

MINUTES

WAYS AND MEANS COMMITTEE

NEVADA STATE LEGISLATURE - 59th SESSION

March 30, 1977

The meeting was called to order by Chairman Mello at 8:00 a.m.

PRESENT: Chairman Mello, Mr. Bremner, Mrs. Brookman, Mr. Hickey, Mr. Howard, Mr. Glover, Mr. Kosinski, Mr. Rhoads, Mr. Serpa and Mr. Vergiels.

OTHERS PRESENT: John Dolan, Assembly Fiscal Analyst; Bill Bible, Budget Division; Earl Oliver, Legislative Auditor, Senator Ty Hilbrecht; and Ed Schorr, Deputy Fiscal Analyst.

Mr. Dolan and Mr. Bremner gave the report of the Subcommittee For Distributive School Fund to the Committee (A copy of the report is attached.) Mr. Bremner stated the report was the product of two or three special hearings, one Saturday's work and a lot of hours by John Dolan who put the report together. Mr. Bremner stated that Mr. Dolan should be given a great deal of credit for the report.

Mr. Dolan, Mr. Bible and Mr. Kosinski explained to the Committee A.B. 404 and the proposed amendment thereto, a copy of which is attached.

A motion was made by Mr. Bremner to adopt the report of the Subcommittee For Distributive School Fund; seconded by Mr. Howard. Motion passed.

The following budgets were closed:

HEALTH PLANNING AND RESOURCES (Page 275). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

OFFICE OF THE STATE HEALTH OFFICER (Page 278). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

MILK INSPECTION REVOLVING FUND (Page 281). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

VITAL STATISTICS (Page 282). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

SILICOSIS PROGRAM (Page 285). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

TUBERCULOSIS CONTROL (Page 290). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

DENTAL HEALTH (Page 291). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

MATERNAL, CHILD, SCHOOL AND SPECIAL CHILDREN (Page 294). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

ENVIRONMENTAL PROTECTION (Page 298). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

CONSUMER PROTECTION (Page 302). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

RADIOACTIVE MATERIAL DISPOSAL (Page 305). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

BUREAU OF LABORATORY AND RESEARCH (Page 308). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

BUREAU OF HEALTH FACILITIES (Page 312). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

IMMUNIZATION PROGRAM (Page 316). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

CANCER SCREENING PROJECT (Page 318). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

GONORRHEA SCREENING PROJECT (Page 320). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

FAMILY PLANNING PROJECT (Page 322). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed. (Mr. Glover voted no.)

WOMEN, INFANTS AND CHILDREN'S (WIC) FOOD SUPPLEMENT PROGRAM (Page 324). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

EMERGENCY MEDICAL SERVICES (Page 326). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

AID TO DEPENDENT CHILDREN (Page 408). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

FOOD STAMP PROGRAM. (Page 412). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

CHILD WELFARE (Page 416). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

CHILD SUPPORT ENFORCEMENT PROGRAM (Page 424). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

CHILD PROTECTION (Page 427). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

U.S. INDIAN SERVICE SERVICE (Page 430). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

FEDERAL CUBAN REFUGEE (Page 432). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed. (Mr. Howard voted no.)

INDOCHINESE REFUGEE (Page 434). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed. (Mr. Howard and Mr. Glover voted no.)

WORK INVENTIVE (Page 436). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

REHABILITATION DIVISION ADMINISTRATION (Page 437). Mr. Kosinski made a motion for adoption of the Governor's Recommendation and that a Letter of Intent be sent to the Administrator of the Rehabilitation Division directing him to develop procedures whereby recipients of services from this division receive follow-up studies to determine the success of the division's programs; seconded by Mr. Hickey. Motion passed.

VOCATIONAL REHABILITATION (Page 440). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

SOCIAL SERVICES - VOCATIONAL REHABILITATION (Page 446). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

COMMITTEE TO HIRE THE HANDICAPPED (Page 448). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

SERVICES TO THE BLIND (Page 450). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

BLIND BUSINESS ENTERPRISE (Page 453). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

SOCIAL SERVICES FOR THE BLIND (Page 455). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

HOMEBOUND INDUSTRIES (Page 457). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mrs. Brookman. Motion passed.

ALCOHOLISM AND DRUG REHABILITATION (Page 459). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

BUREAU OF DISABILITY ADJUDICATION (Page 462). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

YOUTH TRAINING CENTER (Page 472). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

BOYS SCHOOL, GIRLS SCHOOL, OUTSIDE AGENCY CARE (Page 473). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

YOUTH PAROLEE FOSTER HOMES (Page 474). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

NEVADA GIRLS TRAINING CENTER (Page 475). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

GIRLS TRAINING CENTER, ELEMENTARY AND SECONDARY EDUCATION ACT, TITLE I (Page 479). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

PROBATION SUBSIDIES (Page 483). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

SPRING MOUNTAIN YOUTH CAMP (Page 485). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

DEVELOPMENTAL DISABILITIES (Page 495). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

AGING SERVICES (Page 497). Mr. Kosinski made a motion for adoption of the Governor's Recommendation; seconded by Mr. Hickey. Motion passed.

A.B. 404 - Revises provisions for allocating certain money to community training centers for retarded persons.

Mr. Kosinski stated there was concern expressed during the Committee meeting yesterday that the bill appeared to be open ended and appeared to indicate that if any of the community training centers qualified, they could get the necessary funding for additional clients without any limit being placed on the funding. Mr. Bible prepared a recommended amendment for the bill (which is attached). The recommended Section 5 would provide that the maximum amount of funds which could be expended on the community training centers would be limited by the appropriation and the amount stipulated in the budget.

Mr. Kosinski personally feels that the concept contained in A.B. 404 is a good one. It would permit the division to reward community training centers that are conducting good programs and would keep the funding down on programs that were not up to specified standards.

The bill provides on Page 2, the last sentence: "The Division shall determine the relative weight to be given to these factors." This would permit the division to adopt standards that if they are met by a particular training center they would get additional funding. The recommendation as Mr. Kosinski understands it, in the first year of the biennium the Division could provide that any particular training center would get anywhere between \$400.00 and \$422.00 per quarter per enrollee and during the second year of the biennium the figure would be from \$400.00 to \$445.00 per enrollee per quarter. Again, pursuant to the Division's determination that these community training centers are meeting higher standards and doing a better job.

Mr. Kosinski made a motion to amend A.B. 404 as suggested by adding Section 5 language; seconded by Mr. Hickey. Motion passed.

As to the operating deletion, Mr. Bible stated when he reviewed the bill yesterday, he noticed that was a change and did not fully understand the change. It wasn't explained in the testimony. Mr. Bible talked to Mrs. Haase and she indicated that the reason they want the change is that they do have federal funds that are available for staffing in some of the centers. Thus they could use the state monies for operating expenses, which seems reasonable. Mr. Bible would not recommend that the word "operating" be deleted.

Mr. Bible stated the Division can get federal grants for staffing. Chairman Mello went on record to say that when those federal grants are no longer available, it is up to the Division to discharge the people that they hired with the grants.

Mr. Kosinski made a motion for a "Do Pass, as Amended" on A.B. 404, and that the Chairman send a Letter of Intent to the Division indicating that any increase in staff due to federal grants, the state will not pick up those dollars at a later date; seconded by Mr. Hickey. Motion passed.

DEPARTMENT OF HUMAN RESOURCES (Page 272). Mr. Kosinski stated that the subcommittee recommends that the position of Public Information Officer II be deleted. There was extensive testimony from the Director, who strongly advocated the inclusion of this position. He believed obviously that this person would help him in dealing with the press and he did assure the subcommittee many times over that he did not intend to use this position and has not used it to "bolster his ego". However, the subcommittee did not believe that this new position should be included within the budget.

Mr. Kosinski made a motion to amend the budget by deleting the new position of Public Information Officer II; seconded by Mr. Hickey. Motion passed. (Mrs. Brookman voted no.)

Mr. Kosinski made a motion that a Letter of Intent be sent to the Director of the Department requesting that he initiate procedures requiring that clients of his various agencies are tracked while receiving services from the Department and for at least one year thereafter to determine the success or failure of these programs. This will also enable the Department to determine if a client is receiving service from more than one agency. This tracking should include any inter-agency services and even an out-of-state follow-up is appropriate and feasible; seconded by Mr. Hickey. Motion passed.

Mr. Kosinski made a motion for adoption of the Governor's Recommendation, as Amended; seconded by Mr. Hickey. Motion passed. (Mrs. Brookman voted no.)

BUREAU OF COMMUNITY HEALTH SERVICES (Page 286). Mr. Kosinski made a motion to amend the budget to delete the existing position of Social Worker III; seconded by Mr. Hickey. Motion passed.

Mr. Kosinski made a motion for adoption of the Governor's Recommendation, as Amended; seconded by Mr. Hickey. Motion passed.

DRINKING WATER PROGRAM (Page 306). Mr. Kosinski made a motion to amend the budget that the regular appropriation for the second year of the biennium be increased by \$6,240, reflected on the line item nominated County Programs; seconded by Mr. Hickey. Motion passed.

Mr. Kosinski made a motion for adoption of the Governor's Recommendation, as Amended; seconded by Mr. Hickey. Motion passed.

HEALTH AID TO COUNTIES (Page 315). Mr. Kosinski made a motion to amend the budget that the Regular Appropriation be increased to \$396,157 for each year of the biennium; seconded by Mr. Rhoads. Motion passed.

Mr. Kosinski made a motion for adoption of the Governor's Recommendation, as Amended; seconded by Mr. Rhoads. Motion passed.

DIVISION OF CHILD CARE SERVICES (Page 493). Mr. Kosinski stated that the subcommittee, after receiving extensive testimony and probably spending as much time on this particular item as they did on any other single item, the subcommittee recommended that the Division of Child

Care Services be deleted from the budget and that the provisions of Chapter 432A of NRS either be amended or be repealed. The subcommittee further recommended that a position of Child Care Service Officer should be located within the Welfare Administration Office and budget.

Mr. Kosinski stated that the recommendation is on Page 8 of the subcommittee report in the Welfare Administration budget. The position should be in the unclassified service and should be budgeted at a salary of \$16,000 per year, with fringe benefit costs of an additional \$2,240.00. The operating expenses must also be included.

The subcommittee believed that this particular division, in reviewing its statutory responsibilities and in reviewing the accomplishments of the personnel within the division, the subcommittee was not convinced that these duties or accomplishments justify the continued expenditure of the taxpayers' dollars. Many of the responsibilities presumably assigned to this Division are presently assumed and satisfied by the Welfare Division, the State Division of Health and various offices within county government in Clark and Washoe counties. The subcommittee could not recommend the continued existence of this Division.

Mr. Kosinski made a motion that the budget be deleted; seconded by Mr. Vergiels. Motion passed. (Mrs. Brookman voted no.)

WELFARE ADMINISTRATION (Page 398). Mr. Kosinski made a motion that the budget be amended in that a new position be created within the Welfare Administration Office and budget which would be nominated the Child Care Service Officer and would be in the unclassified service at a salary of \$16,000 per year, with fringe benefit costs of \$2,240.00 and that Mr. Dolan provide the additional figures to include any operating expenses necessary; seconded by Mr. Vergiels. Motion passed.

Mr. Kosinski stated the subcommittee's recommendation does not include the deletion of the Board. It is Mr. Kosinski's understanding that what the recommendation does do is that one of the first bills Ways and Means passed out this Session was A.B. 86 which moved the responsibilities for Child Care Advisory Board from the Welfare Division over to Child Care Services Division. Mr. Wahrenbrock suggested that possibly by Executive Order it could be transferred over, but Mr. Kosinski believes if an amendment is going to be made to Chapter 432A anyway, it should be provided that that Board is placed back into Welfare, which would be the appropriate place for it to be since the Division has been deleted.

Mr. Kosinski stated his understanding is that the provision for an Advisory Board to handle child care services is mandated by the federal government so those services are needed to be provided by an Advisory Board. The Welfare Board could provide that function.

Mr. Kosinski made a motion for adoption of the Governor's Recommendation, as Amended; seconded by Mr. Vergiels. Motion passed.

ASSISTANCE TO AGED AND BLIND (Page 405). Mr. Kosinski stated that under Adult Group Care Clients, the subcommittee recommended that the state's share for 1977-78 be increased to \$311.00 per month and that the state's share for 1978-79 be increased to \$331.00 per month.

The subcommittee heard extensive testimony concerning the services provided to the state by these adult group care facilities and it is one of the few areas where Mr. Miller ventured to vary from the Governor's Recommendation and he supported not only the home and believed that a further increase was justified. The increase would result in an added appropriation for the first fiscal year of the biennium of \$13,800 and for the second fiscal year of the biennium \$21,600.

Mr. Kosinski made a motion that the Adult Group Care Facilities supplement be increased \$13,800 for fiscal year 1977-78 and \$21,600 for fiscal year 1978-79 which would increase the state's share from \$113.10 per month per person to \$118.85 for fiscal year 1977-78 and from \$120.05 to \$129.05 per month per person for fiscal year 1978-79; seconded by Mr. Hickey. Motion passed.

Mr. Kosinski made a motion for adoption of the Governor's Recommendation, as Amended; seconded by Mr. Hickey. Motion passed.

HOME MAKING SERVICES (Page 410). Mr. Kosinski stated that the subcommittee heard a strong pitch by Mr. Miller that even though he believed under present projections that this budget was adequate to provide 55,000 hours of service which he thought may be sufficient, he also felt that the services provided under this budget were extremely valuable to the state in the event that they were needed but not available. If they were not available, people who receive these services in many instances would have to be placed in state supported facilities. Mr. Miller asked for an increase. The subcommittee recommended that a reserve be created within this budget of \$25,000 which would be a 75/25% match and would require \$6,250.00 of state general funds in the first year of the biennium and the same in the second year, which would be matched with Title XX monies of \$18,750, and if necessary a letter of intent be sent. If it can just be placed in the budget and shown clearly that this is merely a reserve fund, that would be adequate as well.

Mr. Kosinski stated that at one point the subcommittee was willing to recommend the inclusion of \$25,000 general fund dollars in the budget. Later when they deleted the Child Care Division budget they then determined that they would transfer that Title XX money available and the subcommittee lowered the figure even more.

Mr. Kosinski made a motion that the Committee adopt the report of the subcommittee and that the budget be amended to include a reserve fund which is composed of \$6,250.00 for fiscal years 1977-78 and 1978-79 in General Fund Dollars and \$18,750.00 from Title XX Social Service Monies to provide \$25,000 for each of the two years of the biennium; seconded by Mr. Vergiels. Motion passed.

Mr. Hickey made a motion that the Committee rescind action on the amendment; seconded by Mr. Serpa. Motion failed.

Mr. Kosinski made a motion for adoption of the Governor's Recommendation, as Amended; seconded by Mr. Hickey. Motion passed.

EDUCATION ADMINISTRATION (Page 136). Senator Hilbrecht was asked by Chairman Mello to explain some reductions in the Education Administration budget and three successive budgets in the State Department of Education, which were adopted by the Senate Finance Committee so that Ways and Means could analyze the reasons and the basis for those reductions.

Senator Hilbrecht stated early on when Senate Finance had before them the State Department officials, they inquired in the area of the reductions, particularly in the field of educational consultants, which the Governor had recommended. Many members of Senate Finance didn't feel the explanations received were satisfactory. Senator Hilbrecht was asked by the Chairman of Senate Finance to do some audit activities in that area so that Senator Hilbrecht could come into the Committee and explain and answer any questions that it appeared the representatives of the State Department were unable to answer.

As a result Senator Hilbrecht used the services of his Legislative Intern, along with Earl Oliver, Legislative Auditor and his staff and recently conducted a Legislative audit. Senator Hilbrecht stated that the fiscal personnel have assisted them in trying to supply current data. As a result of the study which took approximately four weeks, they derived the material in the attached handout.

Looking through the handout you will see that all of the material came from the State Department of Education itself and from the audit material developed in an audit of that department by Mr. Oliver's staff.

After reviewing the material contained in the presentation, Senator Hilbrecht met with Mr. Oliver and his staff and decided they would make positive recommendations which appear on the second, third and fourth pages of the handout with this criteria in mind: They had asked the State Department to identify what their responsibilities were under law, including federal law. They indicated that they had to respond in three areas.

First, there were State Legislative Mandates; secondly, there were Federal Mandates; and thirdly, the Board itself had imposed upon them certain mandates.

They took a document which is the fifth page of the handout from the presentation made by the Department to the Governor of the State of Nevada which resulted in the Governor's budget recommendations and asked them to identify by man hour or on a man year basis all the areas in which they had a Legislative Mandate, a Board Mandate or a Federal Mandate and to allocate to each of those areas the number of man days they had budgeted for it. They also asked the Department to translate that into dollars.

