MEMBERS PRESENT:

CHAIRMAN PRICE
VICE CHAIRMAN CRADDOCK
ASSEMBLYMAN CHANEY
ASSEMBLYMAN COULTER
ASSEMBLYMAN DINI
ASSEMBLYMAN BERGEVIN
ASSEMBLYMAN MARVEL
ASSEMBLYMAN RUSK
ASSEMBLYMAN TANNER
ASSEMBLYMAN WEISE

MEMBERS ABSENT:

ASSEMBLYMAN MANN (excused)

A quorum being present, Chairman Price called the meeting to order. He stated the purpose of the meeting to be to advise the committee of what was happening with the tax package up to this point.

Mr. Price stated that the bill should be ready to introduce sometime in the next few days and it would be his hope that as the bill is heard instead of tacking on each new amendment that the amendments would all be presented at one time. He also stated that a couple of questions had been raised since the committee had voted to get this bill drafted. The main question had been regarding the various convention authorities and similar boards that exist around the state. It was questioned whether these boards would be included under the spending cap. The committee had never discussed this aspect and Mr. Price stated that he had asked Frank Daykin what he felt. Mr. Daykin had stated that his opinion would be that they would not be limited by the spending cap.

Mr. Rusk stated that he felt that it was important that they not be included because of the tremendous cash flow that goes through these organizations. A cap could be very determental in some cases and cited the situation of the oil embargo of several years ago where they did a massive advertising campaign. He stated that he could see no reason for placing them under the spending cap.

Mr. Craddock pointed out that during periods of low income is when they need to spend the most money. He stated that he felt that they were a unique entity that should not be covered.

Mr. Price stated that the Senators had requested a meeting with the Assembly Taxation Committee to discuss the tax packages being proposed. The committee discussed this and decided that they would like to with hold this meeting until after the bill that would come out of the Assembly was introduced.

Mr. Price presented the committee with a copy of the a memo from Sam Mamet regarding additional revenue for county welfare programs. This memo is attached to these minutes as Exhibit A. Mr. Price stated that there had been suggestions that perhaps some portion of the money presently allotted should be earmarked for emergency indigent care.

Mr. Chaney stated that he would like to see something done to keep politics out of this issue. He stated that he would like to see a certain amount of this secured and designated for this area.

Mr. Rusk questioned what the definition of emergency was and stated that he felt at the present time there was money earmarked for this in that the county has no choice regarding indigent care at a county hospital.

Mr. Bergevin stated that he felt that it was perhaps out of the legal jurisdiction of this committee to earmark any money and that it would be in conflict with Ways and Means Committee.

It was decided that the problem was how could the legislature be sure that the money was being used for the purpose it was supposed to be used for.

Mr. Craddock stated that when the committee did begin its final hearings on the tax relief package he would like to ask for some time to be set aside for the Clark County Library District so that they could submit a presentation.

Bill MacDonald, District Attorney for Humboldt County, stated that they did have a concern regarding the spending cap. Their concern dealt with the effect it would have on mandated expenditures that they have no control over. He cited the situation in their county where they recently won a 3 year old case brought by a fired school teacher. Had they lost this case they would have had to pay all the back wages, raises, interest, attorney fees etc. for the 3 1/2 year period it took to process of the case. He wondered where the county would get this much money should they be under the cap. Under the current existing laws the school would get a short term financing which would be paid back through their bonds. He stated that he felt that this was not an unusual case in that the local government is becoming a popular thing to sue. He added that presently the federal and state legislatures often mandate that they do certain things. He cited several things such as parcel mapping, EPA mandates, binding arbitration. These are all mandated beyond local control. He suggested that perhaps a State Board of Exemption could be created to handle such things that were out of the county control but had been mandated to be done.

Mr. Craddock stated that he really could not buy this concept and that he felt that it would make for additional irresponsibility. He felt that local government should have to be contented to live with budgetary restrictions.

Mr. Bergevin stated that he felt that everybody has to live with these problems and he did not feel that the local governments should be exempt from that. He added that perhaps something could be placed in the bill to cover real emergency should there be leeway in the tax rate of the entity.

Mr. MacDonald stated that they also felt that there would be problems that are created by binding arbitration. Mr. Bergevin stated that the cap will be the limit for this arbitration. Mr. MacDonald stated that perhaps the Dodge Act should then be amended to allow for this control over the arbitration.

Mr. Rusk stated that he felt that the committee did not want to allow for an escape clause. He added that he felt the state could deal with emergencies effectively already.

Bob Patroni, Clark County School District, stated that they had just recently received an order from the Public Service Commission which would increase their costs of electricity $400,000 to $600,000 a year. They have been moved up into highest rate. He stated that they are presently calculated exactly what this will mean and will have the figures available for the committee as soon as possible.

AB 144

Mr. Craddock stated that he felt that the committee should not amend this bill as suggested by Mr. Vargas as that would go outside the boundaries placed on the study committee.

Mr. Dini moved for a "do pass" recommendation and Mr. Marvel seconded the motion. The motion passed with Mr. Price not voting and Mr. Mann and Mr. Weise absent at this point.

