

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
FEBRUARY 14, 1977

The meeting was called to order at 8:10 a.m.

Senator Floyd R. Lamb was in the chair

PRESENT: Senator Floyd R. Lamb
Senator James I. Gibson, Vice-Chairman
Senator Eugene V. Echols
Senator Norman Ty Hilbrecht
Senator Thomas R. C. Wilson
Senator C. Clifton Young

EXCUSED ABSENCE: Senator Norman D. Glaser

OTHERS: Ronald W. Sparks, Chief Deputy, Fiscal Analyst
Howard Barrett, Budget Director
Cy Ryan, UPI
John Gamble, Superintendent, Department of Education
James Costa, Deputy Superintendent
Lincoln Liston, Assoc. Superintendent

Senator Lamb asked Mr. Gamble to review his budget. Mr. Gamble stated there were no requests for new personnel. However they had requested that three consultants be transferred from federal support to state support primarily because they are linked to activities that are conducted under state law. They felt this was an obligation of the state to carry these people. The Governor had not recommended this transfer. He called their attention to an executive transfer of the TV Satellite Consultant from the NECC to their budget. He pointed out that this was not an increase in state funding but merely a transfer. If the NECC is dissolved as contained in another bill, this transfer would retain this activity. The Governor had also recommended salary savings totalling \$40,000, which meant a cut of about two existing positions; Mr. Gamble said they would like very much to retain all positions and eliminate this budgeted salary savings.

In answer to a query from Senator Lamb asking for more specific details of their activities, Mr. Costa gave a breakdown on percentages of time that were spent in various activities. Among them were requests coming from the districts for studies and help to the county administration in estimating their schools' projected populations for budget purposes.

Mr. Gamble cited an item in funds requested, entitled Services from Nevada Education TV Network. He stated that bills were presently in the draft form for these activities and if they were approved there would be a need for these funds to appear in this budget or in some other budget to cover the operating expenses. He cited a reimbursement of \$13,000 from the Regional Interstate Planning Project budget which they anticipated would partially support the salary of the Director of the Southern Nevada office, who serves as the project's director. He said they had no hope of there being any Regional Interstate Planning Project after July 1st as it was being phased out, therefore this \$13,000 would not be available.

Senator Hilbrecht asked about the responsibilities and duties of the special professional people listed in the budget. He felt these were special types of jobs and related only to specialities within the department and he asked for a breakdown on what they did, what their responsibilities were, and their backgrounds. Mr. Gamble said he would make this information available to him. There were no further requests and they moved on to the next budget.

AUTOMOBILE DRIVER EDUCATION FUND: This program is to assist local school districts in establishing and maintaining driver education classes. This is supported by a General Fund appropriation and the State Board of Education is authorized to make semi-annual apportionments to the various school districts offering driver education. The fund can be used for all expenditures of driver education except the purchase or repair of motor vehicles and driver education training equipment. There were no questions on this budget so they went on to the next one.

SCHOOL LUNCH PROGRAM BUDGET: Under this program state matching funds are required for the General School Lunch Program; the Special Assistance Program is entirely federal funded as is the administration of that program. Required General Fund matching is 24% of \$1.1 million in fiscal year 1978 and 30% of \$1.2 million in fiscal year 1979.

ADULT BASIC EDUCATION BUDGET: This program provides classes to Nevada adults to improve basic educational achievement in reading, writing, arithmetic, and citizenship, thereby improving their capabilities for occupational training and more profitable employment. Federal funds provide for 90% of the program expenditures. The \$33,000 required from the state as matching funds was not recommended by the Governor. He recommended that the state give \$15,030 and the department should pick up the balance from the local districts. Senator Young said that he noted an increase in the requested matching funds for the School Lunch Program. He asked Mr. Gamble if he had any feel for any other programs to which the federal government is contributing as to how much more the state may have to put in.

Mr. Gamble stated that it was very difficult to pick up a trend. They do things one way for a time, then revert to another; however he noted that in the School Lunch Program, this was the law. Senator Young stated that he was worried about other programs as to whether the same phenomenon is taking place elsewhere. He said he would like to talk to Mr. Gamble at more length on this at some other time.