They then examined the next page in the handout (which is No. 10). Page ten of the presentation made by the Department to the Governor indicated something that was unique because in Nevada we don't usually budget anything aside from man hour requirements or budgetary dollar requirements. They noticed that they had an item amounting to 11.38% entitled Reserved Response and they were curious to explore that matter with the Department. Finally, after the letter in the handout, Senator Hilbrecht received the following two pie-charts in explanation of the former pie-chart.

By that stage, they were able to ascertain that indeed they had eliminated the reserve response so they asked what positions they had eliminated and apparently none of them had been eliminated. The explanation is that of Mr. Costa in his letter of February 23, 1977, which is attached.

Senator Hilbrecht reported back to Senate Finance that from the facts, principally the man hour allocations by the Department itself to those tasks which they identified as being their responsibility, there appears to be some fat in the budget. Senator Hilbrecht then asked Mr. Oliver to go back and try to identify those personnel or at least those budget areas where the fat lay, keeping in mind that they were not interested in effecting in any way the Department's ability to perform in any area that they had identified. They wanted to utilize only the Department's own figures.

There was some difficulty that arose because at this point it became clear that the budgets as presented are really meaningless in the context that they ordinarily expect to examine an Executive format budget. That is, it became clear that the mere fact that an educational consultant happened to be funded or appear in the Governor's budget in the Vocational/Educational budget did not mean that that person was performing tasks which are identified or identifiable as vocational/educational tasks. Rather, they were advised that they needed the flexibility with these high paid people to allow them to perform so many hours during a given academic year, for example, in one area and so many areas in another and really where they put them in these budgets was entirely immaterial. It was difficult for Senate Finance, being constrained to the budget format, to analyze it in that fashion. Senator Hilbrecht asked Mr. Oliver to prepare some graphic displays identifying each position in the Department and by organization.

Once that was done, then applying the Mandates that Senator Hilbrecht had given to Mr. Oliver and to his intern, they all went back in and tried to locate where the difficulties were. They identified, principally, three areas. First is the middle management people. The policy would be to look at the job descriptions provided the Governor. After Senator Hilbrecht was assigned the task of re-evaluating the Department, the Department furnished him with a very large volume, which contained some different job descriptions for the same people. Later on, they received still a third series of job descriptions. They are broadly similar, but there are some differences and the differences were in response to a problem that they thought they identified.

In the Superintendent's office, it became apparent right away that there was a middle level of administration in the Executive Assistant. They compared the job description of the Superintendent, Deputy Superintendent, Executive Secretary and the Executive Assistant and determined that there was only one additional duty that the Executive Assistant performed that was not an overlap with the jobs of the Superintendent and the Deputy Superintendent and that was that he was required to prepare an agenda for board meetings. Other than that, his duties were entirely an overlap. Furthermore, as they examined the man hour allocations again, it wasn't apparent that these jobs were so overwhelming that they required the number of man hours that three people in this executive capacity would be required to furnish. They felt that the additional duty of simply preparing an agenda for a monthly board meeting was not an adequate justification for that position and therefore recommended it for deletion. That is representative of the first category and there are several other selective positions that they identified in this category, that is middle level management that were not justified by their job descriptions from the Department when compared with other people in the Department and were not justified by workload and man hour figures supplied for each of their responsibilities.

The second area applied to one individual which is a photographer in the Office of Internal Service. They examined his job description and then Ms. Butler and Mr. Oliver's staff people examined the statements that they had received from the Department with respect to what he actually did. They felt that the duties that the photographer was actually performing were not photographic duties, but in truth and in fact, while some photography was required it was of such a minimal nature that it could easily be contracted out at a lesser expense and more important his duties as they actually translated into what he did and what he does apparently is prepare a pamphlet or magazine that the State Department publishes on a monthly basis. That sounded like perhaps enough justification, except for the fact that there is another staff person whose specific staff responsibility is identified in this area. They felt that once again, there was no justification in the budget based on the policy statements or the job descriptions by the Department for that particular position.

The third category is in the Office of Accountability, in educational consultants. This is an area that is very difficult to analyze because these are professional people. They perform a whole host of rather specialized consultant services and in some cases actually perform middle management type of activities. They decided there was only one reasonable way to approach this problem which was approached by going back once again to the State Department's own allocation in these areas to identify all the man hours of the consultants in these areas and to indicate a justification based on work days. They also told Senator Hilbrecht that they did not work the same kind of work year as other state employees. They worked a 195 day work year, the reason being that 26 days were left for general management, another 5 days for self-improvement or professional improvement and a number of other days. What they did without commenting on whether or not that was the right number of work days to expect from an individual, they adopted that number and applied all their man day allocations in these areas of responsibility and divided by 195 so the Department would be given the benefit of their

assumed workload. This resulted in a difference between the number of educational consultants actually on staff and the number of man days required to perform the tasks identified by the Department. Another thing discovered in this area were a number of vacant positions. There were positions carried in the budget and on the organization of the Department which were not filled and in some cases had not been filled for some time. For example, there is an Indian Education Consultant which has been vacant since sometime in 1976. Senator Hilbrecht was told that they were so frustrated in trying to fill the qualifications that the position probably would not be filled but they would use him for something else.

They also identified other positions that had been deleted by the Governor. Those had been deleted because they had been vacant. Those are the excess positions that were not justified in the manner in which they described. Senator Hilbrecht pointed out that at the top of the budget in the middle management area, there is another position which is Assistant Director of Program Services. This, once again, is one of the middle management positions. The reason for recommending the elimination of the position was the same given earlier with respect to the Executive Assistant. In this case, there was already a Deputy to the Director so if the Director were for any reason was traveling or ill, the Department would still be managed by someone with general responsibility. Secondly, they noticed that in each area of expertise, there was another Assistant Director who had a portfolio. In other words, he had responsibility in each of the specific areas. They felt that this provided already a three level management tier and notwithstanding there are a number of people to be coordinated and managed, they felt that the three level management tier should be maintained. There was no express or different duty given to the Assistant Director for Program Services that was not a responsibility of the Director or the Deputy Director or one of the Program Directors, so they recommended that for deletion.

Senator Hilbrecht called the Committee's attention to Pages 2, 3 and 4 of the handout and stated that those are the specific budget recommendations. They relate you to the page of the budget, the budget number and identify a job title and a salary savings item for the years of the biennium. The Senate decided that since they were not experts in the field of education they would not endeavor to second guess management. They simply provided salary savings and it seemed the only equitable way to do it was to crank back into those budgets salary savings in the area where management had already allocated the positions identified as being excess. This results in the recommended salary savings that appear in the final number of each one of the presentations.

Mr. Serpa and Mr. Vergiels will work with Mr. Oliver and Mr. Gamble and will take action on the budget as soon as possible.

Senator Hilbrecht stated Senate Finance offered Mr. Gamble and his staff the opportunity to appear before Senate Finance on three separate occasions after they made their budget presentation. There was rebuttal provided by them to Senator Hilbrecht's presentation. Senator Hilbrecht then asked Mr. Oliver and his intern to go back and address themselves to that. They identified some terminology errors. The result does not change the earlier recommendations.

Chairman Mello pointed out that Senate Finance had also cut some clerical positions and asked if there were any other clerical positions Senate Finance felt could have been deleted.

Mr. Oliver replied that in summary there are 106 positions. If all of the proposed reductions were accomplished, the department would have 85 positions remaining in several budgets. Of that there

would be 7 executive, 38 professional and 40 clerical. Obviously that is a very rich ratio of clerical to professional. The action Senate Finance took with salary savings was not specific positions but was Mr. Oliver's opinion and presumption that the Department would then reorganize with a different ratio rather than a 2 to 1 professional/clerical and would probably be able to enhance or save some professional positions as opposed to clerical. The present ratio is 11 executives, 50 professional and 45 clerical. About a 2.4 to 1 ratio and it would be 2.1 after the reductions.

Mr. Glover asked if indeed these positions are not needed what is the point in allowing the Department to decide which positions will go. They will end firing a bunch of secretaries and keeping the rest of the people on. Mr. Oliver replied it would seem to him that they could very effectively reorganize the Department mandate to come in lean and strong and have the necessary professional positions that they have identified in their mandates and only the necessary clerical support. Mr. Oliver feels that the Department would react to the Legislative intent and meet their mandates.

Senator Hilbrecht stated his philosophy is that the State Superintendent of Public Instruction is a constitutional office. He is a person who is held in high esteem and is a highly paid executive. They felt that the budget analysis approach they are taking should leave him every conceivable latitude in terms of determining for himself how he should allocate the resources. To begin with, they began with the budget that he built. It would be unfair to them to impose at the same time their Legislative mandates on him as well as the other responsibilities he has and by the same token telling administratively who he should use to do it. If he felt that he were the only administrator that the Department required, consistent with the approach Senate Finance took, he could virtually accomplish that by assigning actual service responsibility to the people who are now in executive positions and conserving in other areas than simply deleting the stenographic assistant. It is the Legislature's duty to determine how much money, based on what the Administrator presents, he really needs to run the office, but the manner in which he runs it, the actual staffing that he identifies or assigns responsibility is a part of the administrative and not the legislative chore.

COMMISSIONER FOR VETERANS AFFAIRS (Page 113). Mrs. Brookman made a motion that \$3,000 be placed in the budget each year of the biennium for the Advisory Commission; seconded by Mr. Kosinski. Motion failed.

Mr. Glover made a motion that \$1,500 be placed in the budget each year of the biennium for the Advisory Commission; seconded by Mr. Hickey. Motion passed. (Mr. Mello, Mr. Howard, Mr. Bremner and Mr. Serpa voted no.)

Mr. Howard stated he wasn't here to hear testimony and initially vote upon this budget, yet he received a very derogatory, smart, vindictive letter from a gentleman in Las Vegas. Mr. Howard answered his letter and said he was a veteran and had been a veteran since 1946, and had fully support the veterans' programs, but he was leaving Mr. Howard "chilled" about supporting any more veterans' programs relative to the type of letter he received.

Chairman Mello agreed with Mr. Howard and stated that anytime the Committee receives threatening letters and threatening Legislators with re-election, it is absolutely pathetic.

Mr. Hickey made a motion for adoption of the Governor's Recommendation, as amended; seconded by Mr. Vergiels. Motion passed. (Mr. Mello, Mr. Howard, Mr. Bremner and Mr. Serpa voted no.)

The meeting adjourned at 11:15 a.m.

ASSEMBLY WAYS AND MEANS COMMITTEE

SUBCOMMITTEE ON THE DEPARTMENT OF HUMAN RESOURCES

On February 1, 1977, the Chairman of the Ways and Means Committee appointed a subcommittee to review the budget for the Department of Human Resources. The subcommittee initially consisted of Mr. Kosinski as Chairman and Mrs. Brookman, Mr. Vergiels and Mr. Serpa. Subsequently, the chairman also appointed Mr. Hickey and Mr. Rhoads to the subcommittee. The committee conducted hearings on February 19, 20, 21 and 22 and on March 13, 1977. The full committee held a public hearing on March 21, 1977, at the Sparks City Hall relating solely to the Nevada Mental Health Institute, Division of Mental Hygiene and Retardation. At these hearings substantial data was gathered by the subcommittee concerning the budget requests of the various agencies within the department, the numerous programs administered within the department and various problems encountered within the department and between the department and members of the public. The administrators of the divisions and agencies within the department were requested to:

1. Justify all existing and new positions.
2. Delineate all expenses included in individual line items.
3. Document any and all federal requirements which they intended to rely upon to justify portions of their budgets.
4. Trace transfers between budgets.
5. Explain programs.
6. Justify reclassifications.
7. Justify new items, including new positions, expenses and programs.

The Department of Human Resources is the largest department

of state government, having in excess of 2,000 employees. The Department has the largest budget among the various branches of state government. Throughout the coming biennium (1977-1979) it is anticipated that the Department and its various agencies will expend in excess of \$200,000,000. The anticipated expenditures for fiscal 1978 are nearly 300% greater than those for fiscal 1972. (Appendix A) The subcommittee conducted its review of the Department's 85 budgets while mindful of the conflicting priorities for taxpayers' dollars and the limitations on the taxpayers' ability and willingness to fund ineffective or unnecessary programs.

I.

DIRECTOR OF HUMAN RESOURCES (p. 272)

RECOMMENDATION:

1. The subcommittee recommends that the position of Public Information Officer 2 be deleted from the budget;
2. The subcommittee recommends that, with the exception of the amendment recommended above, the remainder of the budget be approved according to the GOVERNOR'S RECOMMENDATION.
3. The subcommittee recommends that a Letter of Intent be sent to the Director of the Department requesting that he initiate procedures requiring that clients of his various agencies are tracked while receiving services from the Department and for at least one year thereafter to determine the success or failure of these programs. This will also enable the Department to determine if a client is receiving service from more than one agency. The subcommittee was disappointed at the inability of these various agencies to gauge the effectiveness of their programs. This tracking should include any inter-agency services and even an out-of-state followup is appropriate and feasible.

JUSTIFICATION:

The subcommittee was not convinced that the taxpayer's dollars should be consumed for public information officers, public relations persons, advertising personnel or any other position which is not providing direct or needed administrative services to the people of this state.

II.

HEALTH PLANNING AND RESOURCES (p. 275)

RECOMMENDATION:

The subcommittee recommends that the GOVERNOR'S RECOMMENDATION BE APPROVED.

JUSTIFICATION:

The subcommittee received no convincing testimony that the Governor's recommendation should be amended in any manner. The subcommittee did receive testimony concerning the Certificate of Need Contract between this agency and the Insurance Division, Department of Commerce. A hospital industry spokesman testified that this contract was unnecessarily expensive to the agency and that it might better use these funds within its own budget. However, the subcommittee heard testimony from the Department and reviewed the contract between these two agencies and then determined that it was to the benefit of the taxpayers of the state that the present arrangement be continued. (Appendix B)

III.

OFFICE OF THE STATE HEALTH OFFICER (p. 278)

RECOMMENDATION:

The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

IV.

MILK INSPECTION REVOLVING FUND (p.281)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

V.

VITAL STATISTICS (p.282)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

VI

SILICOSIS PROGRAM (p.285)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

VII.

BUREAU OF COMMUNITY HEALTH SERVICES (p. 286)

RECOMMENDATION:

1. The subcommittee recommends that the existing position of Social Worker 3 be deleted.
2. The subcommittee recommends that the remainder of the budget be adopted in accordance with the GOVERNOR'S RECOMMENDATION.

JUSTIFICATION:

1. The existing position of Social Worker 3, according to testimony, has been vacant for more than two years. Even though the subcommittee received testimony that the division was working to reclassify this position as a Nutritionist, it was believed by the subcommittee that the excessive period of time in which this position was vacant justifies its deletion from the budget. It is also to be noted that the budget contains two other nutritionist positions.

VIII.

TUBERCULOSIS CONTROL (p.290)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

DENTAL HEALTH (p. 291)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

X.

MATERNAL, CHILD, SCHOOL AND SPECIAL CHILDREN (p. 294)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XI.

ENVIRONMENTAL PROTECTION (p. 298)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XII.

CONSUMER PROTECTION (p. 302)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XIII.

RADIOACTIVE MATERIAL DISPOSAL (p. 305)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XIV.

DRINKING WATER PROGRAM (p. 306)

RECOMMENDATION:

1. The subcommittee recommends that the regular appropriation for the second year of the biennium be increased by \$6,240. This increase should be reflected on the line item nominated County Programs.

2. The subcommittee recommends that the remainder of the budget be adopted as per the GOVERNOR'S RECOMMENDATION.

JUSTIFICATION:

1. The subcommittee received testimony from the administrators of the Clark County and Washoe County Public Health Departments concerning their participation in the drinking water program. Testimony indicated that the County Programs line item was developed from a report done by Boyle Engineering. Testimony indicated that the consultant's report underestimated salary costs to the counties

in implementing this program. The counties will actually need money in both years of the biennium. However, the budget division indicated that the program will not consume the entire appropriation for the 1977-1978 fiscal year. Consequently, the first year of the biennium will contain adequate monies to provide the counties with the increase funds. However, General Fund monies will be needed for the second year of the biennium.

XV.

BUREAU OF LABORATORY AND RESEARCH (p. 308)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XVI.

BUREAU OF HEALTH FACILITIES (p. 312)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XVII.

HEALTH AID TO COUNTIES (p. 315)

RECOMMENDATION:

The subcommittee recommends that the REGULAR APPROPRIATION be increased to \$396,157 for each year of the biennium.

