provide enough perhaps if it weren't that someone else might get more.

Senator Lamb said he didn't think he had ever seen the school systems in as good shape as they are now. Everyone agreed and Mr. Picollo said that currently Nevada schools are rated as second or third in the country.

#### RETIREMENT:

The problem with the retirement funding is that the figure is predetermined by the teacher allotment formula and is an average figure rather than a figure based upon the actual number of teachers hired and filling actual positions. For instance, Mr. Guinn said if there were 75 students in the third grade in a school the formula would allow one teacher per thirty students, where in actuality they would perhaps distribute the extra 15 students in the two third grade classes and hire two teacher's aides to assist with the two larger classes. This would save one (or part of one) teacher's salary and the district would pocket these retirement funds, (or actually the fund would show a surplus.

Figures for fiscal year 1971-72 show that counties actually lost \$102,689 and had to make up the deficit on their own. Mr. Picollo said they were for the increase of 6% to 8% employer contributions to the retirement fund but as it was set up calculating this money through this particular formula, it will magnify the problems. He said the formula itself was causing the inequities. The formula doesn't take into

consideration the increase in the number of employees.

The following is a list of counties which lost funds during the 1971-72 fiscal year:

Churchill	8,421
Douglas	5,156
Elko	13,918
Humboldt	2,802
Lander	2,436
Lyon	11,287
Mineral	5,032
Pershing	1,379
Washoe	46,741
White Pine	<u>5,517</u>
TOTAL	102,689

The following counties made a surplus during 1971-72:

Clark	251,644
Esmeralda	1,568
Eureka	417
Lincoln	3,174
Nye	2,752
Ormsby	6,045
Storey	<u>2,195</u>
TOTAL	267,795

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The rural counties objected to transportation, retirement, special education costs, etc., being taken off the top. They would like to see an adjustment made for actual costs with distribution of the remainder.

Mr. Guinn of Las Vegas said that statewide the state would provide 11.1 million for education. Subtracting the 1 million spent for low wealth or fiscal neutrality which only four counties participate in, leaves 10.1 million. Subtracting the 1,160,000 spent for the urban factor of which only two counties benefit (and Clark receives 750,000) this leaves 9 million. Special education receives 2 million and benefits all 17 counties, but Clark County receives 1,100,000 of this. This leaves only 6,940,000 or 58% or 60% of the entire total aid for basic aid to all 17 counties. Two years ago Clark County received 12 million, and it is more difficult to stretch this 11.1 million throughout the state. In addition to the above state funding the retirement increase from 6% to 8% employer's contributions to retirement, will cost an additional \$1,646,000 added to this 11.1 million. Mr. Picollo suggested that since it was so little money they should be sure to distribute it evenly. Mr. Guinn said if it was beginning to build inequities he was not adverse to working it out.

Senator Monroe said that the small counties see the big counties employing teacher's aides and building big administrative palaces (offices) which the small counties don't have, so there is an inequality. He said we don't have equal education throughout the state and suggested that perhaps the tax factor was the weakness.

Senator Lamb said that the brains of the educational system were in the room but we still don't have the answer because it was difficult to achieve absolute justice.

Mr. Guinn said in 1971 "we were treated royally. We got a 20% increase with a one-shot fund. I don't know how often the state can come up with that kind of money. We have problems in this state of one extreme to the other--very small school districts and one of the largest in the country."

Senator Gibson stated that the formula allowing equalization of wealth considering the Serano court decision has caused Nevada to be in a better position because of this formula than any other state he has talked to. He said states were throwing out their formulas due to the Serano decision. He said we were facing<sup>a</sup> court situation with regard to special education and have had to take this into account there.

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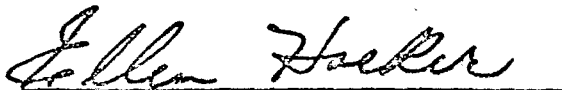
Mr. Guinn said that two years ago if the local Clark County school board had changed the transportation limits from two miles to 1-1/2 it would have cost over 1 million. By doing this another \$750,000 would have gone to Clark County.

Mr. Picollo said he felt in the areas of retirement and the urban factor the formula needed refinements.

