

Joint Meeting

SENATE FINANCE COMMITTEE
MINUTES OF MEETINGS
APRIL 20, 1973

The joint hearing was called to order at 8:30 a.m. Senator Gibson was in the chair.

PRESENT: Floyd R. Lamb (who arrived at 9:45 a.m.)
Warren L. Monroe
B. Mahlon Brown
James I. Gibson
William J. Raggio
Clifton Young
Archie Pozzi

Don Mello
Jack Schofield
Darrell Dreyer
Rawson Prince
Bob Robinson
Randy Capurro
Tim Hafen
Bode Howard
Hal Smith

Howard Barrett, Budget Director
William Bible, Chief Assistant, Budget Division
Ron Sparks, Budget Division
John Dolan, Chief Deputy Fiscal Analyst, LCB
Cy Ryan, UPI
Bryn Armstrong, Las Vegas Sun

Ed Psaltis, NSEA
John Dini, Jr., Assemblyman
Lou Hirschman, Churchill County School District
Craig Blackham, Lyon County School District
Elmo Dericco, Churchill County School District
Gene Scarselli, Douglas County School District
Tod Carlini, Lyon County School District
Bob Bert, NSSBA, Carson City
Kenneth Hansen, State Superintendent of Education
John Hawkins, Carson City Schools
Don Perry, NSEA
Ila Alldredge, University of Nevada, Reno
Rae Smalley, Clark County
G. L. Craft, Mineral County
Arlo K. Funk, Mineral County
Senator Carl Dodge
Richard Morgan, NSEA
Assemblyman Vergil Getto, Assemblyman
K. Efroyman, Clark County
Kenny Guinn, Superintendent of Clark County Schools
Ed Greer, Clark County

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Assemblyman Jean Ford
Senator Spike Wilson
Grant Bastian, Director, Highway Department
Howard Hill, Director, Department of Motor Vehicles
Mr. Guinn, Legislative Advocate, Motor Vehicles

S.B. 648: DISTRIBUTIVE SCHOOL FUND -

SUMMARY: Increases state basic support guarantee for public education; makes appropriation to state distributive school fund.

See the attached analysis of this bill. Senator Gibson said, "The bill has been drawn with the governor's recommendation as far as the amount of money is concerned with regard to the general fund. The changes in the proposal from what they have done in the past is the allocation for special education is actually spelled out. That is the amount of money that goes to each district for this purpose is listed in the law. It amounts to \$6,300,000 the first year and something over that the second year.

"When we get the bill there will be one change from the way it is printed. The governor has agreed to let us shift \$1 million from the second year into the first year. That will require an amendment.

"Also one of the other changes is the allocation has been changed from an average daily attendance basis to an enrollment basis on the last day of the first month of the school year."

Dr. Liston said, "Having to make the bill limited to the appropriations in the governor's budget it is not possible to finance all of the recommendations that the state department of education had made. With regard to improving basic state support it is 8% the first year and 6% the second year to give full payment to those districts with less wealth, to give full consideration to the urban factor, and to give full funding of the 450 handicapped education program that were first talked about. So the bill does make the provisions to give the 8% and 6% improvement in basic precedent equalized state support to school districts. It would raise the additional support of the state to the less wealthy

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school districts such that they would be able to see 98% of the resources that they would see if they were a wealthy county. That's 98% instead of 100%.

"With respect to the urban elements they were first proposed and implemented in 1971. In 1971-73 there were not sufficient dollars in the budget to pay the full cost of the urban factor recommendation. In 1971-72 \$8 per pupil of that were paid. In 1972-73, the year we are in now, the urban element has been paid for at the rate of \$11 per pupil. The bill would pay for the urban element at the rate of \$14 per pupil the first year and \$17 per pupil the second. It would require \$20 per year to pay the full amount of the urban recommendation.

"Instead of \$6.5 million the first year for 450 handicapped units (classrooms) it is providing for the funding of 414 units to a total of \$6,300,000 the first year. With respect to the handicapped education sections of statutes that already exist, all of them have been revised or they have been repealed. Any reference to 2-1/2% of the population which is handicapped and served educationally has been removed. There is a compulsion in the statutes now saying that boards of school trustees shall make provision for the education of handicapped children who cannot make satisfactory progress in regular graded facility programs, and therefore need special programs (a- instructions or services because of their handicapped conditions. The bill calls for the state department of education to do two things, to prescribe the examination procedure to be followed in identifying that child who cannot make satisfactory progress in a graded program of instruction, and to prescribe standards for the establishment and operation of special programs for handicapped children. Then there is the guidance to the school district for this.

"Generally the programs operated for handicapped children are for those who are more than five years old with the exception of three categories, the aureally handicapped, the visually handicapped (those two categories can be served at any age under five), and the academically talented for whom service can begin as young as age four.

"Handicapped programs and those listed above will make the school district eligible for support at the rate of \$14,500 per program." See the second page of the attached analysis for the sources of funds for the distributive school fund.

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For page three, 'guaranteed basic support 1973-74 resources' of the attached, Mr. Liston explained the following. This shows the amounts of dollars either per pupil or the various elements of the support plan and the limit to the number of dollars in each of the 17 districts. This shows the major resources outside basic support on the first sheet which is on the fifth from the last column entitled 'major resource outside basic support' and starts with \$615,936 for Churchill County. That is the anticipated amount of major resources for the year and the resources expected from an 80¢ permissive property tax from their share of motor vehicle tax distributions and their share of PL874 entitlements.

The corresponding column for 1974-75 is not shown because Mr. Liston didn't find a good way to guess what those assessed values, etc., might be for the second year of the biennium. Mr. Liston said, "I think it is fair to expect that the numbers of dollars for 1974-75 will be at least that much and something more in 1974-75. But this gives an idea of total resources for 1973-74 for both state and local resources.

"There are some provisions toward the end of the bill that makes it possible for distributions to be made to school districts not in excess of \$900,000 per year each of the two years that would replace lack of PL874 moneys that school districts might receive in 1973-74 1974-75 that are less than the PL874 entitlements for 1971-72. Four of the districts in the state have depended to a great extent on PL874 moneys. Two of the districts in the state would be destitute without them. The county that is most affected percentage-wise on PL874 is Mineral County with its naval ammunition dump station down there. Without PL874 Mineral County would almost be destitute. Churchill County, since the Fallon airbase became a permanent installation is largely affected. Clark County although not as great percentage-wise but in dollars is more affected than any other district. Elko County is the fourth most affected district. I think the provisions added to offset any PL874 losses to all of the districts is a very good move. It will be necessary to give a major support to the four districts that I have named specifically.

"The process of getting them additional support for the school district requires combined effort of the department of education and the state board of examiners. The department of education has to review the entitlements and report

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how much the entitlements were in 1971-72, what the difference is between that entitlements and the entitlements that will develop in 1973-74, make recommendations to the board of examiners, if the \$900,000 is sufficient the board of examiners can approve payment. If it is sufficient or they do not find the moneys there they can approve pro-rated payments to the school district."

Senator Raggio said, "Every once in awhile I get the feeling I understand you, and then I fall off the track. On major resources, you talk about an 80¢ permissive tax figure being included in there, could you explain this." Mr. Liston said, "Those were determined from the assessed values reported. All counties levy the 80¢ except one, Douglas County. The amount that it would raise is on the chart. It is up to them as to whether or not to do this."

Senator Raggio said, "Tell me again, because I didn't understand it, how does this urban factor work out. The first there is a \$8 differential between Clark and Washoe Counties. The second year there is a \$9 difference. Explain how this got that way." Mr. Liston said the, "count of allotment for teachers is determined by counting pupils in each of the geographical areas in the school district. Where there are different numbers of pupils you divide those numbers of pupils by different divisors which indicate a need for more or fewer teachers per pupil, because of the characteristics of the district. We start doing this for districts that are very small. In the elementary tables we go to a maximum divisor of 27. After a geographical area has more than 8,000 students for elementary we go to a divisor of 25. Then after there are more than 24,000 we go to a divisor of 24. Clark is the only one that has a significant number of pupils above 24,000. Washoe County now however is pushing that 24,00-25,000 pupil population in their urban area. The application of those tables is made only in urban areas, directly in the urban area and not in Wadsworth, Incline Village, etc., which are not considered, just as in Clark County the valleys, Boulder City, Henderson, are not counted in the urban factor.

"Because Clark County has a lot more pupils and many of them in that category more than 24,000, the application of the urban tables have a great effect." Maybe a more simple way to say it is the urban element is looked at in two categories-- up to 8,000 pupils and over 24,000 elementary pupils. For secondary it becomes 21,000. The first urban thing is 25 and 22, the second is 24 to (31? couldn't get). Full support for the two urban districts is \$28 per pupil in Clark County and \$20 per pupil in Washoe County."