As there was no further testimony to be heard, Chairman Price adjourned the meeting.

Respectfully submitted,

Sandra Gagnier

Sandra Gagnier
Assembly Attache

Also attached to these minutes is Exhibit B, a letter from Johnson Development Co. dealing with AB 47. Also is Exhibit C, which includes final figures for the property tax relief plan.

60TH NEVADA LEGISLATURE

ASSEMBLY TAXATION COMMITTEE
LEGISLATIVE ACTION

Date: March 20, 1979

SUBJECT: AB 144, Exempts geothermal development leases from property tax.

MOTION:

Do Pass XX Amend ____ Indefinitely Postpone ____ Reconsider ____

Moved By: Mr. Dini Seconded by: Mr. Marvel

AMENDMENT: ____

Moved by: ____ Seconded by: ____

AMENDMENT: ____

Moved by: ____ Seconded by: ____

VOTE:	MOTION Yes	MOTION No	AMEND Yes	AMEND No	AMEND Yes	AMEND No
Price	Not voting					
Bergevin	X					
Chaney	X					
Coulter	X					
Craddock	X					
Dini	X					
Mann	Absent					
Marvel	X					
Rusk	X					
Tanner	X					
Weise	Absent					
TALLY:	8	0				

ORIGINAL MOTION: Passed XX Defeated ____ Withdrawn ____

AMENDED & PASSED ____ AMENDED & DEFEATED ____

AMENDED & PASSED ____ AMENDED & DEFEATED ____

Attached to Minutes March 20, 1979

MEMORANDUM

EXHIBIT A

~~RICHARD W. BUNKER~~
~~County Manager~~

BRUCE W. SPAULDING
~~Assistant~~ County Manager

OFFICE OF THE COUNTY MANAGER

TO: MESSRS. ROBERT E. PRICE AND LONIE CHANEY

FROM: SAMUEL D. MAMET, MANAGEMENT ANALYST

SUBJECT: ADDITIONAL REVENUE FOR COUNTY WELFARE PROGRAMS

DATE: MARCH 14, 1979

In the event that the Legislature were to approve additional pennies from the ad valorem dollar to support county welfare services, each penny would accrue $300,000 at the present revenue level. Hence, assuming that your committee would be willing to return 3¢ to the county earmarked for welfare, Social Services would receive an additional $900,000 in operating revenue.

In determining where these additional dollars would be utilized, much would depend on the fate of the Title XX monies. Were the State to cut out these Title XX funds, presently supporting both the Homemaker's program and Child Care services, any additional revenue would first go to these programs, especially since these are the two most successful ones currently being administered. For the Homemaker's program alone, the loss of Title XX monies represents $180,000, which is over half of the total cost of the program ($340,000).

However, even in the event that Title XX monies were retained, the Homemaker's and Child Care services would still be a priority item, due to the fact that these programs have lost their CETA funded positions.

The Homemaker's program this year is being administered by 17 CETA workers. Due to the tremendous revenue constraints these 17 workers can be replaced by only 5 workers funded through county monies in the next fiscal year. Any appropriations for the upcoming year to both the Homemaker's and Child Care program, which are not acquired through grants, will have to be drawn from the county general fund.

From a purely pragmatic vantage point, the Homemaker's program is so advantageous because it allows the elderly to remain at home which is far less expensive than institutionalizing them. The county is responsible for supporting elderly indigents that require to be placed in a care facility until such time as they can get the person qualified for State Welfare. These costs are five times those for the Homemaker's program.

Two further priority items are the Direct Assistance to families and the Medical Assistance programs. In the case of the Direct Assistance program, current revenues only allow the county to support needy families with a monthly subsidy of $207 for a family of four. This amount is far from sufficient to support a family of that size given the perpetually increasing cost of living.

In the area of Medical Assistance, the lack of revenue is even more severe. The county is mandated to absorb all the expenses of those individuals who are above the standards for the Medicaid and SAMI programs and yet their income precludes them from being able to support their own medical costs (i.e. the "medically needy").

The main factor which makes the support of the medically needy so difficult for the County are the mandates of NRS 428.050 (see attached). This section prohibits the counties from levying an indigent support tax greater than that levied in 1971. This has frozen the tax rate at $.2570 in Clark County, which accrued only $7,600,000 in the fiscal year 78/79. The only exemption to the 1971 tax-freeze is in the case of an emergency, and such emergency can only be declared in order to provide medical care, and not general assistance.

This situation has caused the Medical Assistance program for the next fiscal year to fall short of the required amount by over $800,000. Due to such restricted revenue which is compounded by the ever-increasing medical costs, this program will not be able to adequately meet the demands placed upon it.

We would appreciate any financial assistance your committee could provide Clark County to alleviate the severe problems I have outlined above.

We will be happy to answer any further questions you have have on this subject.

SDM/mg

Att.

EXHIBIT A

(d) Provide for the necessary maintenance of poor persons by the exercise of the combination of one or more of the powers specified in paragraphs (a), (b) and (c) of this subsection.