JUSTIFICATION:

The subcommittee heard extensive testimony from representatives of Clark and Washoe Counties concerning their increasing needs for services in this area. The testimony indicated that while population was rapidly rising, federal funds were decreasing for health services.

Testimony indicated that a per capita formula based on seventy five cents (\$.75) had been established last session but that certain federal funds were included to reduce the state's contribution.

The subcommittee retained the \$0.75 figure but employed estimated 1977 population figures of: Clark - 359,628; Washoe - 168,581.

XVIII.

IMMUNIZATION PROGRAM (p. 316)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XIX.

CANCER SCREENING PROJECT (p. 318)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XX.

GONORRHEA SCREENING PROJECT (p. 320)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXI.

FAMILY PLANNING PROJECT (p. 322)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXII.

WOMEN, INFANTS AND CHILDREN'S (WIC) FOOD SUPPLEMENT PROGRAM (p. 324)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXIII.

EMERGENCY MEDICAL SERVICES (p. 326)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

The subcommittee's report dealing with the Division of Mental Hygiene and Mental Retardation will be submitted at a later date.

WELFARE ADMINISTRATION (p. 398)

RECOMMENDATION:

1. The subcommittee recommends that a new position be created within the Welfare Administration office and budget. This new position should be nominated as Child Care Service Officer. This position should be in the unclassified service and should be budgeted at a salary of \$16,000.00 per year, with fringe benefit costs of an additional \$2,240.00. Operating expenses for this budget must also be included.

Chapter 432A of NRS must be amended or repealed under this proposal to accomplish, among other things, placing the child care advisory functions under the Welfare Division.

2. The subcommittee recommends that the remainder of this budget be approved according to the GOVERNOR'S RECOMMENDATIONS.

JUSTIFICATION: The subcommittee heard extensive testimony concerning the Division of Child Care Services (p. 493) and its various activities. As will be indicated later in this report the subcommittee recommended the deletion of this Division and the effective repeal of its statutory authorization. However, the subcommittee was not convinced that it is not desirable to have a single person within the State who has an overall view of the availability and need of child care services. For this reason, the subcommittee recommended that this position be created within the office of the Welfare Administration during the coming biennium. It is felt that a review of the operations of this office during the 1979 session may indicate the desirability of either continuing the office or possibly deleting it and its function entirely from state government.

XXV.

ASSISTANCE TO AGED AND BLIND (p. 405)

RECOMMENDATION:

1. The subcommittee recommends that the Adult Group Care Facilities Supplement be increased \$13,800 for fiscal 1977-78 and \$21,600 for fiscal 1978-79.

2. The subcommittee recommends that the remainder of this budget be approved as the GOVERNOR'S RECOMMENDATION.

JUSTIFICATION: The subcommittee heard considerable testimony, including some support from George Miller, suggesting that the increases in this line item had not kept pace with inflation. The subcommittee also heard requests that any increase be made retroactive to January 1, 1977. The subcommittee did not believe that the recommendation should be made retroactive as had occurred in the past under special circumstances. However, the subcommittee did believe that the Governor's recommendation should be further increased to insure that this supplement is kept current with inflation over the past four years. The subcommittee believed that these facilities serve a vital function in our total assistance program and that the taxpayer receives adequate benefits for the revenues paid to these facilities. Alternative forms of assistance are considerably more expensive.

XXVI.

AID TO DEPENDENT CHILDREN (p. 408)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXVII.

HOMEMAKING SERVICES (p. 410)

RECOMMENDATION:

1. The subcommittee recommends that a reserve be created in this budget to provide for emergency assistance in this area if the

need should arise. The subcommittee believes that this reserve should be composed of \$6,250 for fiscal years 1977-78 and 1978-79 in General Fund dollars and \$18,750 from Title XX Social Service Monies to provide \$25,000 for each of the two years of the biennium.

2. The subcommittee recommends that the remainder of this budget be approved in accordance with the GOVERNOR'S RECOMMENDATION.

JUSTIFICATION: The subcommittee believed that the goal of this program - to keep welfare recipients within their own home - is worthy of state support. The subcommittee believed that the Welfare Division should have extra dollars available to it if the need should arise. The \$25,000 reserve will provide 5,000 hours of homemaker service. The \$25,000 could provide substantial savings to the State General Fund if the other appropriated funds for this budget should be deleted. The Title XX monies are those saved from deleting the Child Care Services Divisions and some extra Title XX monies.

XXVIII.

FOOD STAMP PROGRAM (p. 412)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXXIX.

CHILD WELFARE (p. 416)

RECOMMENDATION; The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXX.

MEDICAL CARE UNIT (p. 420)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

JUSTIFICATION: The subcommittee heard testimony, particularly from representatives in Clark County, that states may be required to provide cash assistance to medically eligible persons whose eligibility had been established after the date of their death. This amount could exceed \$2,000,000.00. However, the Budget Division has indicated their expectation of counter-cyclical monies from the federal government which could be used under the Title XIX program. (Appendix C) Pursuant to this recommendation, your subcommittee does not recom-

mend that any monies be added to this budget over that requested by the Governor.

XXXI.

CHILD SUPPORT ENFORCEMENT PROGRAM (p. 424)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXXII.

CHILD PROTECTION (p. 427)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXXIV.

U. S. INDIAN SERVICE (p. 430)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXXV.

FEDERAL CUBAN REFUGEE (p. 432)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXXVI.

INDOCHINESE REFUGEE (p. 434)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXXVII.

WORK INCENTIVE (p. 436)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XXXVIII.

REHABILITATION DIVISION ADMINISTRATION (p. 437)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted. The subcommittee recommends that a Letter of Intent be sent to the Administrator of the Rehabilitation Division directing him to develop procedures whereby recipients of services from this division receive follow-up studies to determine the success of the divisions's programs. The subcommittee

was struck by the lack of follow-up procedures throughout this division as well as throughout the Department of Human Resources.

XXXIX.

VOCATIONAL REHABILITATION (p. 440)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XL.

SOCIAL SERVICES - VOCATIONAL REHABILITATION (p. 446)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XLI.

COMMITTEE TO HIRE THE HANDICAPPED (p. 448)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XLII.

SERVICES TO THE BLIND (p. 450)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XLIII.

BLIND BUSINESS ENTERPRISE (p. 453)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XLIV.

SOCIAL SERVICES FOR THE BLIND (p. 455)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XLV.

HOMEBOUND INDUSTRIES (p. 457)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XLVI.

ALCOHOLISM AND DRUG REHABILITATION (p. 459)

1.351 RECOMMENDATION: The subcommittee recommends that the

GOVERNOR'S RECOMMENDATION be adopted.

XLVII.

BUREAU OF DISABILITY ADJUDICATION (p. 462)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

XLVIII.

NEVADA YOUTH TRAINING CENTER (p. 465)

RECOMMENDATION:

1. The subcommittee recommends that the Library 1 position be funded with federal LSCA funds.

2. The subcommittee recommends that the remainder of this budget be approved according to the GOVERNOR'S RECOMMENDATION.

JUSTIFICATION: The subcommittee received testimony from the Budget Division and from the State Librarian that federal dollars could be applied for this position. The position has been funded in the past biennium by LSCA funds and the subcommittee believed that the position could again be so funded during the coming biennium. (Appendix D) A Letter of Intent should be directed to the State Librarian concerning these federal funds.

LXIX.

YOUTH PAROLE - BOYS' SCHOOL (p. 469)

YOUTH PAROLE - GIRLS' SCHOOL (p. 480)

RECOMMENDATION:

1. The subcommittee recommends that the Youth Parole for the boys and the girls schools should be combined both in statute and budget.

2. The subcommittee recommends that a salary savings of \$37,830.00 for fiscal 1977-78, and \$38,780.00 for fiscal 1978-79 be included in this budget.

3. The subcommittee recommends that the remainder of these budgets be approved according to the GOVERNOR'S RECOMMENDATION.

JUSTIFICATION:

1. The subcommittee found that there is considerable duplication in the work in these two agencies. The subcommittee believes that there is no reason that, in most cases, a male probation

officer cannot visit both male and female youths in any particular area, particularly in the rural counties. The subcommittee received testimony that other probation departments, both in Nevada and in California, have parole officers assigned to both male and female probationers. In combining these budgets, the subcommittee believes that a bill similar to S.B. 94 (1977) should again be introduced as soon as possible.

2. The subcommittee believes that in combining the two youth parole budgets and functions there should be a considerable savings in both salary and operating expenses. The subcommittee believed that it was not at this time in a position to make a recommendation as to the exact amounts of any such savings so it decided to include a line item of Salary Savings, thereby placing the burden upon the administrator of the Department to make the recommended cuts within these two agencies. It is suggested that a parole officer and supervisors position be deleted.

L.

YOUTH TRAINING CENTER

ELEMENTARY AND SECONDARY EDUCATION ACT, TITLE I (p. 472)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

LI.

BOYS SCHOOL, GIRLS SCHOOL, OUTSIDE AGENCY CARE (p. 473)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

LII.

YOUTH PAROLEE FOSTER HOMES (p. 474)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

LIII.

NEVADA GIRLS TRAINING CENTER (p. 475)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

LIV.

GIRLS TRAINING CENTER

ELEMENTARY AND SECONDARY EDUCATION ACT, TITLE I (p. 479)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

LV.

HOME OF THE GOOD SHEPHERD (p. 482)

RECOMMENDATION: The subcommittee recommends that the state provide support for up to 45 girls at a level of \$472.50 per month.

JUSTIFICATION: The subcommittee heard considerable testimony that it was impossible for the home to provide adequate care for these young girls at the existing support level. The subcommittee was also convinced that the services provided by this home are of extremely high quality and that it is in the best interests of the taxpayers of the state that the increased support level be provided.

LVI.

PROBATION SUBSIDIES (p. 483)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

LVII.

SPRING MOUNTAIN YOUTH CAMP (p. 485)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

LVIII.

NORTHERN NEVADA CHILDREN'S HOME (p. 486)

SOUTHERN NEVADA CHILDREN'S HOME (p. 489)

RECOMMENDATION:

1. The subcommittee recommends an increase in the salary for the four Cottage Couple II positions and the 24 Cottage Couple I positions, resulting in an increase in the General Fund appropriation for this budget of: Southern Home - \$13,778.00 in fiscal 1977-78 and \$14,086.00 for fiscal 1978-79; Northern Home - \$13,271.00 in fiscal 1977-78 and \$13, 572.00 in fiscal 1978-79.

2. The subcommittee recommends that the remainder of the budget be approved according to the GOVERNOR'S RECOMMENDATION.

JUSTIFICATION: The personnel Division has reclassified the positions of Cottage Couples to more accurately reflect their long work hours and their many added skills in working with the children (Appendix E).

LIX

DIVISION OF CHILD CARE SERVICES (p. 493)

RECOMMENDATION: The subcommittee recommends that this budget be deleted and that the provisions of Chapter 432A of NRS be amended to provide that those statutory duties are assigned to the Office of Child Care Services located within the Office of the Director of the Department of Human Resources. This office might be part of the Youth Services Agency.

JUSTIFICATION: In reviewing the statutory responsibilities of this division and in reviewing the accomplishments of the personnel within this division, the subcommittee was not convinced that these duties or accomplishments justified this continued expenditure of the taxpayers' dollars. Many of the responsibilities presumably assigned to this division are presently assumed and satisfied by the Welfare Division, the State Division of Health and various offices within county government in Clark and Washoe Counties. The subcommittee could not recommend the continued existence of this division.

LX.

DEVELOPMENTAL DISABILITIES (p. 495)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

LXI.

AGING SERVICES (p. 497)

RECOMMENDATION: The subcommittee recommends that the GOVERNOR'S RECOMMENDATION be adopted.

DEPARTMENT OF HUMAN RESOURCES
STATE AND FEDERAL FUNDING
FISCAL YEARS 1972 THROUGH 1976

GENERAL FUND APPROPRIATIONS	INCREASE 1976 OVER 1972										
		TOTAL	Director's Office	Rehab Division	Aging Services	Child Care Services	Environ Protection	Health Division	Welfare Division	MH-MR Division	Youth Svs Agency
1976	97%	\$41,068,017	\$ 253,397	\$1,677,972	\$ 119,139	\$ 42,905	\$ 302,410	\$3,616,892	\$19,803,674	\$9,921,835	\$5,329,793
1975		29,807,185	209,458	1,459,145	133,053	36,512	(1)	2,902,908	13,271,247	7,318,746	4,476,116
1974		26,689,223	175,627	968,901	107,065	26,121		2,199,976	13,041,064	6,354,089	3,816,380
1973		20,636,227	94,204	450,849	27,893	(2)		1,759,408	9,523,863	5,909,512	2,870,498
1972		20,860,722	88,734	541,128	11,854			1,818,141	9,730,960	5,520,395	3,149,510
<u>FEDERAL FUNDS</u>											
1976	146%	38,529,793	21,671	4,963,790	1,355,108	4,198	393,811	2,389,118	26,758,864	2,448,859	194,374
1975		34,156,194	1,755	3,570,787	1,417,179	26,525	(1)	2,510,395	24,584,403	1,913,441	131,709
1974		26,142,683	-0-	3,298,142	999,454	1,318		1,731,515	18,778,199	1,160,274	173,781
1973		22,632,279	7,263	2,338,101	500,503	(2)		1,424,591	17,827,932	391,485	142,404
1972		15,637,977	10,915	1,982,457	225,691			1,098,405	11,951,297	247,032	122,180
<u>TOTALS</u>											
1976	118%	79,597,810	275,068	6,641,762	1,474,247	47,103	696,221	6,006,010	46,562,538	12,370,694	5,524,167
1975		63,963,379	211,213	5,029,932	1,550,232	63,037	(1)	5,413,303	37,855,650	9,232,187	4,607,825
1974		52,831,906	175,627	4,267,043	1,106,519	27,439		3,931,491	31,819,263	7,514,363	3,990,161
1973		43,268,506	101,467	2,788,950	528,396	(2)		3,183,999	27,351,795	6,300,997	3,012,907
1972		36,498,699	99,649	2,523,585	237,545			2,916,546	21,682,257	5,767,427	3,271,690

(1) Included with Health Div. - separated by budget account FY 76

(2) Set up by Legislature 1973 to begin in FY 74

Health Planning and Resources transferred to DHR from Governor's Office beginning FY 77



MIKE O'CALLAGHAN
GOVERNOR
ROGER S. TROUNDAY
DIRECTOR

STATE OF NEVADA
HEALTH PLANNING AND RESOURCES
CAPITOL COMPLEX
ROOM 604, KINKZAD BUILDING
505 E. KING STREET
CARSON CITY, NEVADA 89710
TELEPHONE (702) 885-4720

MYRL NYGREN
ADMINISTRATOR

RECEIVED
LEGISLATIVE COUNSEL BUREAU

March 24, 1977

MAR 24 1977

MEMORANDUM

OFFICE OF FISCAL ANALYSIS

TO: GENE PIERETTI, DEPUTY FISCAL ANALYST, LEGISLATIVE
COUNSEL BUREAU
FROM: MYRL NYGREN *M.N.*
SUBJECT: ADDITIONAL INFORMATION ON CON/1122 REVIEW CONTRACT

Attached with this memo is a copy of the handout material we provided to the Assembly Committee on Health and Welfare which delineates the advantages to the contract being with the Insurance Division.

MN/sca

Attachments ✓

Comments as to ramifications and concerns if the CON/1122 Review Contract was transferred back to the Office of Health Planning and Resources:

1. Office of Health Planning and Resources would lose the additional legal, fiscal and investigative support we currently receive from the Insurance Division, particularly in financial feasibility of all CON/1122 review projects. In this regard, expertise is required to look at:
 - 1.1) Financial ratio such as debt ratio, current ratio, quick ratio, equity ratio, asset:debt ratio;
 - 1.2) types of funding, such as revenue bonds, general bonds, loans, interest rates;
 - 1.3) economic impact of debt on the cost of patient care;
 - 1.4) the configuration of the regional asset base;
 - 1.5) cost revenue analysis.
2. It would require a general appropriation increase of \$20,000 to fully carry out the responsibilities of the program. Currently, the Insurance Division contract would provide for this State match.
3. It could require a duplication of effort in the sense that the Office of Health Planning and Resources could be challenged by the Health Systems Agencies and/or applicants as to the accuracy of information we receive from any other source. More than likely this would probably occur with each application and the Office of Health Planning and Resources would have to do just what the Insurance Division is already doing.

Attached with these comments are some hand-out materials provided to the Assembly Health and Welfare Committee delineating the advantages as to why it is a more effective mechanism for contracting with the Insurance Division to carry out the Legislative intent of NRS 449.440-450 and NRS 439A in addition to the mandates of PL 93-641.