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Assemblyman Hafen asked, "What rationale do you use in breaking down the number of pupil values to reach this population figure? In other words, you get out so far and then you start coming back down in the number of pupils to teachers."

Dr. Liston said, "Not only the observations in Nevada but the observations that have been made in other states which use this urban factor show that the problems begin in the urban centers in high school and there are racial problems and problems with multi-lingual, etc." After Dr. Liston described the need for the urban factor, which has been described and can be referred to in the minutes of February 8, Assemblyman Hafen said, "That's why I tell people to get the hell out of the cities."

Dr. Liston said that the State of New York "divides the schools for support purposes into four categories--the very small, the medium sized, the so-called urban districts, and the big six largest cities but they are not financed as a category by themselves and the support rate for the big six is higher than any other group, with eight or fewer teachers. The State of California treats the City of Los Angeles and San Francisco similarly. Our minimum ratio of teacher/pupils is 1/22. I don't see that changing as far as another third category being added until we reached 100,000 student population in Nevada."

Senator Young said he was still confused about was the divisors, and said, "Do you develop the amount that is needed first and then decide what the divisors should be or is there some imperical data upon which you develop a divisor and then come up with a result that is entirely expected based upon the divisor. I can see some rationale for more money in the urban area, but I'm puzzled as to how you get these artificial divisions of 8,000, 22 and 25."

Dr. Liston said, "The purpose of changing the divisor is to establish relationships of expenses for operation of educational services in different geographical areas by size." Senator Young asked how they got the size of the divisor in the category and asked if, "is this something that is used to shore up a conclusion that is reached by rule of thumb, or do you reach a divisor and get the result? Is there data used from other areas?"

Dr. Liston said, "Are there examples of this going on in other states? Not as strongly as it is in Nevada, no."

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Senator Raggio said, "That's my concern. I don't understand and can't see where the divisor comes from as far as Clark and Washoe County. I don't understand the difference in the size of the divisor in those two urban areas. It seems as though there is a purpose there or a great point where just over the Washoe County level you give a higher divisor to Clark County. I frankly consider the transportation, supplement and all that's made, I frankly can't see the justification for the disparity that exists. How do you come to this figure? Do you go backwards and say well we want to give this much to Clark so to do that we have to come up with this divisor or do you want to give this much to Washoe so you come up with that divisor?"

Dr. Liston said, "No, that is not the reason. I think it's easier to understand if we begin with the smallest geographical center in the state and what is the expected possibility of a school district organizing a school and operating classes for the children. Out in this little valley where there are only 7 children we have to organize classes. When we get into an area with more children we need to establish five classrooms. Anyway, these divisors were established as a means of putting more dollars with a thing called teacher allotment as necessary for school districts to organize instruction programs for children where those programs had to be furnished. At 235 we feel there are enough children now that there can be organized an optimum number of classroom units with in the instance of elementary with 22? children per unit. When the population center (student population) gets to be more than 235 it is not good educationally now to expect them to put 28, 29, 30, 31 pupils per classroom. We get to the largest divisor of 27.

"Going on with that, when the population gets to be more than 8,000, we now have these concentrations of groups of pupils who need special attention. It is not possible now to organize and serve them at the rate of 27/1. There needs now to be the ability to serve at 25/1. Then again, when we pass the 24,000 pupil population, we have additional expenses for urban services and the divisor should be 24/1. After the divisors are applied we now have a statement of comparisons which basically says this, that there is a school district in the state that can provide a level of educational services at a lower cost than anybody else, and if that district can do it at the lowest cost then each of the districts, the other 16, then must have a little bit more money than the lowest."

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Assemblyman Capurro noted that Washoe County was almost reaching the 24,000 pupil population and asked if once that was passed if they would have the same urban factor as Clark County. Dr. Liston said, "That's true."

Senator Dodge said, "Your judgment for breaking at 8,000 on the urban area with two large high schools, is there any other experience across the country that indicates the breaking point at 24,000." What experience indicated that the 24,000 was the proper point to break again at that point?"

Dr. Liston said, "The only point of reference that we had at that time were the states of New Jersey, Pennsylvania, and New York. Those three states have similar ideas, either working with student populations or as in Pennsylvania working with density of people by square miles in two different breaks. In all three states they have the two breaking points. They break at 10,000 and 40,000 with regard to student population. In New York they broke for more and called it urban until they got to the six largest cities. The rationale is consistent in that we go from the very small to a breaking point and have the two categories of large population breaking points."

Senator Raggio said, "Well if this is the rationale I wouldn't expect to come back two years from now and if Washoe has reached 24,000, I would expect the rationale to be the same and wouldn't expect the rationale to change to a 30,000 breaking point." Dr. Liston said, "Yes."

Dr. Liston said, "The first 8,000 the teacher allotments in both Reno and Las Vegas are treated just like the first 8,000 in any other locality. Then the divisors are only applied to those students who are after the first 8,000 and 24,00, and then only those who are more than 24,000 have the next smaller divisor."

"It may be well to consider having only one urban category, but you could never have just one rural category. That's where Nevada's plan is so much better than New York's, for example, where they just have one so-called rural category, one mid-sized category, one city category, and the big six. You just see four squares, and Nevada has a gradually curving support level."

Senator Gibson asked if the small counties would like to speak, but they didn't, so he called on Dr. Picollo, superintendent of schools in Washoe County to testify.

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Dr. Picollo said, "Other counties, other states, use density as a factor, and Washoe County does by the state's own definition a higher total proportion of density in the downtown areas of Reno and Sparks at this time. It is a little late in the game to argue whether all urban students should be treated the same which was our original premise and we still maintain that. The good factor of this formula is that all counties have at least reached the basic aid percent increase in the first year. Strange as it may seem we are in support of the concept of moving more funds into some of the cow counties. I think they have some of the same problems that we do. We suffer as great a loss in the urban factor as Clark County.

"On the low wealth factor we didn't get any to begin with, so its pretty hard to cry over something you didn't have initially. Originally, the rationale was to take out urban factor and all specialty, cream-puff items and leave the bread and meat. It was found that we feel you would do better to fund the bread and meat first and leave the cream-puff items last. I know some of you would say the urban factor certainly isn't a cream-puff item, and it isn't, but there are things that are more basic and that is the basic support. I would have to support the department when they took out this and supported everyone equally raising.

"I think the urban factor is going to have to be re-examined at some time. The idea that it is set and should remain this way is not sound. The question was raised, do we spend all the money we get for the urban factor, and the answer is yes and more. We are trying to prevent some of the problems that occur and we spend all this money directly trying to work with the problems that are caused by extreme crowding and racial tensions.

"In summary I would have to say its not what we would like, we would like more moneys, but if we can't have them we can't have them."

Dr. Picollo was asked about handicapped education and said, "We were named in a lawsuit related to education of the handicapped children located in the State Mental Hospital in Sparks. We get 92 units for Washoe County and we are going to have problems in Washoe County because we are taking care of the children in the state hospital and those children are from all over the state, not just from

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Washoe County. I don't know that we will be able to take care of all those children with 92 units. I know we will not. We will have a problem. If there are units that are not utilized by the counties we may ask that they may be utilized (part of them) at the state hospital where all of the state's children are housed. Probably another four or five units would be able to take care of this adequately. I feel there will be some units unused, and if there are I would ask that we be able to use them.

"We are currently being funded for 72 and we are operating 82. The new funding to 92 units will allow us ten additional above what we have now (although the funding would be for an additional 20) and there is a waiting list more than that. After the children are named in that suit in order to try to avoid the impact of it that will leave us a waiting list in our own county, and that is sort of unfair because many of the children in the hospital are from Clark County. It has never mattered to us before, but it will now."

Senator Raggio said, "What should be provided here to assist that. That seems like a laudable goal. If the specialized units aren't utilized shouldn't they be specifically designated to be used at the state hospital since it is a special problem?"

Dr. Liston said, "Actually these numbers of units which were used based on limiting dollars were from allowing one handicapped educational program unit per county for each 8 regular classroom teachers allotments, no district having less than one."

Dr. Picollo said, "If they aren't earmarked at least they ought to be where we could write a program and apply for them. Our rationale would be that these students are from all over the state and therefore we would like to have moneys if they are available. I don't want to take them from other counties, but if some are not used it would be foolish to leave them on the table when we are being pressed into the corner on a lawsuit. We have the responsibility for education at the state hospital whether you give additional moneys or not.