EDUCATION CIVIL RIGHTS TITLE IV: This program was established in Nevada in 1970-71 with funding provided by Title IV of the 1964 Civil Rights Act. The program's objective is to help local school systems and school personnel cope with problems related to school desegregation. Mr. Gamble stated this program had been in effect in several counties. Mr. Costa detailed some of the work. In Winnemucca, where they were a long way from the reservation, they discussed the different patterns of American ethnic life and talked about the main streams. In Mineral County they conducted an in-service program to assist parents, teachers and kids in a better understanding of each others responsibilities in an integrated society. He stated that they worked mainly with administrators and with teachers upon request. The school districts like to work with their own staff particularly in Clark County where they are under an order to desegregate. Their consultant in Las Vegas worked with the officials when they were having problems at the high schools, Valley High and others.

He stated that during the past year their major emphasis in this program has been to instruct teachers and board members in the State of Nevada with respect to Title 9 which is the Women's Equity Programs. They have to understand that they have to live with this program which deals with non-discrimination on the basis of sex. They had spent more time on that than on racial desegregation. This had been their primary focus during the past year. They have run 3 major workshops with respect to this, and have also gone into the districts and conducted smaller workshops. Senator Wilson asked about the position listed as Consultant for Indian Education. Mr. Costa said they asked that it be transferred to state funds. This position was a carry over from a program called the Johnson O'Malley Act. They no longer have a contract with Johnson O'Malley. He explained that this consultant is based in Las Vegas.

Senator Wilson asked about contractual services. Mr. Costa explained that under federal funding they were permitted to call into the state recognized authorities in the field of desegregation and womens' rights to assist in putting on necessary workshops.

Senator Wilson questioned that a man making \$21,000 a year would need \$60,000 of support activities. He asked if this was a normal ratio and why was it so high.

Mr. Costa said it was not one person doing all this. They often worked in teams and bring people in to help. Nevada is a big state and in order to get these people out they needed these funds for support.

Mr. Gamble stated that another factor was that generally they based one clerical to two professional staff. In this case they used one to one.

Senator Young asked about the travel out-of-state. This would refer to workshops and problems related to the grant. In many programs it is required that they attend a certain number of workshops on a national level.

Senator Young asked what the surveys they had made had shown. Mr. Costa said they indicated when superintendents and school board members wanted some help in getting their teachers and staff to appreciate the problems of minorities, particularly racial minorities. The results varied from year to year, that was one example. He stated in the past year they have concentrated on Womens' Rights and they felt they had done a good job in bringing this to the local school districts in work shops. Mr. Liston said it was important that these people be aware of this, because if they were not aware under the provision of Title IX they could forfeit federal funds.

Senator Lamb asked about the amount of federal money the state received. He recalled a figure of \$6. million.

Mr. Liston stated that \$6. million is a representative figure for education aid in Nevada. However, that amount does not include about \$3. million plus that comes through the Department of Agriculture for food programs and about \$4. million of impact PL874 money that goes directly to school districts.

ESEA TITLE IV C BUDGET: This is a total federal grant. This is a consolidation of the number of previous programs under ESEA including Title II, Title III and Title V. This provides grants for the support of demonstration projects by local educational agencies designed to improve nutrition and health services, grants for strengthening the leadership resources of state and local educational agencies and grants for demonstration projects to reduce the number of children who do not complete their secondary education. This program is administered through the State Department of Education.

Senator Young asked for some specific examples of these programs and Mr. Costa listed several, which included classes for multiply handicapped children in Clark County; and in Mineral County to go along with the Civil Rights program to build an appreciation of multi-cultural activities and histories.

ESEA COMBINED BUDGET: This is the old ESEA I and ESEA IV programs. In these programs money is allocated to the State of Nevada and the local counties apply for a portion. The State Board of Education monitors, reviews and evaluates their programs.