The contract with the Insurance Division is in keeping with the Federal mandate for carrying out the separate functions, i.e., planning and regulation with separate staff.

1122

CON

NRS
449.440 - 449.530

ACTIVITY

✓	✓	✓	COST CONTAINMENT
✓	✓	✓	CAPITAL EXPEND. & DEPRECIATION
✓	✓	✓	INDEBTEDNESS & RELATED COSTS
✓	✓	✓	OPERATING EXPENSES
✓		✓	PARTIAL PAYMENTS FOR CARE
✓		✓	COST OF RESEARCH
✓	✓	✓	NEED FOR INCURRING CAPITAL INVEST.
✓	✓	✓	PERCENT OF FAIR RETURN

ONLY UPON APPLICATION
BY SPECIFIC FACILITY

ANNUALLY

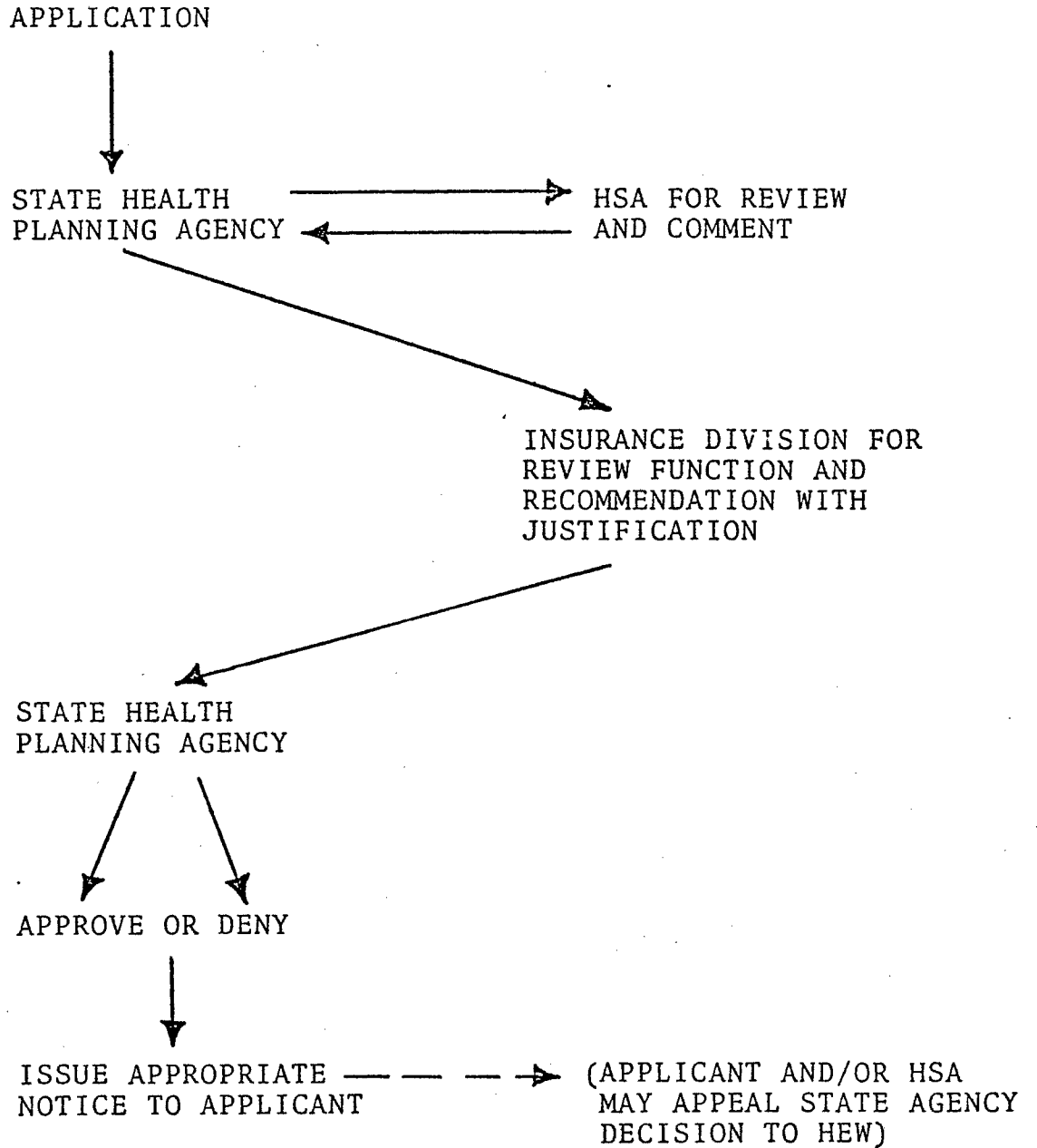
ADVANTAGES OF CONTRACT

1. One agency gathering financial information:
2. Legal authority.
3. Concentration of expertise in financial analysis.
4. Annual collection of fiscal information.
5. Possible elimination of duplicate reporting by hospitals regarding Hill-Burton.
6. Totally separates the planning function from the regulatory function.

WHY?

1. Provides greater capability to assess the impact of large expenditures and/or change in services on the cost of care to the patient.
2. Regular access to financial information on unit cost of services enhances capability of State Health Planning and Development Agency (SHPDA) in providing technical assistance to financially troubled facilities.
3. Separation of planning function from regulatory function assures more objective planning and more objective regulatory decisions.

CON/1122 PROCESS



March 24, 1977

MEMORANDUM

TO: Assembly Ways and Means Committee

FROM: Howard E. Barrett *HB*

SUBJECT: Additional Title XIX Medical Care Costs

During Ways and Means Committee hearings, payment policies for hospital out-patient care, deceased persons, and persons who have not yet been certified for Supplemental Security Income have been discussed. The cost projections in the Executive Budget were derived from data for the first five months of fiscal year 1977, a period during which these additional program features were not in effect. Therefore, the Executive Budget does not reflect these costs.

1. Cost Reimbursement for Outpatient Hospital Services - Prior to May 18, 1976, Welfare Division paid hospitals the actual cost of service delivery for out-patient care. Effective May 18, 1976, reimbursement of actual costs was discontinued, and the Welfare Division began paying for outpatient services based on the same fee schedule used for services rendered at a doctor's office as part of a general cost containment effort in the Title XIX Medicaid Program.

Hospital representatives have appeared before the Ways and Means Committee and have testified on behalf of restoring the policy of reimbursing in the amount of actual costs for outpatient care. The Nevada Hospital Association has estimated that reinstating outpatient cost reimbursement would require additional funding as follows:

	<u>Fiscal Year 1978</u>	<u>Fiscal Year 1979</u>
State	\$131,730	\$147,537
Federal	<u>131,730</u>	<u>147,538</u>
Total	\$263,460	\$295,075

2. Federally Mandated Coverages

- a. Deceased Persons - Effective January 10, 1977, the Welfare Division resumed Medicaid coverage for those persons who die after applying for Medicaid but before approval of their application. The Welfare Division had eliminated medical coverage for deceased persons consistent with Social Security's policy of denying financial assistance to this same group of clients. However, the federal government has ruled that the Welfare Division must pay medical bills incurred from the date of application for medical assistance to the date of death. In addition, under federal regulation, these clients are also eligible to claim medical coverage for the three months prior to the date of application if they would have been eligible had they applied earlier and if they can provide evidence of unpaid medical bills during that period.

The Welfare Division, based on average medical costs in the three months prior to death and on an estimate of the number of cases which are affected by this policy, estimates the following additional costs which are not included in the Executive Budget, either for the fiscal year 1977 Supplemental appropriation or for the 1977-79 biennium.

	Fiscal Year 1977	Fiscal Year 1978	Fiscal Year 1979
State	\$432,270	\$ 968,220	\$1,084,320
Federal	<u>432,270</u>	<u>968,220</u>	<u>1,084,320</u>
Total	\$864,540	\$1,936,440	\$2,168,640

b. Accepting Medicaid Applications Prior to Approval by Social Security for Cash Grant

Since Medicaid eligibility is determined by the State according to the same criteria used by the federal government for cash payments, the Welfare Division had adopted the practice of not accepting applications for medical assistance unless the applicant had already been approved by Social Security for a money grant. The federal government has now ruled that the Welfare Division must accept Medicaid applications from those whose applications to Social Security for cash assistance are still pending. Since Medicaid eligibility is effective retroactive to the date of application for approved clients, this mandate has the effect of making aged and disabled persons eligible for more months of medical assistance and thereby raises costs.

The Welfare Division has projected the number of cases which could be affected by this policy change based on the number of applications which have, in the past, been denied for lack of established SSI eligibility and, after applying the expected costs per recipient month, have made the following estimates of additional Title XIX costs not included in the Executive Budget.

	Fiscal Year 1977	Fiscal Year 1978	Fiscal Year 1979
State	\$ 77,220	\$180,240	\$201,462
Federal	<u>77,220</u>	<u>180,240</u>	<u>201,462</u>
Total	\$154,440	\$360,480	\$402,924

We do not recommend restoration of cost reimbursement for outpatient care since it is not federally required. However, medical eligibility for the deceased persons and for those whose applications for cash assistance are still pending is now mandatory, and since these costs are not included in the Executive Budget, it appears that additional funding will be required for these program components. If continued federal countercyclical monies are available to support these costs in the next biennium, I recommend that the countercyclical funds be utilized rather than increasing State appropriations to Title XIX for

March 24, 1977

Page 3

the next biennium. Presently, there are three bills before the Congress, all of which propose to extend countercyclical aid past the current September 30, 1977, expiration date, and none of which change the guidelines with regard to usage of funds in Title XIX. We contacted the federal Office of Revenue Sharing by telephone last week and their legal staff informed us that there would be no problem in using countercyclical funds in Medicaid, assuming the program is extended. We are awaiting written confirmation.

Although the prospects for continued funding seem to be good, and although it appears that we would be able to apply these funds toward Title XIX, we still do not know what the federal government is going to do.

I recommend that the Legislature allow all countercyclical funds to be spent for Title XIX and that if we cannot spend all receipts of countercyclical aid for Title XIX, the Governor be permitted to apply these funds toward other purposes consistent with the federal act. If the latter situation arises in the interim between legislative sessions, the Legislature could be kept informed via periodic reports to the Interim Finance Committee.

HEB:MA/md



STATE OF NEVADA
 DEPARTMENT OF ADMINISTRATION
 CAPITOL COMPLEX
 CARSON CITY, NEVADA 89710

MIKE O'CALLAGHAN
 Governor

HOWARD E. BARRETT
 Director

March 8, 1977

RECEIVED
 LEGISLATIVE COUNSEL BUREAU
 MAR 9 - 1977

OFFICE OF FISCAL ANALYSIS

MEMORANDUM

TO: Ed Schorr
 Deputy Fiscal Analyst

FROM: William Bible *WB*

SUBJECT: Librarian - Nevada Youth Training Center

Ed, in response to your request for information on the above referenced subject, I have attached copies of correspondence between myself and the State Librarian on the librarian position.

The March 3, 1977, memorandum from the State Librarian indicates that the librarian was originally provided as part of an LSCA demonstration grant but that "if the Legislature were to budget this position with federal dollars, the State Library could, within the intent of the federal law, provide a grant considering the advice of our Council to Nevada Youth Training Center from LSCA funds."

I have also attached a copy of the accreditation standard which indicates that at least a one-half time position is necessary for accreditation purposes in an institution of between 125 and 250 enrollees.

As the Committee has reviewed the Executive Budget, I am sure that they have noticed that federal funds are utilized to maximum benefit possible. By using federal funds in areas that are principally of State concern, the net effect is to free-up State funds for other high priority State purposes where federal funds are not available. Our recommendation would be that the librarian position at Nevada Youth Training Center be budgeted with federal LSCA funds.

WB/rs

Enclosures

hazards of fires, storm, earthquake, and enemy action should be taken throughout the buildings and grounds. All personnel shall be trained to cope with such emergency situations.

B. Equipment

School furniture, equipment, and instructional materials shall be of sufficient quality and quantity to permit full student participation in the instructional program, including the laboratory phases. Materials should be convenient to the classrooms and storage space should be available for equipment not in use.

C. Inspection of School Plant and Equipment

An inspection of the school plant and equipment shall be made by an appropriate local school official early in the fall of each school year and all deficiencies shall be listed on the Annual Report. The school official may be the administrator, a director of buildings and grounds, or a competent person appointed by the Board.

STANDARD IV—Instructional Media

The Northwest Association considers the instructional media center to be a very important part of the educational program of a high school. It should be under the direction of a qualified media specialist who supervises the cataloging and organizing of all books, periodicals, pamphlets, and other instructional materials. The specialist aids teachers and students in locating, selecting, and using them.

Close cooperation between the teaching staff and the media specialist is essential to the administration of a good center.

In order to insure that the high school instructional media center be adequate to serve its educational function, the Association has established the following minimum standards:

A. Use of Center

The development of a good instructional media center and its proper use are essential to an effective program. The center shall be open for use by students and teachers during all periods of the day, including the lunch period, and immediately preceding and following regular school hours. It is recommended that it be open evenings and Saturdays when feasible. Adequate orientation in the use of the center shall be provided for students and staff. Joint planning should be done between the instructional media center specialist and teachers to encourage the use of the instructional media center resources in daily class activities.

B. Facilities

The facilities, space, and equipment of the center shall be adequate for the number of students enrolled and shall be attractively arranged.

The basic instructional media center provides adequate facilities and space for the following:

1. Student and teacher use of facilities for large groups, small groups, individual study, viewing, listening, recording, student and staff work areas, and general library.

2. Housing of all basic instructional media such as books, periodicals, pictures, and other printed materials, and audiovisual materials and equipment.

C. Classifying, Cataloging, and Processing of Materials

All instructional center materials housed in the school shall be properly inventoried and cataloged. A shelf list of all titles shall be maintained. Standard card filing shall be used for all instructional material and equipment.

D. Repair and Replacement

Provision, financial and otherwise, should be made for the repair and replacement of instructional media center materials and equipment.

E. Staffing

The following chart gives the media specialist requirements which shall be observed. The first person shall be a certificated Instructional Media Center Specialist; additional people may be clerical, technical, etc.

Full-time Equivalency Media Specialists and other center personnel	School Enrollment
1/4 time	Up to 125
1/4	125-250
1	251-500
1 1/2	501-750
2	751-1000
2 1/2	1001-1250
3	1251-1500
3 1/2	1501-1750
4	1751-2000
4 1/2	2001-2250
5	2251-2500
5 1/2	2501-2750
6	2751-3000
6 1/2	3001-3250
7	3251-3500

February 25, 1977

MEMORANDUM

TO: Joe Anderson, State Librarian

FROM: William Bible, Budget Division

SUBJECT: Librarian Position - Nevada Youth Training Center

Joe, the Assembly Ways and Means Committee has again inquired about the possibility of federal funds to continue the librarian position at the Nevada Youth Training Center. Your earlier memorandum to me dated February 8, 1977, indicates that the primary reason the State Library recommended State support for this position is the LSCA reauthorization process and cash flow problems concerning the receipt of federal monies.

The cash flow problem is one that is experienced in many budget centers and normally does not present an insurmountable management problem. Without consideration of the reauthorization and cash flow problem, I would appreciate answers to the following questions:

1. Does the existing LSCA authorization permit grants to State institutions for juvenile offenders? Does the proposed reauthorization of LSCA contain authority for grants to State institutions for juvenile offenders? What is the purpose of these grants?
2. Grants have been made in the past to support the librarian position. If LSCA is reauthorized, why can they not be made in the future to support the position?
3. Would Library grants for any purpose be made to the Nevada Youth Training Center for use in 1977-78 or 1978-79?
4. If the Legislature were to budget this position with federal LSCA dollars, would the State Library approve a grant, assuming LSCA reauthorization, to the Nevada Youth Training Center from LSCA funds?

