

Joint Meeting
SENATE FINANCE COMMITTEE
MINUTES OF MEETINGS
APRIL 20, 1973

The joint hearing was called to order at 1:00 p.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

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
Kenny Guinn, Superintendent of Clark County Schools
Marvin Picollo, Superintendent of Washoe County Schools
Dr. Kenneth Hansen, Superintendent of Public Education
Lincoln Liston, Department of Education

S.B. 648:

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

Dr. Liston began talking about shifting the \$1 million to the first ^{year.}
Dr. Liston said, "If the urban element were treated in 1973-74 in the same way it is proposed for 1974-75 then there would be an additional \$4 for the urban element in Clark County in 1973-74 and would stay the same as the original bill for 1974-75. If the level of urban factor were the same in both years as has been recommended for 1974-75 that would increase the support rate for Clark County the first year \$4. Then there would be left out of the million dollars the first year enough to increase the equalized basic support for everyone \$5 per pupil. The only thing that would change in the second year in the bill would be a reduction in equalized basic support of \$7 per pupil. That would consume a little bit more than a \$1 million increase the first year, and would reduce the second year by a little bit less than \$1 million.

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"With respect to the proposition of allowing the unused handicapped programs to be made available to the state hospital, I can't find a way to do this."

Senator Lamb said, "We put those programs in there for a reason if they want to use it, and if they don't use it that doesn't mean they can play around with it." Mr. Bible said, "The problem is if say Esmeralda County has one program and if at the beginning of the year they don't have a program but do start one in January, this is difficult to work with." Senator Raggio said, "There is a point where you are going to know something." Senator Young said, "What about the second year." Mr. Bible said, "There is growth built into the second year, but you are correct in that you could move first year monies into the second year." Senator Brown said, "The only thing you could do here as I see it is if you don't use the money the first year you could use it the second year." Senator Gibson said, "Say after you got through the first year there were ten units which hadn't been used you would have \$145,000 from the first year which could be used in the second year. But the only problem if you do that is you are increasing the number above the 434 programs."

Mr. Barrett said, "You could do that but you would have to be somewhat careful because you would be automatically establishing a level of expenditure greater than your level of income." Senator Young said, "On the other hand, there could be a demand there that otherwise wouldn't be met." Senator Lamb said, "Some of the counties aren't going to get those programs on the first year but the second year they'll really shoot for them. I agree with Howard (Barrett) that we might lose control here. You establish a base of expenditure here that you just better come back here and be prepared to fund next session."

Senator Raggio said, "I don't think this is the problem here. The first year money that isn't utilized could certainly be distributed the second year and I don't see where that increases your level." Senator Monroe said, "Sure you do. If you have \$120,000 left over and add it to your second year then you have your level of spending up which you'll be expected to meet when you come back two years from." Senator Raggio said, "I'm talking about the special need, they don't have to be built into the need level. They can be identified." Senator Young said, "It seems that we can shift \$1 million back and forth but we can't use money that hasn't been used to address itself to a need at the state hospital."

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Senator Lamb said, "Let's say we fund 400 programs, and if they come back here with 450 because they have shifted units into the second year, you have automatically established 450 programs." Assemblyman Capurro said, "I think the question is whether we are going to allow some of these programs that are not being used to benefit programs that have a statewide response such as the state hospital because it is located in Washoe County." Senator Brown said, "I think the hospital is a very meritorious consideration, but when Dr. Guinn over there tells me he is spending better than a million and a quarter more that he would be probably qualifying for most of the money you are talking about." (In other words Senator Brown was worried that Clark County because of its needs would get many programs and that perhaps programs should be specifically earmarked.) Senator Raggio said, "Let's just earmark it for the state hospital program then." Assemblyman Capurro said, "It isn't Clark County so we can't do that."

Dr. Picollo said, "There are 15 additional handicapped programs in the state above those which are allowed or funded. Ten of those unfunded programs are in Washoe County, and these ten are funded by local money. As far as letting us use unused programs, we would say we would pick up the moneys not used and then we would swallow them the second year. Why should they go begging when there are children in that hospital and they belong to you and Clark County, they aren't only Washoe children. If we could have the unused units the first year, then the second year we would swallow them with local funds if necessary. Those children should be taken care of."

Senator Brown said, "I think you're right there, but how do you justify this when Washoe went \$100,000 over and above what was funded for special education that you took away from your normal children but Clark County had better than a million or a million and a half dollars that Clark took away from their normal children." Dr. Picollo said, "There are 15 additional programs for special education which are not funded, and of that ten of them are in Washoe. There are 15 teachers in special education above what the state pays for, and ten of them are in Washoe County. We are paying them out of local funds." Dr. Guinn said, "I think Marv (Picollo) has a problem, but by the same token we have a problem with Spring Mountain and Angels Peak." Dr. Picollo said, "I think Washoe County is making a much greater effort in the area of special education than any other county in the state, possibly with the exception of Churchill."

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Dr. Liston said, "The counties last year who were serving more than 2-1/2% of their students in special education were Churchill County, Washoe County, and Clark County to a greater extent, and there were four or five other counties that did so too, I think."