"We have three teachers now at the state hospital but all of them are over in the emotionally disturbed section of the hospital. The children in the mentally retarded section are taken out of the hospital and transported to our schools. Some are not being taken out and some at the state hospital are not being given an education. It is those children for whom we will have to move three or four units there to operate programs. We are taking out 80 children. The three or four units is a conservative

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estimate because I'm thinking of a pupil/teacher ratio of about 7/1 and we will have to lower that to 5/1 for this. Last year we operated ten programs out of our own pocket. We have a waiting list now of about 12-14 units in our own district not considering the state hospital. It might be easier to leave these children out (the 12-14 unit waiting list) and serve the children at the state hospital because those are the ones who are named in the lawsuit. We will probably have to address ourselves to the suit."

Senator Raggio said that the state hospital wasn't purely a Washoe County problem. Dr. Picollo said, "The children living in the cottages are perhaps the more capable rather than the children in the wards. The children in the cottages are the ones they are transporting out. The ones in the wards are from all the counties and not just the cow counties but also from Clark. I am saying, if you have extra units, please let us use them, let's not leave them on the table while we have this suit hanging over our head." I don't want to imply that Clark or anyone is stealing our units."

Dr. Kenny Guinn, supervisor of the Clark County school district said, "I somewhat agree with what Dr. Picollo has been talking about here. One of our

"Since last October, November, and December, we have been computing our budget data and it has finally been adopted and sent into the powers that be. However, now we find that the expected \$28 figure for the urban factor will be cut to \$20. The reason that creates a problem with us in Clark County is because we have all our income computed based on a basic support figure of 595 with \$35. If you look on page three (guaranteed basic support in attached) under transportation, Clark County (first column) transportation we have always been told we would receive \$15 and that will not be changed under this formula. Under retirement we have \$35 computed for the last six months and this figure has now changed to \$41 for a plus \$6. However, this is a cross-cancellation and has no money you can spend there because there is a bill to raise retirement from 6% to 7%. Under low wealth in the third column, we have been computing \$15 and that has been reduced to \$10 so we now have a total minus \$5. Under the urban factor we have been computing \$28 and it has been reduced to \$20 for another minus \$8, or a total minus \$13 per student from what we have predicated all our expenses on this year. Under equalized basic support

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In the sixth column under equalized basic support we are getting back \$11 of that \$13, so you would put a minus \$2. Once we have computed our figures it makes it difficult when we don't get them.

"There has not been enough money to fund 8% and 6% although we agree this should be done, and this is what put the small counties in big trouble (the inability to fund all this). The reason there wasn't enough money for the 8% 6% proposal was because the urban element, the low wealth, and special education, retirement, and transportation were funded actually first. Then what was left over was determined to be the basic support. That basic support fell short of the 8% the first year, and that's why some of those small counties ended up with 4% or 3.6% as opposed to some of the large counties like Clark ending up with more than 8%. It is my contention that you should always fund the basic support first and if that happens to be \$610 per student on the average then that amount of money should be allocated. Then what's left should go into the other elements. That way everyone in the state participates in the basic support, but not everybody participates in the urban (Clark and Washoe), and only four counties which participate in the low wealth. So if you fund those elements first then you are funding them at the expense of everyone else, and that's one of the major problems in these categories.

"What I am really saying is had the basic support gone to 6%/10% to start with Clark County would have never seen or realized \$28 per year for the urban factor per student, and Washoe would never have worked with a figure of \$17 per student. Therefore, if it had come out \$12 for Washoe and \$20 for Clark to begin with, we couldn't say we were losing anything. But we are now funding after six or seven months the full 8% at the expense now of the figures Clark and Washoe have had. I would like to recommend you consider a shift of the \$1 million from the second year to the first, and since the basic support has now been equalized at 8% at the expense of Washoe and Clark, for the entire state this will put them in fairly good shape. We feel that that additional money that is moved up should be given consideration to go to the urban factor and not pro-rated on a per student basis. I think that is a very critical point and would help us. If you are going to add money now try to work it back into this."

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Senator Gibson discussed shifting \$1 million from the second year of the biennium into the first year of the biennium. This would not be an appropriation of an extra million, just a shift of \$1 million allotted for the second year. Senator Gibson said, "The justification was to allow a little greater increase in the first year because of the problems that have developed in the first year. We should make clear that's not a million dollars extra, and the total of the two years appropriation will be the same." He recognized that during the first year of the biennium there is more pressure put on the school districts for teacher raises than there is in the second year of the biennium.

Dr. Guinn said, "With the changes in the budget (as discussed on page 12) if you compute that as income and roll up our costs in Clark County, we would have \$298,000 remaining throughout our budget for setting new priorities, for salaries for 6,000 employees. So the \$298,000 would be less than a one half of one percent raise for the teachers. Since PL874 has been cut back that directly affects Clark County by about \$800,000. The governor has been working to guarantee the same rate of funding from the federal government, so maybe we could pick that up. But when you go through the programs you are talking about this morning and you take away that that \$298,000 now dissipates to a minus \$11,000. That's why it is so critical for us to get something moving from the second year into the first year."

Dr. Guinn said that raising the retirement from 6% to 7% "we will get \$6 per student under this proposal for retirement funds and that cost would be about \$233,000 and the cost for that raise to us will be \$533,000 or so." Senator Raggio mentioned that last year they had a \$251,000 surplus on the retirement formula. Dr. Guinn said "That won't happen biennium. Now you have categorical positions in the budget. What we do if we had 20¢ left over from any one category it goes into our total general operating budget, so you say we are going to get that much money, that could have been this \$300,000 we just talked to you about. It will not happen to us at the same rate it has before because under your special education program we are going to be eliminating some of our classified people who have been working in order to qualify for the \$14,500. Instead of having three aides instead of one qualified teacher, we'll drop those three aides and pick up that teacher which we are almost forced to do to qualify."

Dr. Guinn later said, "There is \$1,500,000 spent on professional growth for teachers, the increments for classified or longevity for teachers, classified, and administrators in Clark County each year. That is built into the budget. If we raise our salaries 1% for all employees across the

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board for all employees it cost \$547,000. If this bill passes we will be \$11,000 in the hole rather than the \$300,000 to the good that we had expected up until now. We are appreciative of getting a guarantee on the PL874 moneys because this would give \$800,000 to Clark County and would provide 1-1/2% for a salary increase."

Assemblyman Hafen said, "If you take \$1 million out of all counties the second year and transfer that to the first year and putting \$2 per pupil of that into Clark and Washoe you are in effect taking this from other counties and putting it into Clark and Washoe." Senator Gibson said, "Not necessarily." He mentioned the urban factor. Assemblyman Hafen said that perhaps the counties would only receive 4% the second year because of this transfer and taking the \$2 away from rural students.

The other money not from the general fund to be appropriated to the distributive school fund which are shown on page 125 of the executive budget. This includes out of state sales tax, interest, etc. There will be an additional \$300,000 from the slot machine rebate and \$600,000 in revenue sharing for a total of \$900,000 a year, each year.

Dr. Guinn said, "In Clark County we have 207 units and with this proposal we would go to 231 for special education units. Our share for 1973-74 would be \$3,349,000, and we're now spending about \$4,800,000. This won't mean we will have to cut down on special education programs but we will now have for support funding for it. We've been putting more money into this from other areas in the past because we feel the need is there.

"I think this legislative body two years ago had the foresight to have the trigger mechanism. This legislative body was recommended for its foresight and this was recommended throughout the United States for the trigger mechanism." Dr. Picollo also commended the trigger mechanism and said this was the first time it had ever been done and had worked well and the nation felt this was an excellent decision. The trigger mechanism allows a county to utilize funds earned from the 1% sales tax above a designated figure to be kept in the county the tax is accrued in.

Dr. Picollo, Dr. Guinn, Dick Morgan (NSEA) and the small counties through their representative all stated they were in favor of shifting the \$1 million from the second year into the first year.

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Dick Morgan (NSEA) said, "I am very pleased to see funding of special education. All counties will now have at least one such class, and four counties have been without a special education class in the past. I am also appreciative of the committee's efforts to guarantee the PL874 funds. I would also encourage you to move the \$1 million into the first year. We would prefer to have that money in the first of the two years."

Assemblyman Capurro said, "If we move that \$1 million forward I suspect we will all be sitting in the interim finance committee next year putting \$1 million back in somewhere along the line." Senator Gibson said, "Everybody should have their eyes open that that's what we are proposing, and that we will not give an additional \$1 million. If anybody has that (getting an additional \$1 million) in mind, they had better get it out." The committee agreed that they would not fund an additional \$1 million. Dr. Picollo suggested that the trigger mechanism be utilized next year (in the second year of the biennium) if they find they need funds. The public then left the hearing.