WB/md



NEVADA STATE LIBRARY

Carson City, Nevada 89701

(702) 885-5130

MIKE O'CALLAGHAN
Governor

JOSEPH J. ANDERSON
State Librarian

M E M O R A N D U M

RECEIVED

MAR 04 1977

DEPT. OF ADMINISTRATION
DIRECTOR'S OFFICE

3 March 1977

TO: William Bible, Budget Division

FROM: Joseph J. Anderson, State Librarian *JJA*

SUBJECT: LIBRARIAN POSITION - NEVADA YOUTH TRAINING CENTER

Bill, in response to your letter of February 25, received here March 2, I appreciate your comments concerning the cash flow problem and appreciate your concern in helping us to work with the management aspects. Answers to your specific questions follow:

1. The existing LSCA authorization permits grants to state institutions of all types including those for juvenile offenders, so long as the grants are used for library services purposes within the intent of the Act. I cannot answer at this time, that part of the question concerning the proposed reauthorization of LSCA but I would have to assume that the existing purposes of LSCA which include assistance to library services in institutions would continue to be authorized. The purpose of these grants is to assist state institutions of whatever type to develop appropriate library services for resident inmates, day care clients, etc., as appropriate to the goals and objectives of these specific institutions established by the states.
2. Grants have been made in the past three years to support the librarian position. It is the advice and wish of the Nevada State Advisory Council on Libraries that in this particular institution, since the salary grant was a demonstration grant in character and the demonstration has proven more than satisfactory to the NYTC, that three years is an adequate period for a demonstration type of grant. In addition, the Council recognizes as does the Institution, that the NYTC is fully a state responsibility and since the state has seen fit to upgrade the physical plant to include an excellent library facility which is an important factor in the accreditation of the continuing educational program for the boys

Memo to Bill Bible
3 March 1977
Page 2

placed in this Institution, that it should be a continuing function within the nature of the Institution and not subject to the vagaries of federal funding. I join the Council in this judgment and feel that these are good and valid reasons and urge the support of NYTC's budget request for state funding for this position. If LSCA is extended (reauthorized), such grants could indeed be made in the future to support the position.

3. It could be anticipated that library grants for books, equipment, etc., could be made to NYTC for FY 78 and 79, but if there is no librarian operating the facility, it is my understanding the library would stand unutilized and there would be no point in making these kinds of grants if there is no qualified personnel there to operate the results of the grant process.
4. If the legislature were to budget this position with federal dollars, the State Library could, within the intent of the federal law, provide a grant considering the advice of our Council to NYTC from LSCA funds. The problem here, of course, is that this would violate the logic of the demonstration grants and would continue to hold a vital internal function of the NYTC's educational program hostage to the vagaries of federal funding.

/jb



NEVADA STATE LIBRARY

Carson City, Nevada 89701

(702) 885-5130

MIKE O'CALLAGHAN
Governor

JOSEPH J. ANDERSON
State Librarian

M E M O R A N D U M

8 February 1977

TO: Bill Bible, Deputy Budget Director
FROM: Joseph J. Anderson, State Librarian *JJA*
SUBJECT: NYTC ASSEMBLY WAYS AND MEANS HEARING

You have asked whether or not it is "illegal" to apply LSCA Title I funds to state institutions for program development. The answer, of course, is no, it is not illegal. The State Library has, since 1968 applied monies from this source to the development of institutional library programs.

The Nevada State Advisory Council on Libraries and the State Library are very concerned that the library staff positions of the institutions be wholly included within the state appropriation for the institutions in the next biennium, because of the fact that Congressional authorization and appropriation authority under LSCA terminated 31 December 1976. Unless Congress extends LSCA or passes new legislation for library services at the federal level by March 15, 1977, the funds anticipated by Budget will not be forthcoming. Even if Congress does so, the Title I funds would not arrive in Nevada until well into our 3rd quarter of FY 1978. It can also be anticipated that the rules for application of these funds may well be drawn in a much more restrictive manner.

Because of this timing, the Council and the State Library have urged that the state institutions assume in their budgets the library positions of record, especially since the institutions themselves evaluated the demonstration character of the last two to three years of operation to have been extremely beneficial to the goals and objectives of the several institutions.

With specific reference to the Nevada Youth Training Center at Elko, the continuity of the librarian position is a very important factor in the recent accreditation of the instruction program of the institution.

Bill Bible
8 February 1977
Page 2

It is noted in this budget recommendation that NYTC will be operating its seven units at capacity (160 boys). An instructional supplies budget is recommended for \$13,000 and \$13,600 respectively per annum. All federal and state funds for library grants for FY 77 have been already programmed and allocated to the statewide activities approved through the A 95 Review Process and the U.S. Office of Education. For the reasons of timing stated above, and due to the need for Congressional action to extend authorization and appropriation under LSCA for any future federal funds to be available at all, the Council felt it could not justifiably lead the institutions to anticipate future funding grants for staffing.

jb

Budget Division
February 25, 1977

MEMORANDUM

TO: Senate Finance Committee/Assembly Ways and Means Committee

FROM: Howard E. Barrett

SUBJECT: Budget Revision - Northern and Southern Nevada Children's Homes

Due to a recent reclassification which was the result of a detailed review of positions both in the Northern and Southern Nevada Children's Homes, the Personnel Division is recommending a two grade adjustment for the classifications of Cottage Couple I and Cottage Couple II to be effective July 1, 1977.

The current level of compensation, which includes the perquisites of shelter, board, and utilities, was considered a justified level of compensation when the classifications were established in 1961. The bases, however, for the new recommendation are:

1. A more equitable recognition is needed of the twenty-four hour, five-day work week which is required of Cottage Couples. An important factor which results from this required twenty-four hour, five-day work week, is that the Cottage Couple must maintain a second residence for days off.
2. There is a current need for the Cottage Couple to provide basic counseling, utilizing behavior modification techniques. These skills have developed as a direct result in the change in the types of children placed due to the court redesignating "ajudged delinquents" as "status offenders" thus permitting their admission to the homes.

Attached are the revised budgets of both the Northern and Southern Nevada Children's homes which reflect the additional salary and payroll costs.

HEB:KW/md

1173

Budget Division
February 25, 1977

Southern Nevada Children's Home (101-3177)

	<u>Governor Recommends 1978</u>	<u>Revised Governor Recommends</u>	<u>Change</u>	<u>Governor Recommends 1979</u>	<u>Revised Governor Recommends</u>	<u>Change</u>
Regular Appropriation	\$519,736	\$533,514	\$13,778	\$527,609	\$541,695	\$14,086
Existing Positions						
Superintendent	\$ 22,964	\$ 22,964	\$ 0	\$ 22,876	\$ 22,876	\$ 0
Social Worker Superintendent	18,959	18,959	0	18,886	18,886	0
Social Worker II	16,490	16,490	0	16,427	16,427	0
Cottage Couple II	20,808	22,861	2,053	20,728	22,781	2,053
Cottage Couple I	107,032	117,408	10,376	109,117	119,730	10,613
Cottage Couple - Substitute	45,044	45,044	0	46,363	46,363	0
Principal Account Clerk	12,540	12,540	0	12,492	12,492	0
Principal Clerk Typist	10,153	10,153	0	10,574	10,574	0
Total Existing Positions	<u>\$253,990</u>	<u>\$266,419</u>	<u>\$12,429</u>	<u>\$257,463</u>	<u>\$270,129</u>	<u>\$12,666</u>
Industrial Insurance	\$ 3,933	\$ 4,126	\$ 193	\$ 4,400	\$ 4,617	\$ 217
Retirement	20,319	21,313	994	20,597	21,610	1,013
Personnel Assessment	2,286	2,398	112	2,317	2,431	114
Group Insurance	10,598	10,598	0	12,188	12,188	0
Payroll Assessment	508	533	25	515	540	25
Unemployment Compensation	508	533	25	1,030	1,081	51
Longevity	900	900	0	950	950	0
Total Salary-Payroll	<u>\$293,042</u>	<u>\$306,820</u>	<u>\$13,778</u>	<u>\$299,460</u>	<u>\$313,546</u>	<u>\$14,086</u>

Northern Nevada Children's Home (101-3172)

	<u>Governor Recommends 1978</u>	<u>Revised Governor Recommends</u>	<u>Change</u>	<u>Governor Recommends 1979</u>	<u>Revised Governor Recommend</u>	<u>Change</u>
Regular Appropriation	\$521,865	\$535,136	\$13,271	\$531,131	\$544,703	\$13,572
Existing Positions						
Superintendent	\$ 22,964	\$ 22,964	\$ 0	\$ 22,876	\$ 22,876	\$ 0
Social Work Superintendent	18,555	18,555	0	19,409	19,409	0
Social Worker II	12,712	12,712	0	13,297	13,297	0
Cottage Couple II	20,808	22,861	2,053	20,728	22,781	2,053
Cottage Couple I	102,617	112,535	9,918	104,504	114,655	10,151
Cottage Couple - Substitute	43,513	43,513	0	44,370	44,370	0
Principal Account Clerk	12,540	12,540	0	12,492	12,492	0
Administrative Secretary I	11,987	11,987	0	11,941	11,941	0
Total Existing Positions	<u>\$245,696</u>	<u>\$257,667</u>	<u>\$11,971</u>	<u>\$249,617</u>	<u>\$261,821</u>	<u>\$12,204</u>
Industrial Insurance	\$ 3,809	\$ 3,995	\$ 186	\$ 4,267	\$ 4,476	\$ 209
Retirement	19,656	20,614	958	19,969	20,945	976
Personnel Assessment	2,211	2,319	108	2,247	2,357	110
Group Insurance	10,598	10,598	0	12,188	12,188	0
Payroll Assessment	491	515	24	499	523	24
Unemployment Compensation	491	515	24	999	1,048	49
Longevity	3,350	3,350	0	3,800	3,800	0
Total Salary-Payroll	<u>\$286,302</u>	<u>\$299,573</u>	<u>\$13,271</u>	<u>\$293,586</u>	<u>\$307,158</u>	<u>\$13,572</u>

AB 404

~~Line 14 - Delete the word [operating]~~

Section 5: In no event shall the funding per enrollee per quarter or the yearly per center funding exceed the amounts established on a per enrollee or a per center basis in the legislatively approved budget for the Community Training Center Fund.

The Department of Education's executive budget, pages 136-167, indicates a total of 29 consultant positions authorized. After analyzing the Department of Education's Office of Educational Accountability and Resource Allocations for the fiscal year 1977 as presented a need for 27.3 consultant man years is identified to fulfill all indicated legislative, federal and state board mandates.

Examination of specific mandates justifies the following consultant man years:

<u>AREA MANDATED</u>	<u>WORK DAYS</u>	<u>CONSULTANTS</u>
General Education	2,163	11.1
Vocational Education	1,224	6.3
Special Education	<u>390</u>	<u>2.0</u>
Total Consultant Time	3,777	19.4

Consequently the attached Proposed Reduction in Personnel Positions contemplates the reduction of 9 consultant positions, 4 duplicative middle management positions and 3 clerical support positions.

Proposed Position
in Personnel Positions
for the
Department of Education

	<u>NUMBER OF POSITIONS</u>	<u>GOVERNOR RECOMMENDS 77-78</u>	<u>GOVERNOR RECOMMENDS 78-79</u>
<u>EDUCATION ADMINISTRATION 101-2673 P. 136-7</u>			
<u>Executive Assistant</u> Office of Superintendent - Carson City Position responsibilities are the same as Responsibilities for the Superintendent and Deputy Superintendent.	1	\$ 24,996	\$ 24,900
<u>Photographer 1</u> Office of Internal Services - Carson City Position responsibilities are similar to the Public Information Officer III. Time study revealed photographic work takes only 30% of the photographer's time.	1	14,369	14,314
<u>Assistant Director of Technical Assistance</u> Office of Technical Assistance - Carson City Position responsibilities are similar to the Director. The Director has three service area supervisors to administer and an assistant position appears unnecessary.	1	23,860	23,769
<u>Educational Consultants</u> Office of Accountability - 1 Las Vegas 3 Carson Positions do not appear to have specific Legislative or Federal Mandate Job assignments. Two of the positions were vacant as of February 25, 1977.	4	82,150	82,974
<u>Principal Clerk Steno</u> Office of Accountability - Las Vegas The Las Vegas office reduced to the Director Southern Nevada Office, an Administrative Secretary I, and a teacher certification Analyst.	1	10,961	10,919
Salary Costs		\$ 156,336	\$ 156,876
Payroll Costs		21,887	21,963
Total	8	\$ 178,223	\$ 178,839

Proposed Reduction
in Personnel Positions
for the
Department of Education

	<u>NUMBER OF POSITIONS</u>	<u>GOVERNOR RECOMMENDS 77-78</u>	<u>GOVERNOR RECOMMENDS 78-79</u>
<u>ESEA TITLE C 101-2713 P. 150-1</u>			
<u>Assistant Director of Program Services</u> Office of Accountability - Carson City Position responsibilities are similar to the Director and Deputy Director Office Educational Accountability. Position also evaluates programs service, a responsibility performed by two other Assistant Directors of program services and an Administration Validation services position.	1	\$ 23,965	\$ 23,873
<u>Educational Consultants</u> Office of Technical Services - Carson City Office of Accountability - Carson City Consultant in the Office of Technical Services apparently monitors federal programs for the supervisor and the Director.	2	41,486	41,486
<u>Consultant Indian Education</u> Office of Accountability - Carson City Position has been vacant since 1975. This position can be funded with Johnson O'Mally money, however this money can also be used for indian educational projects.	1	16,490	17,208
Salary Costs		\$ 81,941	\$ 82,567
Payroll Costs		11,472	11,559
Total	4	\$ 93,413	\$ 94,126

Proposed Reduction
in Personnel Positions
for the
Department of Education

	<u>NUMBER OF POSITIONS</u>	<u>GOVERNOR RECOMMENDS 77-78</u>	<u>GOVERNOR RECOMMENDS 78-79</u>
<u>COMPREHENSIVE EMPLOYMENT TRAINING ACT</u> <u>101-2678 P. 158-9</u>			
<u>Assistant Director Southern Nevada</u> Office of Accountability - Las Vegas	1	\$ 23,965	\$ 23,873
<u>Senior Clerk Steno</u> Southern Nevada Office - Las Vegas The Las Vegas office reduced to the Director an Administrative Secretary and one teacher certification Analyst.	1	10,031	9,993
Salary Costs		\$ 33,996	\$ 33,866
Payroll Costs		4,759	4,741
Total	2	\$ 38,755	\$ 38,607

VOCATIONAL EDUCATIONS 101-2676 P. 164-6

<u>Educational Consultant</u> Office of Accountability - Carson City The Department's identified staff consultant assignments for vocational education total 6 consultant man years. Further analysis indicates specific mandates require 6 consultant man years. Removing these 2 positions leaves 6 consultants in the budget.	2	\$ 43,021	\$ 43,087
Payroll Cost		\$ 6,023	\$ 6,032
Total	2	\$ 49,044	\$ 49,119
Total Salary Saving Department of Education	16	\$ 359,435	\$ 360,691

Response to Legislative Mandates

Arts and Humanities	155	\$ 31,179	\$
Business & Office Occupations	139	23,806	
Conferences	23	6,967	
Course of Study Voc Educ	260	49,988	
Dist. & Coop Educ	124	21,361	
Drivers Educ & Phys. Educ	166	29,510	
Elementary Education	139	24,806	
Guidance	139	24,806	
Health	252	44,542	
Health Occupations	139	23,806	
Home Economics	139	23,806	
Industrial Arts	101	17,527	
Instructional Media	134	35,364	
Language Arts	170	31,364	
Math	124	22,161	
Private School Lic.	46	7,535	
Science & Environmental	155	29,451	
Social Studies	142	27,680	
Trade & Industrial	139	24,006	
Vocational Agriculture	162	27,775	
Subtotal	2,908	\$527,440	

Response to Federal Mandates

Adult Education	452	78,744	200,00
CETA	105	30,919	250,00
Desegregation (N)	251	49,711	
Desegregation (S)	173	31,332	
Disadvantaged (Title I)	627	113,060	2,500,00
Exceptional Pupil	534	258,373	40,00
Innovative Programs	650	119,060	600,00
Right to Read	180	73,167	
RIPP	101	84,745	
Voc Educ Service Team	844	151,560	1,700,00
Subtotal	3,917	\$990,671	\$5,290,00

Response to Board Mandates

Career Education	237	35,147	
Community Education	170	32,878	
Metric	184	31,876	
Needs Assessment	46	8,002	
Subtotal	637	\$107,903	