Senator Lamb said, "I have sympathy for your statement with regard to the state hospital, but there is the other side of the coin. You know if you come back here with X number of programs you will want to continue them." Dr. Guinn said, "I think a trigger mechanism could be used the first year and that would be very simple in my opinion to write that into the bill. I know that Dr. Picollo can identify 92 units, and I know Clark can. Its some of the outlying areas that will have problems identifying these because of the numbers of students. If you say by a certain date Clark County can identify and meet the qualifications set forth by the state department of education that if we have identified 231, which we will do right away and so will Dr. Picollo for 92, and if by a certain time we can identify more and we are taking care of them out of local funds and somebody doesn't qualify in the state by January 1 we could pick those up. That wouldn't be a problem for the second year because you are not exceeding what was allocated of the 414."

Dr. Picollo said, "No other county in the state with the exception of Lincoln County which handles the girls school and Elko which has the boys school is handling children statewide besides Washoe County. Do you know we can identify \$30 million worth of needs in special education to meet the national average. If you say those programs not used may be used by anyone, Clark will identify 44? and Washoe will identify 1/4, and there you go. I think we have a unique problem." Senator Gibson said they were worried about not changing the basic funding, and didn't want to raise funding above the numbers of units in this bill. Senator Raggio said, "They should be used only for a special need that they can show. I'm not talking about general units, just special needs which shows some statewide involvement so it wouldn't be considered a permanent type thing. Any unused allotment the state board of education can make reallocation of those funds if the districts can show a special need which would have statewide involvement."

Senator Gibson said, "I think our intention is to spend this amount of money and we want to be sure that every county has the opportunity to have a program (one class at least). This is a temporary thing and ends in a two year period." Senator Raggio said, "We want to make sure that it doesn't become a permanent increase there."

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Mr. Bible said, "I think you need language that says any unused special education program allocations that are not utilized may be reallocated to any other county for programs by the state department of education." Dr. Picollo said, "This should be allowed for statewide implications. The way you suggest writing it now its up for grabs by any county that wants more. There should be priority to statewide implication and then if there is any left over then release it to other areas."

Dr. Guinn said, "With statewide priority in there that would give Dr. Picollo a break and then if there is any money left over let everyone else compete for it." The department of education does the same thing on thousands and thousands of dollars of funds."

The educators then left to draft a proposed amendment to cover this.

A.B. 901:

SUMMARY: Provides salary ranges, increases and adjustments for state officers, employees in unclassified and classified service.

Senator Gibson explained that the inspector of mines would go under the NIC in January, 1975, at the end of his term. At that time there would be an unclassified position at NIC for this and it wasn't covered under this bill. Mr. Sparks suggested allowing the personnel division to establish a salary.

The committee decided to raise the deputy inspector of mines from \$12,756 to \$13,400. Senator Monroe moved to pass this bill with the corrections. Senator Brown seconded the motion, and it passed unanimously.

S.B. 648: (Distributive school fund)

The educators came back into the meeting, and Dr. Liston said, "The idea of this amendment is 1974-75 would permit the financing of 20 more program units than 1973-74. In order to avoid somebody developing a habit greater than that rate we wrote a proposal that unused allocations for 1973-74 could be reallocated by the department of education. to those school districts who would have a need for more program units than is provided in the bill. Anybody in

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1973-74 did not consume their total allocations it could be transferred to a school district that needed to operate more programs. But no district could get any more in 1973-74 than allocation limit of that district for 1974-75. That's what we were trying to make our sentences say. This applies only to special education units."

The amendment is as follows: "Any unused special education program unit in this subparagraph not utilized during the course of the fiscal year may be reallocated to another county school district by the state department of education. First priority will be given to special education programs with statewide implications. Such reallocation shall not make any individual county school district above the level of support for fiscal year 1974-75." This will go in the bill on page five right under White Pine County School District.

Assemblyman Hafen wanted to know that these units could not be transferred within the districts and utilized for non-special education programs. Senator Gibson said that these regulations would be developed by the state board. Dr. Liston said that these programs would have to be approved for operation and reassured Assemblyman Hafen that these would be used for that purpose.

Senator Gibson moved that they adopted the amendment above and also allow for the shift of \$1 million from the second year into the first year as discussed, and that they recommend do pass. Senator Raggio seconded the motion, and it passed unanimously.

Assemblyman Capurro made the same motion of amendment and do pass. Assemblyman Smith seconded the motion, and it passed unanimously.

The meeting adjourned at 2:00 p.m.

Respectfully submitted,


Ellen Hocker, Secretary

ADD TO DISTRIBUTIVE SCHOOL FUND BILL:

Section _____ The State Board of Examiners, upon the recommendation of the State Board of Education, may make allocations, of up to a total amount of \$900,000 annually, from the Distributive School Fund to school districts whose entitlements under Public Law 874 of the 81st Congress have been reduced because of changes in Federal legislation or Federal executive action. Allocations shall be based upon the district's Fiscal Year 1972 Public Law 874 entitlement; and no district shall receive an amount of State support which, when added to the current year's Public Law 874 entitlement, exceeds the level of the Fiscal Year 1972 Public Law 874 entitlement. Should the \$900,000 be insufficient to provide a level of support, when adding the current year's Public Law 874 entitlements, equal to the Fiscal Year 1972 level of Public Law 874 entitlements, the \$900,000 shall be distributed to districts on the same percentage basis as their 1972 Public Law 874 entitlement was to the State's total 1972 Public Law 874 entitlement.