If the \$1 million were shifted this would give Clark County about \$300,000 for the urban factor and Washoe about \$90,000. Assemblyman Capurro said he would be in favor of shifting the \$1 million forward. Senator Raggio said, "I agree that this should be shifted, but the question is how do we do it." Senator Gibson said, "In the subcommittee the thing we had in mind was the shift would increase the rate of support about an average of \$7 across the board. The problem of shifting the total and putting into the urban impact is this throws the second year quite out of joint and it is possible we could come in here with a \$28 and \$17 for Clark and Washoe. Then the second year this money comes out of some other factors and they are down. I don't think we can just make a snap judgment on that."

Dr. Liston said, "If for example we made the urban factor \$24 for both of the years and \$15 for both of the years, then it would add to the first year \$390,000, and it would not change the second year, because it's already there. If \$5 per pupil equalized basic support were given to everybody that would cost \$650,000. That would make the total increase the first year \$1,040,000, the \$40,000 which could be picked up from unused district funds." Assemblyman Hafen said, "Your proposal is now to add \$4 to Clark and \$3 to Washoe per pupil, and that would cost \$390,000 the first year and wouldn't change the second year, and \$5 per pupil across the board which would cost \$650,000."

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Assemblyman Capurro said, "Its hard for me to get through my thick head that you can operate on less money the second year than you can on the first." Senator Gibson said, "The thing is we've been on a biannual thing for teachers raises and they usually come in the first year of the biennium. Until last year we put money in there. Now the money is not all going in the first year, its spread over the two years in the budget. The problem is the ratio in the first year isn't enough to cover the kind of raise the're used to."

Assemblyman Hafens summarized this proposal as, "Taking \$7 per student across the board in the second year, putting \$5 per student across the board into the first year, plus \$4 in Clark and \$3 in Washoe for the Urban factor. The net result is you are changing \$2 per pupil." Senator Gibson said, "I think the districts have indicated that in the second year they are in quite good shape." Assemblyman Prince said, "You are penalizing every student \$2 to fund the urban factor." Senator Gibson said, "In the second year the districts are all in pretty good shape."

S.B. 649:

SUMMARY: Makes state ad valorem tax levy for fiscal years 1974-75.

This is the same figure as is currently used, but every year the legislature has to set the figure. Assemblyman Capurro questioned taking 11¢ from the counties to administer title 19. Mr. Barrett said, "That is an existing statute that doesn't have to be passed each time. That (the 11¢ for title 19) has nothing to do with this bill. The counties are paying the state 11¢ at the present time for title 19. That is in another statute." This bill produces over \$7 million.

Senator Raggio moved they recommend do pass. Senator Pozzi seconded the motion, and it passed unanimously. Assemblyman Capurro moved they recommend do pass. Assemblyman Prince seconded the motion, and it passed unanimously.

S.B. 647:

SUMMARY: Makes general fund appropriations to the division of water resources of the department of conservation for certain legal fees and court costs.

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Senator Lamb mentioned that this will pay for the legal fees for the defense of the Truckee River litigation concerning the Indians suit for more water for Lake Pyramid.

Senator Pozzi moved they recommend do pass. Senator Monroe seconded the motion, and it passed unanimously. Assemblyman Howard moved they recommend do pass. Assemblyman Capurro seconded the motion, and it passed unanimously.

A.B. 477:

SUMMARY: Provides commission with authority to promulgate engine and exhaust emission standards for motor vehicle pollution control.

Senator Spike Wilson, Howard Hill, DMV, and Grant Bastian, Highway Department testified on this bill. Mr. Bastian said, "We are trying to offer as much relief as possible to the highway fund. As I read section 12, subsection 2, it accrues the benefit to a special fund but does not allow DMV to approach the fund. First of all, the appropriation should be made only upon action by the environmental commission. Also in subsection 2, it should be modified so as the revenues start coming into that fund then DMV be authorized to draw against that fund. If this were done then the appropriation for the second year would not be necessary." This proposal was agreed upon by Senator Wilson, Mr. Hill, and Mr. Bastian.

Senator Raggio asked if this bill would set down the type of emission control device required. Senator Wilson said it doesn't prescribe standards or require a specific product. Senator Raggio said, "Maybe this bill doesn't go far enough. I don't see where we are setting minimum standards so we would have control."

Mr. Guinn, a legislative advocate for the motor vehicle industry, said, "This is well covered in section 4, top of page two, this says the commission determines if it is feasible and practical for a program then they shall institute a program. In view of the fact that we are not going to meet standards in Clark County by 1975, and the state implementation plan puts the state on record of saying we are going to inaugurate a program in those areas where we are not going to meet the standards by January 1, 1974. Something is going to have to be done. This will be evaluated county by county. The only real

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restraints start on line 27 of page two where there are some criteria set where the board has to consider . This bill doesn't only speak to regulation, it says the commission has the authority to institute any type of a program that is necessary to meet the standards. The only thing in here that is specific is on page 2, section 5, starting on line 45, which envisions as a first step where no used vehicles can be sold to a new registrant in a county that has been deemed as in trouble meeting air quality standards. No used vehicle can be sold and registered by the department unless they come up to whatever standards are set by the department."

Senator Monroe moved they amend this bill and recommend do pass. Senator Young seconded the motion, and it passed unanimously.

A.B. 39:

SUMMARY: Enables issuance of instant drivers' licenses and increases license fee.

Senator Pozzi said, "I telephoned Howard Hill, and took him by the hand to the bill drafters yesterday and said sit down and see if you can't work this out with him. About a quarter to six that afternoon I got a note from Wooster that the amendments you had drafted the last time, the fifth time, will do the job but he's still not satisfied with them. I said will you call him the first thing tomorrow morning and tell him that? He telephoned Howard this morning and I saw Howard out there and said, 'did the bill drafter call you?' He said yes, and I said well what do you want to do about it and he just walked off. In my opinion I don't think he wants it and the only way we are going to get it is just to shove it down his throat. He's had two years to study this thing, and we're still not any closer to it than we were two years ago. We probably should have had the legislative commission study it, to draft the bill, and the whole works instead of relying on the department. This is the sixth time we have gone in and tried to satisfy him. I don't know what the guy wants. I just don't know what to do."

Senator Brown said, "Do you have any input in this Howard (Barrett)? You're the top administration man." Mr. Barrett said, "This was not asked for by the department but was asked for by the legislature, so we really didn't get involved and I don't know anything about it. If you want to try to resolve the difference I can do that." Senator Pozzi said, "Its up to the committee whatever you want to do. I think there is a demand for the photo."

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A.B. 726:

SUMMARY: Makes appropriation to division of state parks and state department of conservation and natural resources.

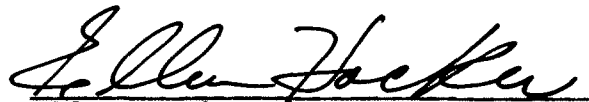
Assemblywoman Jean Ford discussed this and said they felt they should have an office in Las Vegas to distribute pamphlets and answer questions, etc. Senator Lamb said, "The thought was that we think this money in Mr. Cronkhite's budget could set this up down there within his present operating budget." Senator Gibson said, "We don't have a statute for every office in Clark County. It seems to me if this is the priority he should be able to pay for this within his present funds."

Mr. Barrett said, "We have put the Carson City number in the Las Vegas telephone directory, and they can now call Carson City toll free with their questions for Parks. Economic Development could answer the telephone and give our brochures on parks."

Senator Lamb said, "The problem with going the other way is you create a statute or an act. What we should have done is put it in the budget." Assemblywoman Ford mentioned that it was in the budget but that Mr. Barrett took it out. Mr. Barrett agreed. Senator Raggio said, "I think it should be comforting to know, Jean, that during the next two years this does have the solicitude of Mr. Barrett."

The meeting adjourned at 11:00 a.m.

Respectfully submitted,


Ellen Hocker, Secretary

APPROVED:


Floyd R. Lamb, Chairman

Analysis and Comparisons of 1973-75 Amounts and 1971-73
Amounts for Support of Public Schools

Direct Support Elements -

- a. Transportation - Continues support rate at 75% of expenditure rates for transportation for 1973-74, increasing such allotment 5% for 1974-75.
- b. Employer's Contribution for Teacher's Retirement - Increases support from \$600 per certificated employee allotment to \$770 for 1973-74 and to \$817 for 1974-75, and assumes contribution rate will be 7% of salary.

Equalized Basic Support Elements - Changes support rate from A.D.A. basis to enrollment basis and removes assumption that 2½% of pupil population are handicapped. As nearly as the support rates can be compared, 1973-74 rates will be \$51 per enrollee higher than 1972-73, and 1974-75 rates will increase another \$36 per enrollee.

The above elements have been basic to state aid consideration since 1956; more particularly since 1967. The changes shown will provide increases to support rates for the combined elements 8% in 1973-74 and 6% in 1974-75.

Other Support Elements - The following support elements have received consideration in precedent support practices, but at lower than recommended rates.