Discretionary Response

Accreditation	62	10,579	
Bicentennial	8	3,515	
	70	\$ 14,094	

Reserved Response

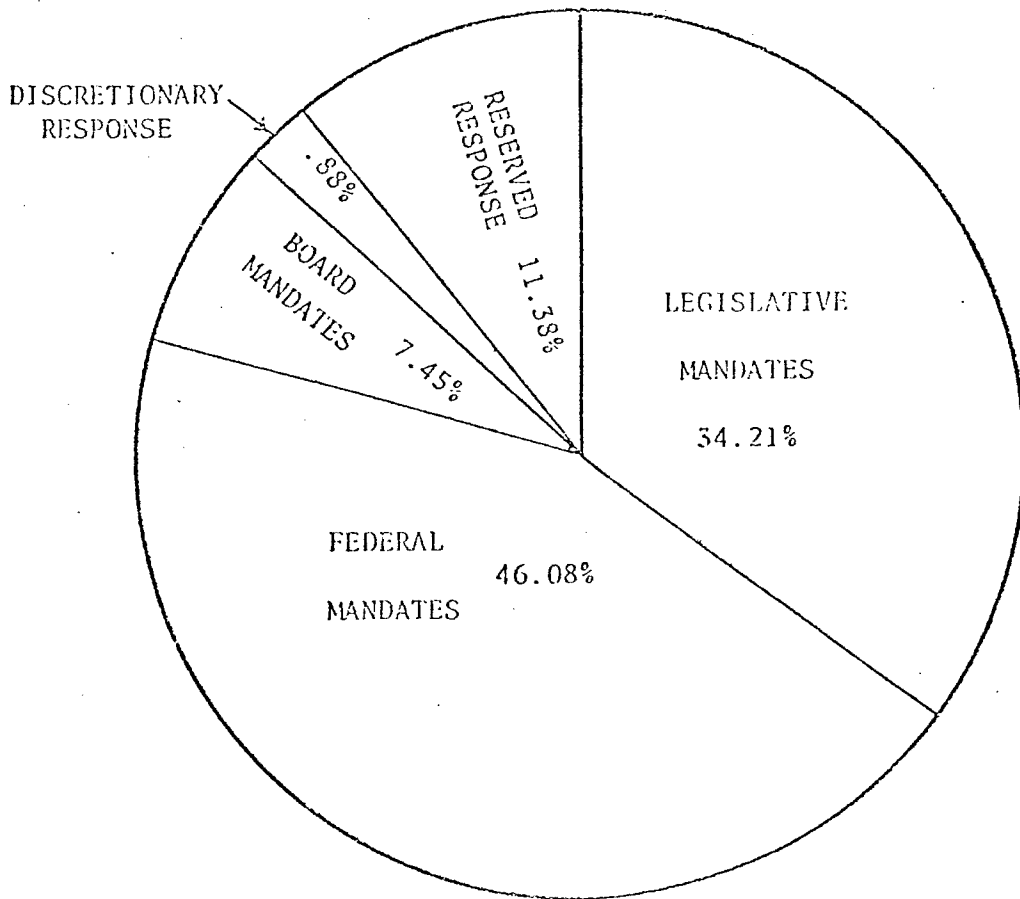
	968	130,689	
	8,500	\$1,770,797	\$5,290,00

TOTAL

\$7,060,797

PROGRAMS IN SOUTHERN OFFICE &
OFFICE OF EDUCATIONAL ACCOUNTABILITY

<u>Response to Legislative Mandates</u>	<u>Work Days</u>	<u>%</u>	<u>Operating Costs</u>	<u>%</u>
	2,908	34.21	\$527,400	29.78
<u>Response to Federal Mandates</u>	3,917	46.08	990,671	55.94
<u>Response to Board Mandates</u>	637	7.45	107,903	6.09
<u>Discretionary Response</u>	70	.88	14,094	.81
<u>Reserved Response</u>	968	11.38	130,689	7.38





OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Capitol Complex
Carson City, Nevada 89710

JOHN R. GAMBLE
Superintendent

March 22, 1977

MEMORANDUM

TO: Senate Finance Committee
FROM: John R. Gamble, Superintendent
SUBJECT: STUDY OF DEPARTMENT OF EDUCATION STAFF

At the hearing on Tuesday, March 15, 1977, it was apparent that the data supplied to the Committee in the report of the study of the Department of Education conducted primarily by the Legislative Counsel Bureau contained some errors. It is the purpose of this memo to correct some of the data and interpretations.

In that study the recommended number of Consultants for the Department was based upon a determination of which programs were mandated by State or Federal Statutes and the workdays assigned to these programs during the current year. This approach resulted in an estimate of 19.4 Consultant positions to perform the work of the agency in contrast to the 30 Consultant positions requested by the agency. The study appears to have been based upon incomplete information and misinterpretation of certain statutes. Our concerns include:

- 1) overlooked statutory citations for specific programs,
- 2) misinterpretation of State Board/Superintendent authority to determine programs and assign staff to those programs,
- 3) the use of current workday data rather than estimates of staff needs for the programs during the upcoming biennium and,
- 4) outdated personnel assignment data.

Specific and clear statutory citations overlooked in the study are as follows:

<u>PROGRAM NAMES</u>	<u>CITATIONS</u>
Voc. Ed. Home Economics	NRS 388.360 & 388.400, P.L. 94-482
Voc. Ed. Distributive Education	NRS 388.360 & 388.400, P.L. 94-482
Voc. Ed. Technical Education	NRS 388.400 (other phases), pgs. 132, 138 Vocational Adm. Handbook
Federal Innovative Programs, (General) Title IV, ESEA	P.L. 93-380, Sec. 402 (a) (1)
Community Education	P.L. 93-380, Sec. 402 (b) (3) (C)
Career Education	P.L. 93-380, Sec. 402 (b) (3) (D)
General Guidance	NRS 388.360, P.L. 94-482, Sec. 134 P.L. 93-380, Title IV, Part B, Sec. 421 (a) (3)

March 22, 1977

Recognition of the above citations establishes a mandate for about 1,200~~0~~ workdays, or 6.2 consultant positions.

Another concern with the report was the interpretation that since there was a vacancy in the Special Education staff at the time of the study, the work assigned to that position (166 days) was unnecessary. The recognized mandate for Special Education must not only include these days, but the complicity of new Federal Legislation in Special Education demands retention of at least the present staffing of three consultants in this area. Likewise, increased federal demands in vocational education and state demands for competencies in the basic subjects argue for retention of staff in these areas also.

The personnel assignment data used in the study was outdated in some instances. Specifically, two of the middle management positions recommended for deletion had already been reclassified to the consultant level and the other two positions at this level recommended for deletion are not duplicative of other positions. One of the consultant positions in the Office of Technical Assistance is in fact assigned to specific tasks in Federal Programs in the Office of Educational Accountability performing mandated tasks.

A major group of programs for which a legislative mandate was not found or cited in the study includes Language Arts, Mathematics, Physical Education, Arts and Humanities, Social Studies and Health Education (the latter two added to the non-mandated list since presentation of the report). The judgment or interpretation of the producers of the report is directly opposed to the judgment of the Superintendent and the State Board who have studied and have been responsible for interpreting and administering all of Title 34 of NRS for many years.

It is clear to us that there are legislative mandates for service and leadership in these areas. We maintain that the legislature, in passing NRS 385.110, requiring the Board of Education to prescribe courses of study, must certainly have had in mind these basic areas of the curriculum. Also, in each instance, where a position in one of these areas was added at the request of the Department, the position was approved by the Legislature. Specific citations do exist for Physical Education, (NRS 389.050), Social Studies, (NRS 389.020, .030, etc.), and Health Education, (NRS 389.060).

In addition, NRS 385.330 states, 1) the superintendent of public instruction, with the approval of the state board of education, may appoint such number of professional staff and other supervisory personnel as is necessary to carry out the duties of his office, 2) the office of such personnel shall be located where, in the judgment of the superintendent of public instruction and the state board of education, the needs of the education program can best be served, and 3) such personnel shall perform such duties as are assigned by the superintendent of public instruction and the state board of education. This statute provides legislative authority for the board and superintendent to staff in these areas of the curriculum which has been repeatedly endorsed by the State Board of Education as being of high priority.

In summary, we are not questioning the mandate approach taken in the report--having used that approach for our own planning for years, but we do question the accuracy of the report. In fact, we argue that a complete and accurate analysis of the mandates to the Department provides a strong basis for maintaining the staff of the Department at its present level.

JRG:mg

1.133



OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Capitol Complex

Carson City, Nevada 89710


JOHN R. GAMBLE
Superintendent

JAMES P. COSTA
Deputy Superintendent

February 23, 1977

MEMORANDUM

TO: Ms. Katie Butler, Intern
for Senator Hillbrecht

FROM:  James P. Costa, Deputy Superintendent

SUBJECT: Description of Pie-Chart

The pie-chart included in Mr. Gamble's November letter to Howard Barrett was the one given earlier to the State Board of Education to report the manner in which the Department responded during Fiscal Year 1975-76 to the programs/activities listed. It includes the work of 34 of the 43 professional staff members on duty at that time.

Almost all Department activity for the benefit of schools is carried out by the Office of Accountability and the office in Las Vegas. The exceptions to this are: school lunch, school transportation, educational management information, accounting and auditing, public information and general administrative assistance. These activities are not illustrated on the chart, but because of the nature of their supporting service to the activities included in the chart, the allocation of resources from them would closely parallel those shown on the chart.

Also not shown on the chart are the allocations of time and dollars to meetings of the state board of education.

The charts included in the material in the binder delivered to you on Friday, February 18, 1977 are for the present fiscal year (1976-77). The information contained in them is based on estimates made before July 1, 1976 and brought up to date for your present needs.

Again the information is for the Office of Educational Accountability and the office in Las Vegas. It

MEMORANDUM

TO:

Ms. Katie Butler

February 23, 1977

Page 2

includes 33 of the professional staff on duty at this time, two who were proposed but not yet on duty, and parts of time of nine other professionals from other offices who have been assigned to help out in some of the programs/activities.

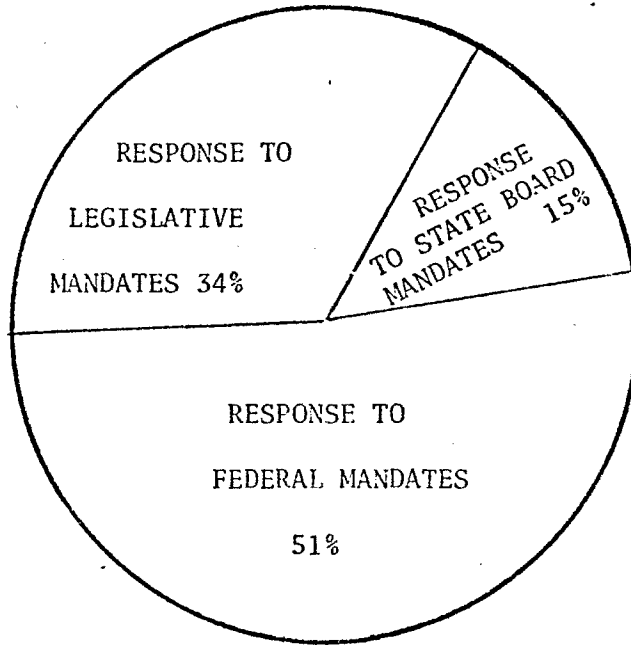
If you have other questions, or if I can be of any help, please feel free to call.

JPC:maj

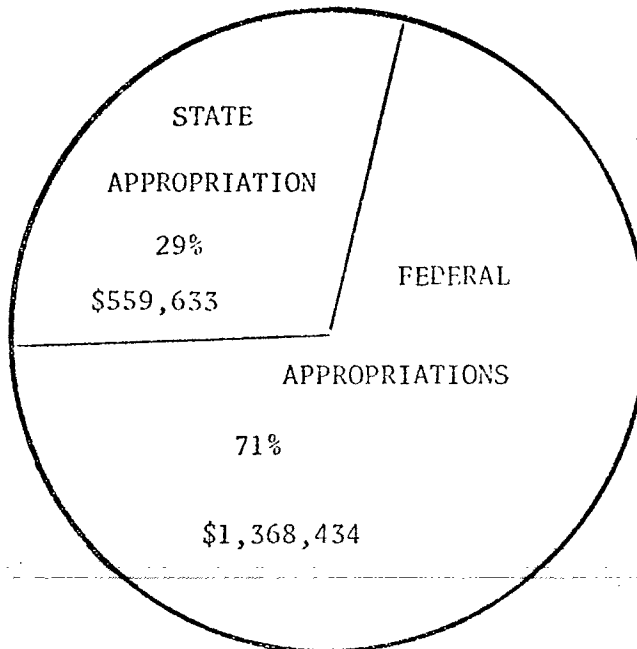
The pie chart and man work hours presented by the Department of Education to the Governor have since been revised by that department. This report analyzed the accountability programs and resource allocations for the fiscal year 1977. The results indicated that even with revision in time allotments, and program areas, the department still is operating with an excess of personnel.

OFFICE OF EDUCATIONAL ACCOUNTABILITY

RESOURCE ALLOCATIONS



INCOME SOURCES



OFFICE OF EDUCATIONAL ACCOUNTABILITY
PROGRAMS FY77

RESOURCE ALLOCATIONS

Response to Legislative Mandates	Work Days	Adjusted Work Days (Including Mgt. & P.O.'s 95-99)	Program Costs (\$230/day)	Aid to Schools
Arts and Humanities	105	160	\$ 36,874	
Business and Office Occupations	141	215	49,550	
Distributive & Cooperative Education	95	145	33,417	
Driver Education	50	76	17,515	
Elementary Education	160	244	56,233	
Guidance	104	158	36,413	
Health Education	130	198	45,632	
Health Occupations	87	132	30,421	
Home Economics	124	189	43,558	
Industrial Arts	60	91	20,972	
Instructional Media	95	145	33,417	
Language Arts	110	168	38,718	
Mathematics	41	62	14,289	
Physical Education	50	76	17,515	
Private Schools	35	53	12,215	
Science & Environmental Education	93	142	32,726	
Social Studies	95	145	33,417	
Technical Education	69	105	24,199	
Trade & Industrial Education	70	107	24,660	
Vocational Agriculture	109	166	38,257	
Conference and Institutes	20	30	6,914	
SUB-TOTAL	1,843	2,807	\$ 646,912	
<u>Response to Federal Mandates</u>				
Adult Education	210	320	\$ 73,749	\$ 251,291
CETA	120	183	42,175	200,000
Civil Rights	227	346	79,741	-0-
Disadvantaged (ESEA Title I)	435	662	152,568	2,516,045
Exceptional Pupil	499	759	174,923	166,890
Innovative Programs	435	662	152,568	549,474
Vocational Education	757	1,151	265,265	1,472,307
Right to Read	110	168	38,718	-0-
SUB-TOTAL	2,793	4,251	\$ 979,707	\$5,156,007
<u>Response to State Board Mandates</u>				
Accreditation	30	46	10,601	
Career Education	310	472	108,779	
Competency-Based High School Diploma	145	221	50,932	
Community Education	78	119	27,425	
Gifted and Talented Pupils	57	87	20,050	
Metric Education	223	340	78,358	
RIPP	15	23	5,301	
SUB-TOTAL	858	1,308	\$ 301,446	
TOTAL	5,494	0		

1. WE HAVE RESPONDED TO THE REQUEST OF A MEMBER OF THIS COMMITTEE TO REVIEW INFORMATION PROVIDED TO THE COMMITTEE BY THE DEPARTMENT OF EDUCATION.
2. WE PREPARED ORGANIZATION CHARTS WHICH TIES OR RECONCILES THE DEPARTMENT OF EDUCATION'S CHART TO THEIR SEVERAL BUDGET ACCOUNTS AND IN SO DOING WE ACCOUNTED FOR ALL OF THE POSITIONS IDENTIFIED IN BOTH THEIR ORGANIZATION STRUCTURE AND THEIR BUDGETS ON ONE SERIES OF CHARTS.
3. WE REVIEWED THE DEPARTMENTS SCHEDULE OF RESOURCE ALLOCATIONS FOR THE OFFICE OF EDUCATION ACCOUNTABILITY FROM MATERIAL PROVIDED SPECIFIC MANDATE DAYS WERE IDENTIFIED AND TOTALED.

WE PREPARED A RECONCILIATION TO THEIR SCHEDULE TO IDENTIFY THE WORKDAYS AND NUMBER OF POSITIONS NECESSARY TO COVER THE TOTAL SPECIFIC MANDATES.

WE USED THE DEPARTMENTS ESTIMATE OF 195 PRODUCTIVE MAN-DAYS PER CONSULTANT EACH YEAR TO YIELD THE NUMBER OF NECESSARY CONSULTANT POSITIONS.