ESEA TITLE VI: The federal government, through Title VI of the Elementary and Secondary Education Act, provides grants to school districts for the education of handicapped children, including mentally retarded, hard of hearing, visually handicapped, deaf, speech impaired, emotionally disturbed, crippled or other health impaired pupils.

Senator Young asked how this money was allocated. Mr. Costa said the allocation was based on the number of handicapped students in the district. These students are identified by studies conducted in September and April of each year. He explained that this may be up to \$15 per pupil per year. However, Congress did not appropriate enough money, therefore the figure is \$7. each year. This is based on all pupils in the system.

Senator Wilson questioned the cost of operating these programs. He felt not enough money was filtering down to the area where it was intended. Mr. Liston stated that to support the salaried people it took about 30¢ on each dollar for support. He listed those items which would not fall under the 30% support.

Senator Hilbrecht reiterated his concern that there were too many people in various areas who did not seem to have any specified activity. He wondered what happened to the people when they finished with a particular program. Mr. Gamble said most of these people were under contract for a specific assignment. Senator Hilbrecht said no one questioned the value of the program, they just felt it was top heavy with administration.

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
FEBRUARY 14, 1977
PAGE FOUR

In answer to an inquiry, Mr. Liston said that in October 1976 there were 8,264 children receiving aid from the special education program. That represented about 6% of the pupil population. General discussion followed on methods of finding the child who needed help, the special programs and the costs.

FLEISCHMANN SCHOLARSHIPS: The Max C. Fleischmann Foundation annually awards several scholarships to Nevada high school graduates to continue their education. The scholarship program is administered by the State Department of Education under rules adopted by the Foundation. Recipients may attend the accredited university of their choice. Scholarships include, general, Indian, medical education, dental education and Community College scholarships.

COMPREHENSIVE EMPLOYMENT TRAINING ACT - CETA: This Act of 1973, as amended, provides that five percent of the funds made available to Nevada under Title I of the Act be allocated to the Governor as part of the Governor's Special Grant to provide vocational education and service for prime sponsors. These funds, in turn, are reallocated through agreements between the prime sponsors and the Department of Education.

The purpose of these agreements is to provide vocational education training and supportive services to those eligible under the Comprehensive Employment and Training Act. The Department of Education's responsibility is to take referrals from the prime sponsors and make arrangements with a school to carry on the requested training. Questions were asked with reference to contractual services and the development and training categories. There being no further discussion, they continued with the next budget.

ADVISORY COMMITTEE FOR ENVIRONMENTAL EDUCATION: This seven member committee, established in 1971, is to advise, support and coordinate environmental education programs in the state. The legislation provided that committee members serve without compensation except for per diem and travel expenses and the Department of Education was directed to hire an Environmental Education Consultant. This budget provides for the necessary travel and per diem expenses for Committee meetings. Senator Young expressed his disappointment with the accomplishments of this committee, particularly with the function of the Environmental Education Consultant's activities. He had expected the whole program to have a far greater impact. He also stated that he had serious doubts about consultants at the state level and wondered if the consultant program could be justified.

TEACHER TRAINING FOR HANDICAPPED CHILD : This budget provides 100% federal grants for Nevada public school teachers who desire to receive additional training in teaching handicapped children. Training is provided through seminars, institutes, workshops, and scholarship grants for advanced training in universities.

REGIONAL INTERSTATE PROJECT: This planning project involves the Departments of Education in Nevada, Utah, Arizona, Idaho, Montana, Wyoming, Colorado, New Mexico, Arkansas and Texas. A major objective of the project is to conduct regional conferences where topics of major concern about public education are reviewed and discussed by top professionals and state officials. Three seminars are planned for fiscal year 1977. Conference proceedings are published and disseminated to interested individuals.

Prior to 1974 the project was administered by the State of Colorado. On June 20, 1974, the State Board of Education approved the transfer of administration of the Regional Interstate Project to Nevada and the Department has performed this function since that time. This project is wholly supported by federal funds. It is about to expire and will probably not be funded after July 1st.