- a. Low Wealth - Expressed legislative policy that every Nevada child will have a reasonably equal educational opportunity agrees with recent court rulings that a child's education cannot be a function of the wealth of his parents and neighbors.

Since 1967, low wealth additions to support for less wealthy districts has leveled-up their resources to levels from 90% to 95% of what they would be if of state average wealth. Support rates shown for the four least wealthy districts will level-up their resources to 98% of what they would be if of state average wealth.

- b. Urban Factors - The Nevada Plan gave first consideration in 1971 to supporting higher costs of education services in urban centers. The support rate for 1971-72 amounted to \$8 per pupil, statewide; the 1972-73 rate is \$11; support rates shown are \$14 for 1973-74 and \$17 for 1974-75. The support rate necessary for full funding of state department allotment tables would be \$20.
- c. Special Education Programs for Handicapped Children - The Nevada Plan (and the Peabody Plan preceding it) has always considered higher costs of educating handicapped children as a factor in calculating support rates, first by counting handicapped children served, then by assuming a percentage of total children population as being handicapped. Neither procedure has worked well in providing, fairly, resources to school districts operating special programs nor in assuring special program services to handicapped children.

The amounts shown will increase financial support for serving handicapped children nearly 50%. Support rate will be based on counts of program units operated, instead of on counts of children, thus making possible the operation of program units where there are smaller numbers of handicapped children, as well as improving support level in larger school districts where program operation can offer greater flexibility to the scheduling of handicapped children into programs most beneficial to their needs.

The amounts shown could be supported by the amounts shown at page 125 of the Governor's budget, as follows:

	<u>1973-74</u>	<u>1974-75</u>
Guaranteed Support:		
For 131,772 enrollees @ \$701	\$92,372,576	
For 134,412 enrollees @ \$743		\$99,868,476
For special education program units @ \$14,500	<u>6,003,000</u>	<u>6,293,000</u>
Total guaranteed support	\$98,375,576	\$106,161,476
Deduct local funds available	<u>41,335,600</u>	<u>45,651,890</u>
Distributive school fund requirements	\$57,039,976	\$60,509,586

Comparatively, at current support rates, estimates are:

	<u>1972-73</u>	<u>1973-74</u>
Guaranteed Support:		
For 123,600 A.D.A. @ \$686	\$84,789,600	
For 125,700 A.D.A. @ \$686		\$86,230,200
Deduct local funds available	<u>37,182,000</u>	<u>41,335,600</u>
	\$47,607,600	\$44,894,600

Guaranteed Basic Support

Counties	Direct Support				Sub-total Direct Support	Equalized Basic Support	Guaranteed Basic Support	Major Resource outside Basic Support	Major Resource per pupil	Total Resources per pupil	Handicapped Children	
	Transp.	Retiro.	Low wealth	Urban							Programs Allot.	@ \$14,500
Churchill	\$ 42	\$ 42			\$ 84	\$ 612	\$ 696	\$ 615,936	\$ 209	\$ 905	9	\$ 130,500
Clark	15	41	\$ 10	\$ 20	86	605	691	13,565,807	181	872	231	3,349,500
Douglas	44	42			86	612	698	764,207	339	1,037	6	87,000
Elko	29	46			75	658	733	1,135,572	284	1,017	14	203,000
Esmeralda	300	106			406	1,353	1,759	74,158	1,060	2,819	1	14,500
Eureka	168	74			242	985	1,227	155,711	865	2,092	1	14,500
Humboldt	44	49			93	694	787	447,916	256	1,043	6	87,000
Lander	36	48			84	680	764	220,944	315	1,079	3	43,500
Lincoln	48	64	105		217	868	1,085	119,528	171	1,256	4	58,000
Lyon	44	46			90	651	741	615,179	224	965	9	130,500
Mineral	34	43			77	634	711	568,516	330	1,041	6	87,000
Nevada	74	56			130	770	900	445,094	384	1,284	5	72,500
Ormsby	19	42	48		109	611	720	767,960	142	862	15	217,500
Pershing	47	44			91	636	727	236,413	381	1,108	2	29,000
Storey	48	85			133	1,138	1,271	53,765	489	1,760	1	14,500
Washoe	17	42		12	71	608	679	6,351,165	215	894	92	1,334,000
White Pine	31	46	32		109	660	769	461,153	192	961	9	130,500
Totals	\$ 20	\$ 42	\$ 9	\$ 14	\$ 85	\$ 616	\$ 701	\$ 26,599,024	\$ 203	\$ 904	414	\$ 6,003,000

Handicapped Children
4

Handicapped Unit.

Counties	Transp.	Retires.	Low wealth	Urban	Sub-total Direct Support	Equalized Basic Support	Guaranteed Basic Support	Program Allot. @ 14.500	
Churchill	\$ 44	\$ 44			\$ 88	\$ 648	\$ 736	9	\$ 130,500
Clark	16	43	\$ 10	\$ 24	93	640	733	242	3,509,000
Douglas	46	44			90	648	738	6	87,000
Elko	30	48			78	697	775	15	217,500
Esmeralda	315	111			426	1,433	1,859	1	14,500
Eureka	176	78			254	1,042	1,296	1	14,500
Humboldt	46	51			97	735	832	6	87,000
Lander	38	50			88	730	818	3	43,500
Lincoln	50	68	105		223	919	1,142	4	58,000
Lyon	46	48			94	689	783	9	130,500
Mineral	36	45			81	671	752	6	87,000
Nye	78	59			137	815	952	5	72,500
Ormsby	20	44	48		112	647	759	16	232,000
Pershing	49	47			96	673	769	2	29,000
Storey	50	90			140	1,205	1,345	1	14,500
Washoe	18	44		15	77	644	721	99	1,435,500
White Pine	33	48	32		113	699	812	9	130,500
Average Totals	\$ 21	\$ 44	\$ 9	\$ 17	\$ 91	\$ 652	\$ 743	434	6,293,000

387.121 LEGISLATIVE DECLARATION; NEVADA PLAN. The legislature declares that the proper objective of state financial aid to public education is to insure each Nevada child a reasonably equal educational opportunity. Recognizing wide local variations in wealth and costs per pupil, the state should supplement local financial ability to whatever extent necessary in each school district to provide [a minimum program of education.] PROGRAMS OF INSTRUCTION IN BOTH COMPULSORY AND ELECTIVE SUBJECTS AND THAT OFFER FULL OPPORTUNITY FOR EVERY NEVADA CHILD TO RECEIVE BENEFIT OF THE PURPOSES FOR WHICH PUBLIC SCHOOLS ARE MAINTAINED. Therefore the quintessence of the state's financial obligation for such [a program] PROGRAMS can be expressed in a formula PARTIALLY on a per pupil basis AND PARTIALLY ON A PER PROGRAM BASIS as: State financial aid equals school district basic support guarantee [for a minimum program] minus local available funds produced by mandatory taxes. This formula is designated the Nevada Plan.

387.122 BASIC SUPPORT GUARANTEE [PER PUPIL] ESTABLISHED FOR SCHOOL YEARS
 [1971-1972] 1973-1974 and [1972-1973] 1974-1975.

1. For making the apportionments of the state distributive school fund authorized and directed to be made under the provisions of Title 34 of NRS, the basic support guarantee [per pupil] for the school year commencing July 1, [1971] 1973, and ending June 30, [1972] 1974, and for the school year commencing July 1, [1972] 1974, and ending June 30, [1973] 1975, is established for each of the several school districts in the state as follows:

	[1971-72	1972-73
Carson City School District.....	\$674	\$677
Churchill County School District.....	683	692
Clark County School District.....	660	666
Douglas County School District.....	692	702
Elko County School District.....	724	730
Esmeralda County School District.....	1,550	1,618
Eureka County School District.....	1,063	1,094
Humboldt County School District.....	\$745	\$753
Lander County School District.....	737	744
Lincoln County School District.....	899	904
Lyon County School District.....	715	723
Mineral County School District.....	708	716
Nye County School District.....	808	822
Pershing County School District.....	697	707
Storey County School District.....	1,197	1,207
Washoe County School District.....	659	665
White Pine County School District.....	714	725

except that for any year when the average daily attendance of physically handicapped or mentally retarded minors receiving special education pursuant to the provisions of NRS 388.440 to 388.540, inclusive, is less than 2½ percent of the total average daily attendance in any school district, the basic support guarantee for such school district shall be reduced by the amount computed by multiplying \$400 times the difference between 2½ percent of the total average daily attendance and the average daily attendance of such physically handicapped or mentally retarded minors.