March 28, 1977

MEMORANDUM

TO: Assembly Ways and Means Committee

FROM: Roger Bremner, Chairman
Subcommittee for Distributive School Fund

SUBJECT: Distributive School Fund Recommendations

This memorandum contains the recommendations of your subcommittee for the Distributive School Fund. In summary, the subcommittee recommends:

1. Six hundred (600) Special Education Units be funded for 1977-78 (as requested and recommended) and 639 units for 1978-79 (9 more than recommended by the Governor) at an annual rate of \$17,600 per unit (as requested and recommended). The additional general fund cost for the 9 units is \$158,400 in 1978-79.
2. Guaranteed basic support per pupil be \$1,035 for 1977-78 and \$1,131 for 1978-79. These amounts are \$7 and \$11 more than recommended by the Governor but \$8 and \$28 less than requested by the State Department of Education. Using updated local revenue estimates from our Office of Fiscal Analysis, these recommendations can be accommodated with no additional general fund appropriations.
3. A "trigger" mechanism be included in the bill to allow a maximum additional distribution of \$28 per pupil in 1978-79, if local revenues sufficiently exceed estimates and if recommended by the Board of Examiners and approved by the Interim Finance Committee.
4. Paragraph "e" be rewritten to make mandatory rather than optional, the use of the prior year's enrollment in school districts which experience a decrease in enrollment.

A detailed analysis of these recommendations follow and rough draft legislation to implement the recommendations is appended for your consideration.

ENROLLMENTS

The enrollments requested by the agency are slightly higher than those recommended by the Governor. However, the agency's projections were made prior to the actual count for 1976-77 and, based on this count, the Governor's estimates seem more realistic. The State Department, School Superintendents and the NSEA concur with the Governor's enrollment projections.

SPECIAL EDUCATION

In 1977-78, the Governor has recommended 600 units at \$17,600, which is the same as requested by the State Department. In 1978-79, the Governor has recommended 630 units at \$17,600 or 20 units less than the request by the State Department. The committee has recommended "do pass" on A.B.'s 107 and 108 which add 11 units. Your subcommittee recommends the addition of 9 units over the Governor's recommendation to achieve the agency request total of 20 units over the Governor (when added to A.B. 107 and A.B. 108). We recognize that A.B.'s 107 and 108 add new categories of pupils to serve but also realize that some units can be federally funded through ESEA Title VI. It should be noted that a school district must operate a unit in order to receive the funding.

BASIC SUPPORT

As you know, the basic support guarantee/pupil is the addition of per pupil amounts for a transportation factor, a low-wealth factor and an equalized basic support factor. There is a specific method to calculate the transportation and low-wealth factors for each school district. When transportation and low-wealth are calculated and dollar

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BASIC SUPPORT (Continued)

amounts subtracted from the requested and recommended amounts for basic support, the equalized basic supports are calculated from the application of enrollments to the teacher allotment tables. Testimony from all concerned parties indicates no problems this session with these internal components of the Nevada Plan (with the possible exception of Carson City). The differences thus arise in the total dollars available for basic support rather than the distribution of basic support among the school districts.

To simplify, the State Department has requested \$1,043 in 1977-78 and \$1,159 in 1978-79. The Governor has recommended \$1,028 and \$1,120.

Testimony before the subcommittee urged the agency request, particularly in view of the unanticipated obligation for the school districts to provide unemployment coverage for their employees. This obligation has been estimated to cost \$1.3 million (see fiscal note for A.B. 406) dependent upon the implementation method mandated.

In the Distributive School Fund comparison table attached to this memorandum, estimates by the Office of Fiscal Analysis show that it is possible to provide basic support of \$1,035 in 1977-78 and \$1,131 in 1978-79 with essentially no change in the Governor's general fund recommendations. These estimates derive from higher property assessments, higher 1 cent school support tax receipts and higher slot tax credits than projected last December by the Governor's budget advisors. These estimates would provide an additional \$983,500 in 1977-78 (about \$7/pupil more than the Governor) and an additional \$1,566,950 in 1978-79 (about \$11/pupil more than the Governor).

Since the subcommittee's recommendations hinge mainly on assessed valuations and 1 cent school support tax receipts,

the following supporting data and rationale is presented for your review:

Property Assessed Valuations

The Budget Division conducted a telephone poll of the county assessors in early December to get a preliminary "feel" for assessed valuations. The Office of Fiscal Analysis had a similar poll conducted by the Department of Taxation. Based upon these informal contacts, both offices estimated that assessed valuations for 1977-78 would increase 9.5% over 1976-77. This increase was the lowest in the past 9 years, except for the 7.2% for 1976-77. The Budget Division estimated a 9.5% increase for 1978-79, while the Office of Fiscal Analysis projected 10%.

About two weeks ago, the Office of Fiscal Analysis again contacted the Department of Taxation to solicit its help in updating the assessed valuation. The Department advised Fiscal Analysis that the increase compiled from the segregated rolls submitted by the county assessors, after exemptions and before the equalization hearings, showed an increase for 1977-78 of 11.4%. Based upon this information and the continuing appropriations for the computerized appraisal assistance program, Fiscal Analysis projected an increase of 11% per year in the 70 cents property tax calculations displayed on the attached comparison table.

1 Cent Local School Support Tax

When making apportionments from the Distributive School Fund, 1 cent local school support tax distributions for the 12 months from April to March are used in the apportionment calculations. In developing its Distributive School Fund recommendations for 1977-79, the Budget Division projected these 1 cent

1 Cent Local School Support Tax (Continued)

local school support distributions would increase by 12% in 1976-77 and then 12% for each year of the 1977-79 biennium. The table below shows the cumulative monthly distributions for 1975-76 compared to 1976-77:

Month	1975-76		1976-77	
	Distributions	% Change	Distributions	% Change
April	\$ 1,430,000	11.5	\$ 1,709,538	19.5
May	2,926,586	10.3	3,404,868	16.3
June	7,495,545	8.8	8,409,323	13.3
July	9,005,202	9.5	10,320,130	14.6
Aug.	10,605,311	10.3	12,214,243	15.2
Sept.	15,164,211	10.4	17,283,984	14.0
Oct.	16,728,745	11.1	19,178,616	14.6
Nov.	18,163,172	11.1	20,964,245	15.4
Dec.	23,129,930	11.8	26,655,830	15.2
Jan.	24,491,301	12.2	28,333,036	15.7
Feb.	25,925,508	12.9		
March	30,228,730	12.9	34,300,000*	13.5*

* Office of Fiscal Analysis Estimate

As can be seen from the table, the cumulative year-to-date distributions for the 10 months, April through January are 15.7% over the same period last year. Fiscal Analysis estimates conservatively that the annual increase will be 13.5% (as we measure against some relatively large increases in the last three months of 1975-76). The estimates on the comparison table are a 12% increase each year of the 1977-79 biennium from the \$34,300,000 projected for 1976-77. This 12% per year increase is consistent with the increase in 2 cents sales tax projections made by both the Budget Division and the Office of Fiscal Analysis.

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DISTRIBUTIVE SCHOOL FUND COMPARISONS FOR WAYS AND MEANS SUBCOMMITTEE

	1976-77	1977-78				1978-79			
	Fiscal Analyst	Agency	Governor	Subcommittee	Subcommittee To Governor	Agency	Governor	Subcommittee	Subcommittee To Governor
EXPENDITURES									
Enrollment	137,744	141,200	140,500	140,500		143,600	142,450	142,450	
Basic Support	\$ 903	\$ 1,043	\$ 1,028	\$ 1,035	\$ 7	\$ 1,159	\$ 1,120	\$ 1,131	\$ 11
Total Basic Support	\$124,382,832	\$147,271,600	\$144,434,000	\$145,417,500	\$ 983,500	\$166,432,400	\$159,544,000	\$161,110,950	\$ 1,566,950
Special Education	8,800,000	10,560,000	10,560,000	10,560,000	- -	11,440,000	11,088,000	11,246,400	158,400
Adult Diploma	720,000								
Paragraphs "E" & "F"	700,000								
"Trigger"	2,025,000								
Total Need	\$136,627,832	\$157,831,600	\$154,994,000	\$155,977,500	\$ 983,500	\$177,872,400	\$170,632,000	\$172,357,350	\$ 1,725,350
70¢ Property Tax	(24,803,465)	(27,280,000)	(27,160,000)	(27,532,000)	(372,000)	(30,000,000)	(29,736,000)	(30,560,000)	(824,000)
1¢ School Support Tax	(34,300,000)	(37,632,000)	(37,919,000)	(38,416,000)	(497,000)	(42,150,000)	(42,469,000)	(43,026,000)	(557,000)
State Responsibility	\$ 77,524,367	\$ 92,919,600	\$ 89,915,000	\$ 90,029,500	\$ 114,500	\$105,722,400	\$ 98,427,000	\$ 98,771,350	\$ 344,350
FINANCING									
General Fund	\$ 64,584,826	\$ 78,069,600	\$ 73,485,000	\$ 73,449,500	\$ (35,500)	\$ 90,272,400	\$ 81,129,000	\$ 81,323,350	\$ 194,350*
Slot Tax Credit	6,800,000	6,500,000	7,250,000	7,400,000	150,000	6,800,000	7,750,000	7,900,000	150,000
Revenue Sharing	5,378,000	5,000,000	5,449,000	5,449,000	- -	5,300,000	5,529,000	5,529,000	- -
Investment Income	720,000	630,000	730,000	730,000	- -	630,000	740,000	740,000	- -
Mineral Land Leasing	600,000	750,000	750,000	750,000	- -	750,000	750,000	750,000	- -
O/S Sales Tax	2,000,000	1,970,000	2,251,000	2,251,000	- -	1,970,000	2,529,000	2,529,000	- -
Total Available	\$ 80,082,826	\$ 92,919,600	\$ 89,915,000	\$ 90,029,500	\$ 114,500	\$105,722,400	\$ 98,427,000	\$ 98,771,350	\$ 344,350

BALANCE \$ 2,558,459

* \$158,400 for 9 Special Education Units and \$35,950 in Basic Support.

Source:
Office of Fiscal Analysis
March 26, 1977

387.122 Basic support guarantees established for school years [1975-1976] 1977-1978 and [1976-1977] 1978-1979. 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 for the school year commencing July 1, [1975] 1977, and ending June 30, [1976] 1978, and for the school year commencing July 1, [1976] 1978, and ending June 30, [1977] 1979, is established for each of the several school districts in the state as follows:

1. Basic support guarantee per pupil:

	[1975-76	1976-77]	1977-78	1978-79
Carson City School District	[\$869	\$907]	\$ 1026	\$ 1119
Churchill County School District	[850	891]	1025	1120
Clark County School District	[857	896]	1022	1116
Douglas County School District	[849	889]	1020	1115
Elko County School District	[903	946]	1105	1209
Esmeralda County School District	[1,678	1,770]	1954	2138
Eureka County School District	[1,405	1,479]	1763	1928
Humboldt County School District	[940	984]	1152	1258
Lander County School District	[912	955]	1087	1188
Lincoln County School District	[1,293	1,350]	1461	1592
Lyon County School District	[884	926]	1087	1188
Mineral County School District	[862	903]	1044	1141
Nye County School District	[1,121	1,174]	1378	1506
Pershing County School District	[889	932]	1039	1135
Storey County School District	[1,361	1,426]	1654	1807
Washoe County School District	[836	874]	1007	1101
White Pine County School District	[916	958]	1141	1245

2. Basic support guarantee per special education program unit is [\$16,000] \$17,600 for each special education program unit maintained and operated during at least 9 months of a school year, contingent upon the following limitations:

(a) 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.

(b) Support guarantee for any special education program unit maintained and operated during a period of less than 9 school months shall be in the same proportion to [\$16,000] \$17,600 as the period during which such program unit actually was maintained and operated is to 9 school months.

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

	[1975-76	1976-77]	UNITS	\$	UNITS	\$
			(1977-78)	(1977-78)	(1978-79)	(1978-79)
Carson City School District	[\$320,000	\$336,000]	23	\$404,800	25	\$440,000
Churchill County School District	[160,000	176,000]	11	193,600	12	211,200
Clark County School District	[4,624,000	5,040,000]	348	6,124,800	371	6,529,600
Douglas County School District	[144,000	160,000]	11	193,600	12	211,200
Elko County School District	[240,000	272,000]	17	299,200	18	316,800
Esmeralda County School District	[16,000	16,000]	1	17,600	1	17,600
Eureka County School District	[32,000	32,000]	2	35,200	2	35,200
Humboldt County School District	[112,000	128,000]	8	140,800	9	158,400
Lander County School District	[48,000	64,000]	4	90,400	4	90,400
Lincoln County School District	[64,000	80,000]	5	88,000	5	88,000
Lyon County School District	[160,000	160,000]	11	193,600	11	193,600

2

			<u>units</u>	<u>\$</u>	<u>units</u>	<u>\$</u>
Mineral County School District	[96,000	96,000]	6	105,600	6	105,600
Nye County School District	[112,000	112,000]	8	140,800	8	140,800
Pershing County School District	[48,000	48,000]	3	52,800	3	52,800
Storey County School District	[16,000	16,000]	1	17,600	1	17,600
Washoe County School District	[1,760,000	1,920,000]	132	2,323,200	141	2,748,600
White Pine County School District	[144,000	144,000]	9	158,400	10	176,000
<i>Total</i>			600	10,560,000	639	11,246,400

Any unused special education program unit allocations within this paragraph may be reallocated to other county school districts by the state department of education. In such reallocation, first priority shall be given to special education programs with statewide implications, and second priority shall be given to special education programs maintained and operated by school districts whose allocation if [\$48,000] \$52,800 or less. If there are more unused allocations than necessary to cover first priorities and second priorities, but not enough to cover all remaining special education programs eligible for payment from reallocations, then payment for such remaining programs shall be prorated. If there are more unused allocations than necessary to cover first priorities, but not enough to cover all programs of second priority, then payment for programs of second priority shall be prorated. If unused allocations are not enough to cover all programs of first priority, then payment for programs of first priority shall be prorated.

B

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 basic support guarantee per pupil established in NRS 387.122 by the sum of:

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

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

(III) The count of handicapped minors receiving special education pursuant to the provisions of NRS 388.440 to 388.520, inclusive, on the last day of the first school month of the school year.

(IV) 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.

(V) 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,

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except that if the sum of counts pursuant to (I), (II), (III) and (IV) of this paragraph is less than the sum similarly obtained for the immediately preceding school year, the larger sum will be substituted.

(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 subparagraphs (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 department of taxation for the concurrent school year; and

(2) The proceeds of the local school support tax imposed by chapter 374 of RS. The department of taxation 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 , each quarterly payment to consist of approximately one-fourth of the yearly apportionment as computed in paragraph (c) of this subsection. The first quarterly

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apportionment based on an estimated number of pupils 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 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 subsection 1 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 percent gain, then basic support as computed from first month enrollment will be increased 2 percent; furthermore, if such increase in enrollment shows at least a 6 percent gain, then basic support as computed from first month enrollment will be increased an additional 2 percent. 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

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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 count of pupils enrolled on the last day of the first school month of the prior year in the category so affected for the count of pupils enrolled on the last day of the first school month 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), (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:

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(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 paragraph[s] (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

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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 short-term financing is 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.

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~~(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.~~

Sec. 3. 1. There is hereby appropriated from the general fund in the state treasury to the state distributive school fund for the fiscal year beginning July 1, ¹⁹⁷⁷~~1975~~, and ending June 30, ¹⁹⁷⁸~~1976~~, the sum of ^{73,449,500}~~\$62,527,390~~.

2. There is hereby appropriated from the general fund in the state treasury to the state distributive school fund for the fiscal year beginning July 1, ¹⁹⁷⁸~~1976~~, and ending June 30, ¹⁹⁷⁹~~1977~~, the sum of ^{81,323,350}~~\$64,584,826~~.

3. The funds appropriated by subsections 1 and 2 shall be:

(a) Expended in accordance with the allotment, transfer, work program and budget provisions of NRS 353.150 to 353.245, inclusive; and

(b) Work-programmed for the 2 separate fiscal years, ¹⁹⁷⁷⁻⁷⁸~~1975-1976~~ and ¹⁹⁷⁸⁻⁷⁹~~1976-1977~~, as required by NRS 353.215. Work programs may be revised with the approval of the governor upon the recommendation of the chief of the budget division of the department of administration.

4. Transfers to and from allotments shall be allowed and made in accordance with the provisions of NRS 353.215 to 353.225, inclusive, and after separate consideration of the merits of each request.

5. Notwithstanding any other provisions of this act, the moneys appropriated by subsections 1 and 2 are available for both fiscal years, ¹⁹⁷⁷⁻⁷⁸~~1975-76~~ and ¹⁹⁷⁸⁻⁷⁹~~1976-77~~, and may be transferred from one fiscal year to the other with the approval of the governor upon the recommendation of the chief of the budget division of the department of administration.

6. After June 30, ¹⁹⁷⁸~~1976~~, any unexpended balance of the appropriation made by subsection 1 for the fiscal year ¹⁹⁷⁷⁻⁷⁸~~1975-1976~~ shall be transferred to and added to the moneys appropriated by subsection 2 and may be expended during fiscal year ¹⁹⁷⁸⁻⁷⁹~~1976-1977~~, subject to the provisions of subsection 3.