VOCATIONAL EDUCATION BUDGET: Mr. Costa spoke to this budget from a prepared statement, copy attached. Senator Wilson asked if the education is provided by local schools, what does the educational consultant do? Mr. Costa explained that the consultants are specialists in their areas, e.g. vocational

agriculture, home economics, health service, business occupations, distributive education, trade schools and other areas. He explained the steps which had to be followed in developing a program for the next year; when this was finally approved in Washington, they were already into the current years' programs. The consultants travel to all areas of the state upon request of local authorities and they monitor the programs as required by the federal government. Senator Lamb asked if all schools had all the programs and Mr. Gamble said only the larger counties had all of them but the smaller districts all had four or five of them.

In answer to Senator Wilson's query, he explained that no specific consultants are assigned to any given district. Instead each man goes where there is a need for his services in his particular discipline. Discussion followed with the Committee feeling that the program was top heavy with administration and the dollar too much diluted by the time it reached the student and teacher. Mr. Costa stated it would be difficult to cover all the schools in the State of Nevada with fewer people.

Senator Wilson asked if it was common practice in state budgeting that one individual would be carried under one budget and used for something else entirely. Mr. Gamble explained that they had to fund their people from the place where the salary dollar was available. Senator Young asked if this was done anywhere else in the agency's budgeting? Mr. Costa said they were using federal funds to finance the State Textbook Commission.

Senator Young said he did not think it was proper to carry people in one area and use them for something entirely different, as the consultants in Vocational Education. Mr. Gamble said they were not using them for something entirely different, part of the time was spent carrying out activities in the area where they were budgeted.

Mr. Gamble stated that this whole concept of salaries was discussed in some detail before the Finance Committee two years ago and he thought that everyone understood this method of budgeting. Senator Young said he would have to plead guilty of not having understood.

Senator Wilson said he still felt there was too much fat at the top in these programs. He asked Mr. Gamble to provide him with a list of all the employees, all the consultants, with a breakdown of where these peoples' salaries were being funded, how each of them spent his time proportionately with respect to each assigned activity. Mr. Gamble said they could put this information together for him but he also wanted to say that this concern over monies spent was not only the Finance Committee's job, it was his job as well and it was supposed to be done before the budget ever got to the Legislature and he hoped he had done his job well.

CARE OF DEAF & BLIND BUDGET: Nevada statutes direct the Superintendent of Public Instruction to arrange for the admission, education and care of deaf, dumb, and blind Nevada pupils in specialized institutions. This is provided in out-of-state institutions since Nevada does not have a residential school for education of children with such handicaps. The County School Districts certify children eligible for participation in this program to the Superintendent who makes all necessary arrangements, including travel at state expense. Eligibility for this treatment and places where the treatment is provided is listed on page 167 of the Executive Budget. There is a supplemental request to carry out the balance for this year.

HIGHER EDUCATION STUDENT LOAN FUND BUDGET: This program authorizes Nevada's participation in the Guaranteed Student Loan Program sponsored by the federal government. The program authorizes loans for education expenses from private lenders such as banks and credit unions to Nevada Students in institutions ranging from vocational and technical schools to degree-granting institutions. The state appropriations to this program are matched by the federal government and then reinsured to provide a reserve to guarantee loans made by the private lending institutions. This matching and reinsuring process multiplies the lending capacity of the program by fifty times the state appropriation and federal matching. The state

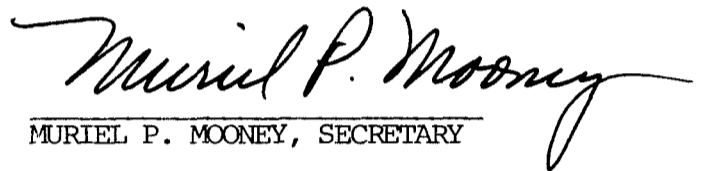
SENATE FINANCE COMMITTEE
MINUTES OF MEETING
FEBRUARY 14, 1977
PAGE SIX

appropriation and the federal matching thus serve as a reserve against defaults. A lessening of expenses is anticipated because most delinquencies have been related to loans to college freshmen. Lending institutions are now avoiding first year loans, which should make possible Nevada's continuing participation in the program with a \$20,000 annual appropriation. Mr. Gamble stated that they had a 6 3/4 % default rate. He said the First National Bank of Nevada had approved \$7. million in loans. This default rate was better than most other loan programs. He stated that it is anticipated that the federal government will be reinsuring the full cost. If Nevada gets into that program, there will not be a need for further reserves.