2. Notwithstanding the provisions of subsection 1, if the taxable sales subject to determination of taxes under the provisions of chapter 372 of NRS, as reported by the Nevada tax commission for the period January 1, 1971, through September 30, 1971, amount to more than \$1,356,492,-000, and if the interim finance committee of the legislative counsel bureau therefore determines there are sufficient funds appropriated to the state distributive school fund, the basic support guarantee per pupil for the school year commencing July 1, 1972, and ending June 30, 1973, is established for each of the several school districts in the state as follows:

	1972-73
Carson City School District.....	\$680
Churchill County School District.....	695
Clark County School District.....	669
Douglas County School District.....	705
Elko County School District.....	733
Esmeralda County School District.....	1,621
Eureka County School District.....	1,097
Humboldt County School District.....	756
Lander County School District.....	747
Lincoln County School District.....	907
Lyon County School District.....	726
Mineral County School District.....	719
Nye County School District.....	825
Pershing County School District.....	710
Storey County School District.....	1,210
Washoe County School District.....	668
White Pine County School District.....	728

except that for the school year commencing July 1, 1972, and ending June 30, 1973, when the average daily attendance of physically handicapped or mentally retarded minors receiving special education pursuant to the provisions of NRS 388.440 to 388.540, inclusive, is less than 2½ percent of the total average daily attendance in any school district, the basic support guarantee for such school district shall be reduced by the amount computed by multiplying \$400 times the difference between 2½ percent of the total average daily attendance and the average daily attendance of such physically handicapped or mentally retarded minors.

3. Notwithstanding the provisions of subsections 1 and 2, if the taxable sales subject to determination of taxes under the provisions of chapter 372 of NRS, as reported by the Nevada tax commission for the period January 1, 1971, through September 30, 1971, amount to more than \$1,369,170,000, and if the interim finance committee of the legislative counsel bureau therefore determines there are sufficient funds appropriated to the state distributive school fund, the basic support guarantee per pupil for the school year commencing July 1, 1972, and ending June 30, 1973, is established for each of the several school districts in the state as follows:

	1972-73
Carson City School District.....	\$684
Churchill County School District.....	699
Clark County School District.....	673
Douglas County School District.....	709
Elko County School District.....	737
Esmeralda County School District.....	1,625
Eureka County School District.....	1,101
Humboldt County School District.....	760
Lander County School District.....	751
Lincoln County School District.....	911
Lyon County School District.....	730
Mineral County School District.....	723
Nye County School District.....	829
Pershing County School District.....	714
Storey County School District.....	1,214
Washoe County School District.....	672
White Pine County School District.....	732

except that for the school year commencing July 1, 1972, and ending June 30, 1973, when the average daily attendance of physically handicapped or mentally retarded minors receiving special education pursuant to the provisions of NRS 388.440 to 388.540, inclusive, is less than 2½ percent of the total average daily attendance in any school district, the basic support guarantee for such school district shall be reduced by the amount computed by multiplying \$400 times the difference between 2½ percent of the total average daily attendance and the average daily attendance of such physically handicapped or mentally retarded minors.]

(Added to NRS by 1967, 889; A 1969, 337, 1172; 1971, 951)

(a) Basic support guarantee per pupil -

Carson City School District.....
Churchill County School District.....
Clark County School District.....
Douglas County School District.....
Elko County School District.....
Esmeralda County School District.....
Eureka County School District.....
Humboldt County School District.....
Lander County School District.....
Lincoln County School District.....
Lyon County School District.....
Mineral County School District.....
Nye County School District.....
Pershing County School District.....
Storey County School District.....
Washoe County School District.....
White Pine County School District.....

(b) Basic support guarantee per special education program unit -
\$14,500 for each special education program unit maintained and operated during
at least nine months of a school year, contingent upon the following limitations:

(1) As used in this subsection, "special education program unit" means
an organized instructional unit which includes full-time services of a certificated
employee providing a program of instruction in accordance with provisions of NRS
388.520.

(2) Support guarantee for any special education program unit maintained
and operated during a period of less than nine school months shall be in the same
proportion to \$14,500 as the period during which such program unit actually was
maintained and operated is to nine school months.

(3) The maximum amount of basic support for special education program
units within each of the several school districts in the state is as follows:

	1973-74	1974-75
Carson City School District.....	217,500	232,000
Churchill County School District.....	130,500	130,500
Clark County School District.....	3,349,500	3,509,000
Douglas County School District.....	87,000	87,000
Elko County School District.....	203,000	217,500
Esmeralda County School District.....	14,500	14,500
Eureka County School District.....	14,500	14,500
Humboldt County School District.....	87,000	87,000
Lander County School District.....	43,500	43,500
Lincoln County School District.....	58,000	58,000
Lyon County School District.....	130,500	130,500
Mineral County School District.....	87,000	87,000
Nye County School District.....	72,500	72,500
Pershing County School District.....	29,000	29,000
Storey County School District.....	14,500	14,500
Washoe County School District.....	1,334,000	1,435,500
White Pine County School District.....	130,500	130,500

387.123 "ENROLLMENT" AND "AVERAGE DAILY ATTENDANCE" DEFINED; RULES FOR CALCULATION; REGULATIONS OF STATE BOARD OF EDUCATION.

1. [For making the apportionments of the state distributive school fund authorized and directed to be made under the provisions of Title 34 of NRS, "average daily attendance" means the 3 months of highest average daily attendance for the current school year of:] "Enrollment" means the count of pupils enrolled in, and scheduled to attend programs of instruction in the public schools for:

(a) Pupils in the kindergarten department.

[(a)] (b) Pupils in grades 1 to 12, inclusive, [of the public schools plus six-tenths of the pupils in the kindergarten department of the public schools.]

[(b)] (c) Physically handicapped or mentally retarded minors receiving special education pursuant to the provisions of NRS 388.440 to 388.540, inclusive.

[(c)] (d) Children detained in detention homes and juvenile forestry camps receiving instruction pursuant to the provisions of NRS 388.550 to 388.580, inclusive.

[(d)] (e) Part-time pupils enrolled in classes and taking courses necessary to receive a high school diploma. [One-fourth credit toward average daily attendance will be given for the attendance of any such pupil for each one-credit course taken.]

2. "Average daily attendance - full term" means the average daily attendance of pupils enrolled in the public schools during the school year.

3. "Average daily attendance - highest 3 months" means the average daily attendance of pupils enrolled in the public schools during the 3 months of highest average daily attendance of the school year.

[2.] 4. The state board of education shall establish uniform rules to be used for counting enrollment and in calculating the average daily attendance of pupils. In calculating average daily attendance of pupils, no pupil specified in paragraphs (a), (b), [and] (c), and (d) of subsection 1 shall be counted more than once. In establishing such rules for the public schools, the state board of education:

(a) Shall divide the school year into 10 school months, each containing 20 or fewer school days.

(b) May divide the pupils in grades 1 to 12, inclusive, into categories composed respectively of those enrolled in elementary schools and those enrolled in secondary schools.

(c) Shall select the three highest monthly attendance quotients for each category of pupils, as established by subsection 1 or pursuant to paragraph (b) of this subsection, in each school.

[3.] 5. The state board of education shall establish by regulation the maximum pupil-teacher ratio in each grade, and for each subject matter wherever different subjects are taught in separate classes, for each school district of the state which is consistent with:

(a) The maintenance of an acceptable standard of instruction;

(b) The conditions prevailing in such school district with respect to the number and distribution of pupils in each grade; and

(c) Methods of instruction used, which may include educational television, team teaching or new teaching systems or techniques. If the superintendent of public instruction finds that any school district is maintaining one or more classes whose pupil-teacher ratio exceeds the applicable maximum, and unless he finds that the board of trustees of the school district has made every reasonable effort in good faith to comply with the applicable standard, the state board of education shall reduce the average daily attendance for apportionment purposes by the percentage which the number of pupils attending such classes is of the total number of pupils in the district, and may withhold the quarterly apportionment entirely.

387.124 QUARTERLY REPORTS OF STATE CONTROLLER; APPORTIONMENT OF STATE DISTRIBUTIVE SCHOOL FUND; EMERGENCY FINANCIAL ASSISTANCE.

1. On or before August 1, November 1, February 1 and May 1 of each year, the state controller shall render to the superintendent of public instruction a statement of the moneys in the state treasury subject to distribution to the several school districts of the state as provided in this section.

2. Immediately after the state controller has made his quarterly report, the state board of education shall apportion the state distributive school fund among the several county school districts in the following manner:

(a) Basic support of each school district shall be computed by:

(1) Multiplying [the average daily attendance by] the basic support guarantee per pupil established in NRS 387.122 by the sum of:

(A) Six-tenths the count of pupils enrolled in the kindergarten department on the last day of the first school month of the school year.

(B) The count of pupils enrolled in grades 1 to 12, inclusive, on the last day of the first school month of the school year.

(C) The count of physically handicapped or mentally retarded minors receiving special education pursuant to the provisions of NRS 388.440 to 388.540, inclusive, on the last day of the first school month of the school year.