7. After June 30, ¹⁹⁷⁹~~1977~~, any unexpended balance of the appropriation made by subsection 2 for the fiscal year ¹⁹⁷⁸⁻⁷⁹~~1976-1977~~ together with any moneys transferred pursuant to subsection 6 shall not be encumbered or committed for expenditure and shall revert to the general fund in the state treasury.

Sec. 4. 1. Expenditure of ^{711,131,000}~~8,190,000~~ by the state department of education from the state distributive school fund from funds not appropriated from the general fund in the state treasury is hereby authorized during the fiscal year beginning July 1, ¹⁹⁷⁷~~1975~~, and ending June 30, ¹⁹⁷⁸~~1976~~.

2. Expenditure of ^{711,919,000}~~8,507,000~~ by the state department of education from the state distributive school fund from funds not appropriated from the general fund in the state treasury is hereby authorized during the fiscal year beginning July 1, ¹⁹⁷⁸~~1975~~, and ending June 30, ¹⁹⁷⁹~~1976~~.

3. The following sums are hereby authorized for expenditure from the revenue sharing trust fund in the state treasury for the

purposes hereinafter expressed for the fiscal years beginning

July 1, ¹⁹⁷⁷~~1975~~, and ending June 30, ¹⁹⁷⁸~~1976~~, and beginning July 1, ¹⁹⁷⁸~~1976~~, and ending June 30, ¹⁹⁷⁹~~1977~~.

	1977-78	1978-79
	\$ 1975-76	\$ 1977-78
	5,449,000	5,529,000
State distributive school fund.....	\$4,483,572	\$4,483,572

4. For accounting and reporting purposes the sums authorized for expenditure in subsections 1, 2 and 3 are considered to be expended prior to any general fund appropriation made to the distributive school fund.

5. The funds authorized to be expended by the provisions of subsections 1, 2 and 3 shall be expended in accordance with the allotment, transfer, work program and budget provisions of NRS 353.150 to 353.245, inclusive, and transfers to and from allotments shall be allowed and made in accordance with the provisions of NRS 353.215 to 353.225, inclusive, and after separate consideration of the merits of each request.

6. The chief of the budget division of the department of administration may, with the approval of the governor, authorize the augmentation of the amounts authorized for expenditure by the state department of education, in subsections 1, 2 and 3, with amounts from any other state agency, from any agency of local government, from any agency of the Federal Government or from any other source which he determines is in excess of the amount taken into consideration by this act. The chief of the budget division of the department of administration shall reduce any authorization whenever he determines that funds to be received will be less than the amount authorized in subsections 1, 2 and 3.

Sec. 5. The interim finance committee, after recommendation by the state board of examiners, may direct the state board of education to make additional distributions from the state distributive school fund to county school districts during the fiscal year ¹⁹⁷⁸⁻⁷⁹ ~~1976-77~~. Such additional distributions, if any, shall not exceed ~~\$2,614,400~~ ^{\$3,988,600} or ~~\$19~~ ^{\$28} times the total enrollment in the public schools of pupils and children described in paragraphs (a), (b), (c) and (d) of subsection 1 of NRS 387.123 on the last day of the first school month of the ¹⁹⁷⁸⁻⁷⁹ ~~1976-77~~ school year, whichever is less. Subject to this limitation, such additional distributions may be made under any one or any combination of the conditions set forth in the following subsections:

1. If the total dollar amount accrued to the credit of county school districts pursuant to the Local School Support Tax Law during the period from April 1, ¹⁹⁷⁷ ~~1975~~, to December 31, ¹⁹⁷⁷ ~~1975~~, inclusive, exceeds ^{113.5} ~~107.5~~ percent of the total dollar amount accrued to the credit of county school districts pursuant to the Local School Support Tax Law during the period from April 1, ¹⁹⁷⁶ ~~1974~~, to December 31, ¹⁹⁷⁶ ~~1974~~, inclusive, additional distributions may be directed to be made within only one of the following limitations:

- (a) If such ¹⁹⁷⁷ ~~1975~~ taxes are at least ^{113.5} ~~107.5~~ percent but less than ¹¹⁴ ~~108~~ percent of such ¹⁹⁷⁶ ~~1974~~ taxes, additional distributions may be as much as ~~\$8.50~~ ^{8.10} per pupil, but not more than ~~\$1,169,600~~ ^{1,153,845}.
- (b) If such ¹⁹⁷⁷ ~~1975~~ taxes are at least ¹¹⁴ ~~108~~ percent but less than ^{114.5} ~~108.5~~ percent of such ¹⁹⁷⁶ ~~1974~~ taxes, additional distributions may be as much as ~~\$10.60~~ ^{10.90} per pupil, but not more than ~~\$1,458,560~~ ^{1,552,705}.
- (c) If such ¹⁹⁷⁷ ~~1975~~ taxes are at least ^{114.5} ~~108.5~~ percent but less than ¹¹⁵ ~~109~~ percent of such ¹⁹⁷⁶ ~~1974~~ taxes, additional distributions may be as much as ~~\$12.70~~ ^{13.60} per pupil, but not more than ~~\$1,747,520~~ ^{1,937,320}.
- (d) If such ¹⁹⁷⁷ ~~1975~~ taxes are at least ¹¹⁵ ~~109~~ percent but less than ^{115.5} ~~109.5~~ percent of such ¹⁹⁷⁶ ~~1974~~ taxes, additional distributions may be as much as ~~\$14.80~~ ^{16.40} per pupil, but not more than ~~\$2,036,480~~ ^{2,336,180}.

(g) If such 1977 taxes are at least 116.5 percent but less than 117 percent of such 1976 taxes, additional distributions may be as much as \$24.75 per pupil, but not more than \$3,525,638.

(h) If such 1977 taxes are at least 117 percent of such 1976 taxes, additional distributions may be as much as \$28 per pupil, but not more than \$3,988,600.

(e) If such ¹⁹⁷⁷1975 taxes are at least ^{115.5}~~109.5~~ percent but less than ¹¹⁶~~110~~ percent of such ¹⁹⁷⁶1974 taxes, additional distributions

may be as much as ^{19.20}~~\$16.90~~ per pupil, but not more than ^{2,735,040}~~\$2,325,440~~.

(f) If such ¹⁹⁷⁷1975 taxes are at least ¹¹⁶~~110~~ percent of such ¹⁹⁷⁶1974 taxes, additional distributions may be as much as \$19 per pupil, but not more than \$2,614,400. ^{but less than} ^{116.5} percent of such 1976 taxes, additional distributions may be as much as \$22 per pupil, but not more than \$3,133,900.

~~2. If the total count of pupils for apportionment purposes pursuant to NRS 387.124, including the count of pupils authorized to be recognized under provisions of paragraph (e) of subsection 2 of NRS 387.124, is not more than ^{440,000}~~357,600~~ for the ¹⁹⁷⁷⁻⁷⁸~~1975-76~~ school year, additional distributions may be as much as ^{505,500}~~\$2.63~~ per pupil, but not more than ~~\$361,200~~.~~

2.2. If the total assessed valuation of property established as the basis for property taxation to be levied and collected for ¹⁹⁷⁸⁻⁷⁹~~1976-77~~ is at least ¹¹²~~113~~ percent of the assessed valuation of property established as basis for property taxation to be levied and collected for ¹⁹⁷⁷⁻⁷⁸~~1975-76~~, additional distributions may be as much as ^{\$3.88}~~\$1.67~~ per pupil, but not more than ^{\$552,706}~~\$230,431~~.

Before directing the additional distributions authorized by this section, the interim finance committee shall determine that there are sufficient moneys in the state distributive school fund to permit such additional allocations. In making this determination, the committee shall review ¹⁹⁷⁷⁻⁷⁸~~1975-76~~ enrollment data, ¹⁹⁷⁸⁻⁷⁹~~1976-77~~ estimated enrollments, property assessment data for the ¹⁹⁷⁷⁻⁷⁸~~1975-76~~ tax year, and the anticipated level of receipts in the state distributive school fund from revenue sharing and the slot machine tax credit.

Sec. 6. 1. Any additional distributions made pursuant to section 5 of this act shall be apportioned on a per-pupil basis in the same proportions per pupil as exist among the basic support guarantees per pupil expressed in subsection 1 of NRS 387.122 for ¹⁹⁷⁸⁻⁷⁹~~1976-77~~.

2. Any money received by a school district pursuant to section 5 of this act shall be deposited and used in accordance with the provisions of NRS 387.205.

REVISED COMMITTEE REPORT 3/24/77

The Department of Education's executive budget, pages 136-167, indicates a total of 30 consultant positions recommended by the Governor. We analyzed the Department of Education's Office of Educational Accountability and Resource Allocations for the fiscal year 1977 as presented to the committee. They identify a need for 28.2 consultant man years to fulfill all their legislative, federal and state board mandates.

The Counsel Bureau review of specific mandates and the department's resource allocations indicates the following minimum consultant man years requirement:

<u>AREA MANDATED</u>	<u>WORK DAYS</u>	<u>CONSULTANTS</u>
Education	1,938	10
Vocational Education	1,512	8
Special Education	<u>556</u>	<u>3</u>
Total	<u>4,006</u>	<u>21</u>

On re-examination with the department's personnel we have corrected and modified the original report as follows:

1. Three specific NRS mandates were identified by the department and we concur.
2. Two of their listed NRS mandates were identified not to be specifically required and have been removed from our list.
3. The department maintains the 166 hours of special education should not be eliminated from their resource allocation program and we concur.
4. The education administration budget, governor recommends column, does include a Consultant TV Satellite which we had not included in the original report. Therefore, the department's position that they have 30 consultants budgeted is correct.

Consequently our original analysis presented for committee consideration which identified the possible reduction of 9 consultant positions, 4 duplicative middle management positions and 3 clerical support positions is unchanged.

RESOURCE ALLOCATIONS

Response to Legislative Mandates	Work Days	Adjusted Work Days (Including Mgt. & P.O.'s 95-99)	Program Costs (\$230/day)	Aid to Schools
Arts and Humanities	105	160	\$ 36,874	
Business and Office Occupations	141 ✓	215	49,550	
Distributive & Cooperative Education ^{387.50}	95 ✓	145	33,417	
Driver Education ^{etal}	50 G	76	17,515	
Elementary Education	160 G	244	56,233	
Guidance	104	158	36,413	
Health Education ^{no specific NRS}	130 130	198	45,632	
Health Occupations	87 ✓	132	30,421	
Home Economics ^{Same}	124 124 ✓	189	43,558	
Industrial Arts	60 ✓	91	20,972	
Instructional Media	95 G	145	33,417	
Language Arts	110	168	38,718	
Mathematics	41	62	14,289	
Physical Education	50	76	17,515	
Private Schools	35 G	53	12,215	
Science & Environmental Education	93 G	142	32,726	
Social Studies ^{no specific NRS}	95 95	145	33,417	
Technical Education ^{Same}	69 ✓	105	24,199	
Trade & Industrial Education	70 ✓	107	24,660	
Vocational Agriculture	109 ✓	166	38,257	
Conference and Institutes	20 G	30	6,914	
SUB-TOTAL	1,843	1208 2,807	\$ 646,912	

Response to Federal Mandates	Work Days	Adjusted Work Days	Program Costs	Aid to Schools
Adult Education	210 G	320	\$ 73,749	\$ 251,291
DETA	120 G	183	42,175	200,000
Civil Rights	227 G	346	79,741	-0-
Disadvantaged (ESEA Title I)	435 G	662	152,568	2,516,045
Exceptional Pupil	499 S	759	174,923	166,890
Innovative Programs	435	662	152,568	549,474
Vocational Education	757 ✓	1,151	265,265	1,472,307
Right to Read	110 G	168	38,718	-0-
SUB-TOTAL	2,793	2358 4,251	\$ 979,707	\$5,156,007

Response to State Board Mandates	Work Days	Adjusted Work Days	Program Costs	Aid to Schools
Accreditation	30	46	10,601	
Career Education	310	472	108,779	
Competency-Based High School Diploma	145 G	221	50,932	
Community Education	78	119	27,425	
Gifted and Talented Pupils	57 S	87	20,050	
Metric Education	223 G	340	78,358	
RIPP	15 G	23	5,301	
SUB-TOTAL	858	440 1,308	\$ 301,446	

1/23/77 mg TOTAL 5,494 ⁴⁰⁰⁶ 8,366 \$ 1,928,065 \$5,156,007
~~SPECIAL EDUCATION VACANT~~ ¹⁶⁶ ~~5228~~

		Adjusted
G - GENERAL EDUCATION	2163	1938
S - SPECIAL EDUCATION	390	556
Y - VOCATIONAL EDUCATION	1224	1512
	<u>3777</u>	<u>4006</u>

OTHER AREAS APPEAR NOT TO HAVE SPECIFIC MANDATES

DEPT. OF EDUCATION RECONCILIATION FOR LETTER

Prepared By	Initials
Approved By	Date

	(1)	(2) BUDGET ACCOUNT NUMBER	(3) CONSULTANTS BUDGETED Gov. Rec.	(4) ELIMINATED CONSULTANTS	(5) RECOMMENDED CONSULTANTS POSITIONS	(6)
EDUCATION ADMINISTRATION		101-267 ³	11	14	7	
ADULT ED		2680	1	1	1	
CIVIC RIGHT IV		2718	1	1	1	
ESEA TITLE IV C		101-2713	7	3	4	
ESEA TITLE VI (SPEC ED)		101-2715	2		2	
VAC. ED		2676	8	2	6	
		TOTAL	<u>30</u> <u>29</u>	<u>9</u>	<u>21</u> <u>20</u>	
			WORK DAYS		Adjusted	
GENERAL EDUCATION			2163	11.1	1938	9.9
VOCATIONAL EDUCATION			1224	6.3	1512	7.8
SPECIAL EDUCATION			<u>390</u>	<u>20</u>	556	<u>2.9</u>
		TOTAL	<u>3777</u>	<u>19.4</u>	<u>4006</u>	<u>20.6</u>
RESOURCES ALLOCATION TOTAL WORK DAYS			5494		5494	
LESS: SPECIAL EDUCATION - VACANT POSITIONS			<u>166</u>			
ACTUAL WORK DAYS			<u>5328</u>			
		5328 ÷ 195 PRODUCTIVE WORK DAYS =	<u>27.3</u> POSITIONS		<u>28.2</u>	

	Vocational	Title I	Title IV	Career Ed.	Exceptional Pupils	Right To Read	Civil Rights	Community Ed.	NW Accred.	Private Schools	Adult Ed.	CETA	Metrics	Special-Other	Individual	C.B.H.S.D.	Sub-Total	95 - L.R. Planni	96 - Staff Devlp	98 - Gen. Mgmt.	99 - Leave	Total	LINE	
		20	20		20					25				110		195	5	5	26	20	251	1		
		145			50											195	5	5	26	20	251	2		
			100											95		195	5	5	26	20	251	3		
56														139		195	5	5	26	20	251	4		
40		20	15			16								104		195	5	5	26	20	251	5		
63	5			10										87		165	5	5	26	50	251	6		
54														141		195	5	5	26	20	251	7		
				195												195	5	5	26	20	251	8		
			25									109	(1) 20	41		195	5	5	26	20	251	9		
	30	30			20	115										195	5	5	26	20	251	10		
		20							15							160	5	5	26	20	251	11		
50						16										124	5	5	26	25	251	12		
		60					20									95	20	195	5	5	26	20	251	13
		10		128									(2) 57			195	5	5	26	20	251	14		
55								30					(3) 15	95		195	5	5	26	20	251	15		
							40			135					20	195	5	5	26	20	251	16		
		20	5										77	93		195	5	5	26	20	251	17		
49													37	109		195	5	5	26	20	251	18		
	195															195	5	5	26	20	251	19		
10	65	70	40							10						195	5	5	26	20	251	20		
120			15													60	5	5	26	20	251	21		
195	40	40							10							105	5	5	26	20	251	22		
																195	5	5	26	20	251	23		
			15			80	-8								20	-123	-5	-5	-20	-15	-168	-24		
					20		10		10		25			130		195	5	5	26	20	251	25		
											95			100		195	5	5	26	20	251	26		
65			50							40						155	5	5	26	20	211	27		
	100		25												25	150	5	5	26	20	206	28		
															60	60					60	29		
757	435	435	310	*499	110	227	78	30	35	210	120	223	92	1808	145	5494*	140	140	722	590	7086*	30		

* Includes 166 days in Special Education Vacant positions which will be filled

- (1) Conferences & Institutes
- (2) Gifted & Talented
- (3) RIPP