Senator Lamb announced that the Committee would meet at 8:00 a.m. the following day.

The meeting adjourned at 10:10 a.m.

RESPECTFULLY SUBMITTED:


MURIEL P. MOONEY, SECRETARY

APPROVED:


FLOYD R. LAMB, CHAIRMAN

STATEMENT OF THE DEPARTMENT OF EDUCATION
TO THE SENATE FINANCE COMMITTEE

MONDAY, February 14, 1977--Room 234, 8AM

REGARDING: 77-79 Biennial Budget for Vocational Education Account #101-2676,
pp. 164-166 Position Category

The Governor has recommended an annual appropriation for Vocational Education for FY78 and FY79 of \$504,404 which is very close to the \$492,570 appropriated for FY76. However, his recommendations include a shift of funds from the salary category to the aid-to-schools category. This shift represents a 5 position reduction in staff--3 professional and 2 secretarial positions. It is our understanding that these recommendations to reduce staff were based upon an audit report submitted to him by the Vocational Advisory Council. The report indicated that persons filling these vocational positions were assigned tasks in other areas. That was true at the time of the audit. The report did not mention that other staff members, not paid with vocational funds, were working on vocational tasks. Since the time of the audit, several personnel reassignments have been made by the Superintendent and the findings of the report are no longer valid.

It is requested that the Senate Finance Committee restore the 5 positions to the budget and adjust the budget items to provide salary funds for them. This request is based upon the need for staff to maintain present levels of service and to fulfill new demands imposed by federal legislation which has been passed since the Governor's recommendations were made:

The following services need to be maintained:

1. Provide consultative services to all teaching personnel in school districts and community colleges.
2. Monitor of vocational programs in compliance with federal regulations.
3. Develop Annual Plan for Vocational Education and Accountability Report.
4. Develop courses of study for new and emerging occupations.
5. Provide inservice training for all vocational teaching personnel.
6. Provide technical services to all school districts and community colleges concerning program development.

The new federal legislation requires that the state staff perform the following additional tasks:

1. Develop a Five-Year Plan and a greatly expanded Annual Plan for Vocational Education in Nevada utilizing a new 10-member lay committee which must meet 4 times a year in addition to the Vocational Advisory Council, hold a series of public hearings over the State on proposed Plans, and document all public input and make proper written responses.
2. Develop criteria for the coordination of vocational education with CETA programs and submit written documentation of coordination activities.

3. Greatly expand data gathering activities including the establishment of an Occupational Coordination Committee,
4. Participate in meetings of Local Advisory Committees which need to be formed under the new federal law,
5. Annually evaluate all vocational programs at both the secondary and post-secondary levels including a survey of program graduates and employers regarding program effectiveness,
6. Develop and carry out a program to assess and meet the training needs of:

women who need employment because of dissolution of marriage, single heads of the households, part-time workers and homemakers needing full-time employment, and women workers wishing to enter traditional male employment.

7. Develop and operate a statewide student follow-up program,
8. Assess the availability of placement services for students and to ensure that services remain available, and
9. Employ full-time State staff to develop a program to eliminate sex-stereotyping and sex bias and to perform continual monitoring.

It is estimated that these new tasks will require the restoration of the 3 full-time professional positions. In addition, the 2 secretarial positions would need to be restored to provide support for the vocational staff at a minimal level of 6 secretarial positions for 12 professional positions.

Annual Evaluation Reports of the Vocational Advisory Council have repeatedly urged that increased services be provided by the State Department staff and that additional vocational staff be hired. The Department has attempted to increase services without increasing staff and even with the new work demands, this request would still not increase staff, but only restore it to the current level. Please note also that this is not a request for additional state funds, but only a request for a change in budget categories.

HRS:CR:mg
Rev.2/11/77