(D) The count of children detained in detention homes and juvenile forestry camps receiving instruction pursuant to the provisions of NRS 388.550 to 388.580, inclusive, on the last day of the first school month of the school year.

(E) One-fourth the average daily attendance - highest 3 months of part-time pupils enrolled in classes and taking courses necessary to receive a high school diploma.

(2) Multiplying the number of special education program units maintained and operated by the amount per program established in NRS 387.122.

(3) Adding the amounts computed in sub-paragraphs (1) and (2) of this paragraph.

(b) The availability of local funds shall be determined, which local funds shall be the sum of:

(1) The amount computed by multiplying .007 times the assessed valuation of the school district as certified by the Nevada tax commission for the concurrent school year; and

(2) The proceeds of the local school support tax imposed by chapter 374 of NRS. The Nevada tax commission shall furnish an estimate of such proceeds to the state board of education on or before July 15 for the fiscal year then begun, and the state board of education shall adjust the final apportionment of the concurrent school year to reflect any difference between such estimate and actual receipts.

(c) Apportionment computed on a yearly basis shall consist of the difference between the basic support as computed in paragraph (a) of this subsection and the local funds available as computed in paragraph (b) of this subsection, but no apportionment shall be less than 10 percent of basic support.

(d) Apportionment shall be paid quarterly at the times provided in subsection 1, each quarterly payment to consist of approximately one-fourth of the yearly apportionment as computed in paragraph (c) of this subsection. The first quarterly apportionment based on an estimated number of pupils [in average daily attendance] and special education program units and succeeding quarterly apportionments shall be subject to adjustment from time to time as the need therefor may appear. A final apportionment shall be computed as soon as practicable following the close of the school year, but not later than August 1. The final computation shall be based upon the actual [average daily attendance] counts of pupils and programs specified to be made for that school year[.] , pursuant to paragraph

(a) of this subsection, and within limits specified in NRS 387.122, except that for any year when the total enrollment of pupils and children described in paragraphs (a), (b), (c), and (d) of NRS 387.123 is greater on the last day of any school month after the second school month and such increase in enrollment shows at least a 3% gain, then basic support as computed from first month enrollment will be increased 2%; furthermore, if such increase in enrollment shows at least a 6% gain, then basic support as computed from first month enrollment will be increased an additional 2%. If the final computation of apportionment for any school district exceeds the actual amount paid to such school district during the school year, the additional amount due shall be paid before September 1. If the final computation of apportionment for any school district is less than the actual amount paid to such school district during the school year, the amount of overpayment shall be deducted from the next apportionment payable to such school district. If the amount of overpayment is greater than the next apportionment payable, the difference shall be repaid to the state distributive school fund by the school district before September 1.

(e) For any year when the average daily attendance - highest 3 months of a school district in any category is less than the average daily attendance - highest 3 months in such category during the prior year, and such lesser average daily attendance - highest 3 months was not anticipated at the time estimates were made by the superintendent of the county school district in June of the preceding school year, the superintendent of public instruction may authorize additional apportionments in amounts such that the total of all apportionments for the year do not exceed the total apportionment for the year that would be computed by substituting the average daily attendance - highest 3 months of the prior year in the category so affected for the average daily attendance - highest 3 months of the current year in the category so affected. As a condition precedent to such authorization, the superintendent of the county school district shall deliver to the superintendent of public instruction a request setting forth the reasons why the additional apportionment is necessary to the financial support of the school district, and the superintendent of public instruction shall review such request. As used in this paragraph, "category" means any one of the groups of persons separately described in paragraphs (a), (b), [and] (c), and (d) of subsection 1 of NRS 387.123.

(f) The board of trustees of any school district in this state whose estimated receipts from all sources provided by this chapter and chapter 374 of NRS, including any additional apportionment made pursuant to paragraph (e) are less for any fiscal year because of reduced average daily attendance or reduced local income, or both, than the total estimated receipts from such sources in the final approved budget for such fiscal year, and which cannot therefore provide a minimum program of education and meet its contract obligations, may apply for emergency financial assistance from the state distributive school fund and may be granted such assistance upon compliance with the following conditions and procedures:

(1) The tax levy for the applying district shall be the maximum of \$1.50 for operating costs as authorized by law, not including any special tax authorized by the provisions of NRS 387.290.

(2) Such application shall be made to the state board of education in such form as shall be prescribed by the superintendent of public instruction, and in accordance with guidelines for evaluating needs for emergency financial assistance as established by the state board of education.

(3) 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 money appropriated and authorized for expenditure during the current biennium from the state distributive school fund and the total amount of money estimated to be payable from such fund during the biennium pursuant to paragraphs (c) and (e), and shall make no distribution in excess of such difference.

(4) The state board of education shall review each application and shall by resolution find the least amount of additional money, if any, which it deems necessary to enable the board of trustees of the applying school district to provide a minimum educational program and meet its irreducible contract obligations. In making such determination, the state board of education shall consider also the amount available in the distributive school fund and the anticipated amount of future applications; so that no deserving school district will be wholly denied relief.

(5) If the state board of education finds that emergency assistance should be granted to an applying school district, it shall transmit its resolution finding such amount to the state board of examiners, along with a report of its then-current estimate of the total requirements to be paid from the state distributive school fund during the then-current fiscal year.

(6) The state board of examiners shall independently review each resolution so transmitted by the state board of education, may require the submission of such additional justification as it deems necessary, and shall find by resolution the amount of emergency assistance, if any, to be granted. The board may defer, and subsequently grant or deny, any part of a request.

(7) The state board of examiners shall transmit one copy of its finding to the state board of education and one copy to the state controller. Upon receipt of a claim pursuant to a grant of emergency assistance, such claim shall be paid from the state distributive school fund as other claims against the state are paid.

(8) Money received by a school district pursuant to a grant of relief may be expended only in accordance with the approved budget of such school district for the fiscal year for which such grant is made. No formal action to incorporate the money so received in the approved budget is required, but such receipts shall be reported as other receipts are reported and explained in a footnote as emergency loans are explained.

(9) The state board of education shall transmit to the legislature a report of each and every grant of emergency assistance paid pursuant to this paragraph.

3. Pupils who are excused from attendance at examinations or have completed their work in accordance with the rules of the board of trustees shall be credited with attendance during that period.

(Added to NRS by 1967, 890; A 1969, 1174; 1971, 519)

NRS 388.440 "[Physically] Handicapped [or mentally retarded] minor" defined. As used in NRS 388.440 to 388.540, inclusive, "[physically] handicapped [or mentally retarded] minor" means [a physically or mentally defective or handicapped] any person under the age of [21] 18 years who [is in need of education. Any minor who, by reason of physical or mental impairment,] deviates either educationally, intellectually, physically, socially, or emotionally so markedly from normal growth and development patterns that he cannot [receive the full benefit of ordinary education facilities] progress effectively in a regular school program and therefore needs special instruction or special services [shall be considered a physically handicapped or mentally retarded person for the purposes of NRS 388.440 to 388.540, inclusive. Minors with vision, hearing, speech, orthopedic, mental and neurological disorders or defects, or with rheumatic or congenital heart disease, or any disabling condition caused by accident, injury, or disease, shall be considered as being physically handicapped or mentally retarded].

NRS 388.450 Special provisions for education of [physically] handicapped
[, mentally retarded] minors.

1. The legislature declares that the basic support guarantee [per pupil] as expressed in NRS 387.122 establishes financial resources sufficient to insure a reasonably equal educational opportunity to [physically] handicapped [or mentally retarded] minors residing in Nevada.

2. Subject to the provisions of NRS 388.440 to 388.540, inclusive, the board of trustees of a school district shall make such special provisions as may be necessary for the education of [physically] handicapped [or mentally retarded] minors.

3. The board of trustees of a school district shall establish uniform rules of eligibility for instruction under the special education programs provided for by NRS 388.440 to 388.540, inclusive. The rules and regulations shall be subject to such standards as may be prescribed by the state department of education.

[4. If the superintendent of public instruction finds that it is impossible for the board of trustees of a school district to comply with the mandatory requirements of this section because the number of physically handicapped or mentally retarded minors within the school district is so small, the distance to another public school where such instruction is offered is so great or the services of a qualified teacher cannot be obtained, the provisions of subsections 2 and 3 shall not apply to such school district.

5. Nothing in this section shall be construed to require a board of trustees of a school district, in any school year, to make special provisions for the education of physically handicapped or mentally retarded minors in excess of the number determined to be 2½ percent of the total pupil enrollment of the school district.]