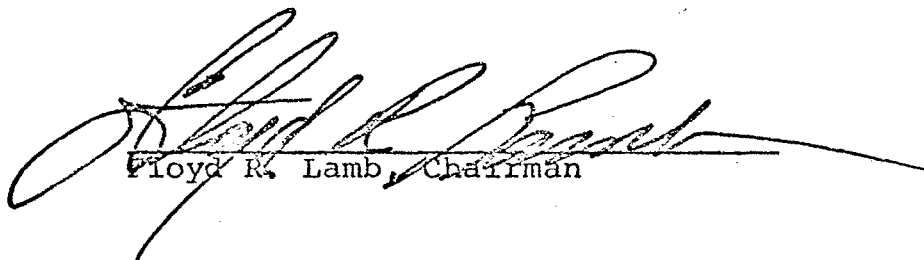
Senator Lamb asked how they felt about the Dept. of Education. Mr. Picollo said they help too much in the area of integration and otherwise he endorsed them 100%.

The meeting was adjourned at 10:28 a.m.

Respectfully submitted,

  
Secretary

APPROVED:

  
Floyd R. Lamb, Chairman

	1	2	3	4	5	6	7	8	9
Statistics	Employment Contract 71-72	Average Salary	Retirement Provision 71-72	Retirement Regional	Pay A.D.A. 1971-72	Pay A.D.A. Regional For Retirement	Amount Paid For Retirement	Difference 7-4	% of Excess 8-4
11	150	10,729	649.74	97,461	2,782.5	32	89,040	<8,921>	- 8.64
	3710	11,761	651.66	2,188,129	69,707.8	35	2,439,773	251,644	11.50
	101	10,882	656.58	66,315	1,882.3	33	61,159	<5,156>	- 7.78
	226	10,947	662.52	149,297	3,672.4	37	135,879	<13,918>	- 9.29
	6	9,832	596.72	3,576	66.8	77	5,144	1,568	43.85
	15	9,531	581.69	8,725	169.3	54	9,142	417	4.78
	103	9,816	594.96	61,281	1580.5	37	58,479	<2,802>	- 4.57
	44	10,363	627.78	27,622	662.8	38	25,186	<2,436>	- 8.82
	51	10,129	613.51	31,285	749.1	46	34,459	3,174	10.15
	147	10,748	650.58	95,679	2,411.2	35	84,392	<11,287>	- 11.80
	97	10,133	644.18	62,485	1,689.8	34	57,453	<5,032>	- 8.05
	70	10,304	624.24	43,697	1,132.9	41	46,449	2,752	6.30
	219	10,270	622.20	136,262	4,447.1	32	142,307	6,045	4.14
	27	10,113	612.78	22,673	626.3	34	21,294	<1,379>	- 6.08
	3	10,727	644.22	5,154	106.5	69	7,349	2,195	42.59
	1255	10,912	663.12	914,870	27,002.9	34	918,099	<46,741>	- 4.84
Pine	142	10,677	646.62	91,820	2,465.8	35	86,363	<5,517>	- 6.01
	6055	11,017	667.02	4,056,801	121,127.0		4,221,907	267,795	6.60

<102,689> - 2.53

Original documents of poor quality

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## School financing

# 'Urban' funds debated

CARSON CITY (AP) — The superintendent of the Elko County School District has told

the Senate Finance Committee that he sees no justification for the "urban factor" in the state education aid formula.

Superintendent Robert Zander said, "I don't see any justification of the urban factor. All school districts are in the same boat in handling inflation."

The "urban factor" is designed to give Reno and Las Vegas school districts additional funds.

Clark County would receive an extra \$28 per student under the proposed "urban factor" and Washoe County would receive \$17 per student. Zander said all school districts should receive an extra \$20.

The proposed "urban factor" was defended by Lincoln Liston, an associate state superintendent of public instruction. As urban areas grow, he said, more highly paid supervisors, controllers and technical specialists are needed.

Although he favored the urban factor, Washoe County superintendent Marvin Piccolo told the committee that his district needs as much money as Clark County.

Piccolo said both districts are confronted with the same problem of trying to prevent "racial problems."

Extra security officers are needed, he said as security precautions.

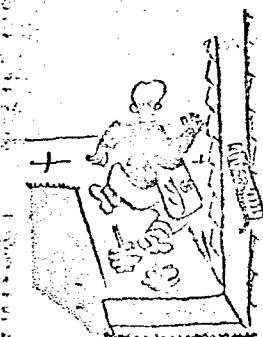
## Legislature wants test sit. closure blocke

Gazette-Journal  
Legislative Bureau

The Nevada Legislature Wednesday passed and substituted for Gov. Mike O'Callaghan's signature a resolution asking President Nixon to rescind his order closing the Nuclear Rocket Development Station at Jackass Flats.

Closure would cause termination of projects involving 200 research employes and bring up "a pool of human resources unique to the world by virtue of their highly specialized scientific and technical knowledge," said the Assembly-Senate joint resolution.

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