NRS 388.460 [Physically] Handicapped [,mentally retarded] minor need not take advantage of special provisions. No minor shall be required to take advantage of the special provisions for the education of [physically] handicapped [or mentally retarded] minors if the parent or guardian of the minor files a statement with the board of trustees of the school district showing that the minor is receiving adequate educational advantages.

NRS 388.470 Examination of [mentally retarded] handicapped child [by psychologist]; consultation with parents or guardian; consultation with psychiatrist.

1. Before any child is placed in a [school or class for mentally retarded] special program for handicapped children:

(a) A consultation shall be held with his parents or guardian.

(b) [He shall be given a careful individual examination by a competent psychologist approved by the state department of education, or by a person serving under the supervision of such a psychologist and approved by the state department of education, to determine whether the child can profit by education.] An examination shall be conducted for the purpose of finding the extent to which the child deviates from normal growth and development patterns, such examination to be conducted in accordance with standards prescribed by the state department of education.

2. A psychiatrist may be consulted in any specific case when the board of trustees of a school district deems it necessary.

NRS 388.480 Residence of minor. Any school district furnishing education to [physically] handicapped [or mentally retarded] minors shall furnish such education to any resident handicapped [or retarded] minor of the school district.

(It might be as well to repeal NRS 388.480 entirely, because revisions in NRS 388.450 mandate school districts to provide special programs, under uniform rules of eligibility, as may be necessary, and NRS 388.460 only permits parents or guardian to withhold a child from taking advantage of special provisions.)

(NRS 388.480, as written, prohibits school districts from arbitrarily serving one child and not another.)

NRS 388.490 Age of admission to special [schools, classes] programs.

1. Except as provided in subsection 2, 3, and 4, [physically] handicapped [or mentally retarded] minors may be admitted at the age of [3] 5 years to special [schools or classes] programs established for such minors, and their enrollment or attendance shall be counted for apportionment purposes [as if they were already 6 years of age].

2. Aurally handicapped minors may be admitted at any age under 5 to special [schools or classes] programs established for such minors, and their enrollment or attendance shall be counted for apportionment purposes [as if they were already 6 years of age].

3. Visually handicapped minors may be admitted at any age under 5 to special programs established for such minors, and their enrollment or attendance shall be counted for apportionment purposes.

4. Intellectually handicapped minors may be admitted at the age of 3 years to special programs established for such minors, and their enrollment or attendance shall be counted for apportionment purposes.

NRS 388.500 Special ungraded schools; powers of trustees.

1. [Physically] Handicapped [or mentally retarded] minors may be instructed in special ungraded schools or [classes] within special programs established for the instruction of handicapped [or retarded] minors.

2. Boards of trustees of school districts may:

(a) Purchase sites and erect buildings for such purposes in the same manner as other school sites or buildings may be purchased and erected.

(b) Rent suitable property at an economical rental for special or ungraded rooms.

(c) Accept gifts or donations of sites and buildings for such purposes.

NRS 388.510 Transportation. The board of trustees of a school district may provide for the transportation of pupils assigned to special schools or [classes] programs for [physically] handicapped [or mentally retarded pupils] minors.

NRS 388.520 Minimum standards prescribed by state board of education;
identifications of programs; limitations on apportionments.

1. The state department of education shall prescribe minimum standards for the special education of [physically] handicapped [or mentally retarded] minors.

2. Prescribed minimum standards shall include standards for programs of instruction or special services maintained for the purpose of serving minors with the following handicapping conditions:

(a) aurally handicapped

(b) visually handicapped

(c) physically handicapped

(d) speech handicapped

(e) mentally handicapped

(f) intellectually handicapped

(g) emotionally handicapped, including appropriate sub-emphasis when related to learning disabilities or educational progress

(h) multiple handicapped, including appropriate sub-emphasis for each of the handicapping conditions.

3. No apportionment of state funds shall be made by the superintendent of public instruction to any school district for the instruction of [physically] handicapped [or mentally retarded] minors until the program of instruction maintained therein for such handicapped [or retarded] minors is approved by the state department of education as meeting the prescribed minimum standards.

NRS NRS 388.530 Count of enrollment; computation of average daily attendance. As required by [subsection 2 of] NRS 387.123, the state board of education shall establish rules and regulations for the counting of enrollees and for the computation of average daily attendance of pupils enrolled under the provisions of NRS 388.440 to 388.540, inclusive.

(It might be as well to repeal NRS 388.530 entirely, because NRS 391.240 requires every teacher to keep enrollment and attendance records of pupils scheduled to their programs of instruction, and to make reports of such records; NRS 385.200 requires the state superintendent to furnish appropriate forms to be completed by school districts as reports of necessary and pertinent information; and NRS 387.123 requires the state department of education to establish uniform rules for counting enrollments and calculating average daily attendance of pupils, including handicapped pupils.)

NRS 388.540 Attendance reports. The attendance of all [physically] handicapped [or mentally retarded] pupils instructed in accordance with the provisions of NRS 388.440 to 388.540, inclusive, including those instructed under cooperative arrangements for vocational rehabilitation with the state department of education, shall be reported annually, together with all other attendance, on forms prescribed by the superintendent of public instruction.

(See paranthetical comment under 388.530, preceding.)

The attached revisions to certain sections of Chapter 388 of NRS purport to accomplish the following:

1. Recognize that some children, because of handicapping conditions, cannot make satisfactory educational progress in regular graded programs of instruction and therefore need special instruction and services as means for them to become more self-supporting adults than would result if they were forced to attend regular graded schools or were denied public education services altogether.
2. Require school districts to establish and maintain special programs of instruction as necessary, for handicapped children in their districts, except for certain handicapped children below or above age limits.
3. Require the state department of education to:
 - a. Prescribe procedures for examining children that will identify handicapping conditions that necessitate special programs of instruction.
 - b. Prescribe standards for the establishment and maintenance of special programs of instruction that will meet educational needs of handicapped children.

The above can imply that budgeting and organizational authorities of school districts are pre-empted to the extent that examination of all resident minors and the providing of special programs for those found to be handicapped must be accomplished before budget appropriations can be made for maintaining graded programs for kindergarten, elementary and secondary enrollees.

Such compulsory implication cannot be completely valid in light of various other statutes that require school districts to maintain public schools for a

minimum school year, to provide instruction in certain mandatory courses of study, and require all children to attend school. Total expenditures for meeting these compulsory requirements are somewhat limited, at least indirectly, because compulsory attendance laws maintain only for children between ages 7 and 17; because a pupil must attain a certain age before he can be admitted to graded programs; and because both attending and serving is wholly permissive for children who have earned a high school diploma.

Revisions to financing provisions are also recommended.

They purport to accomplish the following:

1. Recognize that costs among school districts are necessarily different even though their responsibilities and authorities are the same.
2. Recognize that resources from mandatory taxes and permissive receipts are different among school districts.
3. Recognize that a guaranteed level of support to each school district is essential in view of the responsibilities charged to them, such amount determined from two distinct bases:
 - a. The count of enrollees, except for support calculations from average daily attendance of part time enrollees in the high school diploma program.
 - b. The count of special programs maintained and operated for handicapped minors, to a maximum dollar limit for each district.

The two sets of revisions, when considered in toto with all statutes dealing with public education, are deemed compatible within the following rationale:

1. A high level of educational achievement is a desirable goal of the state and its residents.

2. Not unlike an individual, the state must recognize the limit of resources it can expend toward the accomplishment of any of its goals, and toward all of its goals, collectively.
3. It is appropriate for the state to require that all its children receive instruction in certain subject matters and skills, even while it must recognize that all children cannot arrive at the same level of achievement after having received such common instruction.
4. Similar to 3., preceding, it is appropriate that the state require educational opportunity be made available to children who possess handicapping conditions that necessitate their educational career to follow different courses than those of children who progress satisfactorily in graded programs.
5. Also, it is appropriate that public resources support programs of instruction that children can elect to pursue in accordance with their abilities and ambitions.
6. The establishment, organization, and maintenance of public schools and their programs of instruction have been assigned as responsibilities of county school districts.
7. As state resources are limited, so must be the resources of school districts. Thus, each school district must deploy its resources in ways that promise effective accomplishment of objectives appropriate to their responsibilities.
8. That part of guaranteed support based upon enrollees purports to provide sufficient resources for a school district to maintain an administrative organization and the schools and programs of instruction generally required and permitted for graded pupils.

9. That part of guaranteed support based upon operation of special programs for handicapped minors purports to provide sufficient resources to meet the direct expenses of such special programs as they are established and operated.

When a school district is operating so many special programs for handicapped minors that its limit of support from this base is surpassed, it need not be construed that resources for support of additional special programs are non-existent, because at this point there will be some reduction to the total need for graded programs.

It also remains that the school district has broad authority to budget its total resources and to manage its activities through reorganizing and realigning its order of priority for accomplishment of educational objectives.