[4:51:1861; A 1943, 86; 1943 NCL § 5140]—(NRS A 1971, 1182; 1973, 1107)

428.040 Proof of county, state residence on application for relief. When an application is made by any pauper to the board of county commissioners of any county for relief, the board of county commissioners shall require of the pauper satisfactory evidence that he has been a resident of the State of Nevada for 3 years and of the county for 6 months immediately preceding the day upon which such application is made, or if such is not the case, satisfactory evidence in regard to where the pauper last resided for 6 months prior to arrival in the county where such application is made.

[7:51:1861; A 1867, 116; R 1911, 413; A 1933, 8; 1931 NCL § 5143]

428.050 Funding of aid to indigents: Budgeting; tax levy; limitations on expenditures.

1. The board of county commissioners of a county shall, at the time provided for the adoption of its final budget, levy an ad valorem tax for the purposes of providing aid and relief to those persons coming within the purview of this chapter. Such levy shall not exceed that adopted for the purposes of this chapter for the fiscal year ending June 30, 1971, exclusive of that required by NRS 428.370.

2. No county shall expend or contract to expend for purposes of such aid and relief a sum in excess of that provided by the maximum ad valorem levy set forth in subsection 1, together with such outside resources as it may receive from third persons, including, but not limited to, expense reimbursements, grants-in-aid or donations lawfully attributable to the county indigent fund.

3. No interfund transfer, short-term financing procedure or contingency transfer may be made by the board of county commissioners for the purpose of providing resources or appropriations to a county indigent fund in excess of those which may be otherwise lawfully provided pursuant to subsections 1 and 2, except that if the health of the poor is placed in jeopardy and there is a lack of moneys to provide necessary medical care under this chapter, the board of county commissioners shall declare an emergency and provide additional funds for medical care only from whatever resources may be available.

[Part 8:51:1861; A 1867, 116; R 1911, 413; A 1933, 8; 1931 NCL § 5144]—(NRS A 1971, 1182)

428.060 Application by nonresident pauper: Temporary relief; removal to county of residence; claims of county granting temporary relief.

1. If it shall appear to the satisfaction of the board of county commissioners that a pauper applying for relief has not been a resident of the

EXHIBIT B

AB 47

JOHNSON DEVELOPMENT CO.

P.O. BOX 816 • FERNLEY, NEV. 89408
TELEPHONE: (702) 575-2293 • 789-1152

March 2, 1979

Assemblyman Joe Dini   Senator Carl Dodge
Nevada State Legislature
Capitol Complex
Carson City, Nevada 89701

Subject: Legislation for School Construction Fee as a Condition of Development

Gentlemen:

Washoe and adjacent counties in northern Nevada have been undergoing rapid growth due to the major expansion in the Reno area. One problem being created by the rapid growth is the inability of county school districts to provide adequate educational facilities on a timely basis to meet the increased student load. Presently, the only method of financing new school construction is through bonded indebtedness which must be approved by a majority of the voters in any bond election.

One of the problems in Nevada is that each school district has the same boundaries as the county in which it is located. In rural counties such as Lyon County where population centers are somewhat distant and of diverse geographical nature, many problems in regard to supporting a bond issue occur. One of the most significant problems is where one part of the county has adequate facilities for its students and is not experiencing growth while another part of the county does not have adequate facilities and is experiencing growth. The area that does not require additional school facilities is more reluctant to vote a bond issue which would obligate people in this area to pay as much for the new school on their tax bills as those people in the area where the new facilities are required.

Because of a reluctance to vote bond issues and because of impending financial and tax reform pursuant to the dictates of Proposition 6 it is apparent that a trend towards different methods of financing new school facilities is required. This proposed legislation would be one way of meeting the immediate financial requirements for construction of new school facilities without the reliance on a bond issue or placing a larger burden on the school revenues which are sorely needed for increased teachers and other staffing and operation and maintenance expenses. It is therefore believed that a fair and equitable manner of financing new school buildings in areas where there is clearly a rapid growth situation is to provide a vehicle by which the local governmental agency (i.e. the county) may adopt a school fee ordinance which would require the payment of a fee as a condition of approval of a final subdivision map or at such time as a building permit is issued for a new dwelling or a new mobile home is connected. In this manner, such a fee could then be placed in a trust fund which could only then be expended for the construction of new school facilities within a zone of benefit which would be the area from which the fees were collected. This would allow for those areas which are experiencing rapid growth to collect from the area of growth the fees necessary for the facilities to serve the new students in that area. This then could accelerate the present lag between the private development and the concurrent public investment required to meet the needs of this new development.

The ordinance should contain the following general provision:

1. Any county in the State of Nevada may by proper noticed hearing, adopt an ordinance which shall require the payment of a specified fee as a condition of approval of any final subdivision map and/or issuance of a building permit for any dwelling unit be it single family, multiple family or mobile home.

2. At the time of adoption of the ordinance the area of benefit shall be determined and shall be designated on a map which shall be included as part of the ordinance governing the area in which the fee is to be collected and to be used for the construction or addition of new school facilities.

3. All fees so collected to be placed in a trust fund to be administered by the treasurer of the county and said fees shall be used only for the purposes of construction, reconstruction, leasing or otherwise providing facilities meeting the State Department of Education and Department of Public Works requirements for educating students from kindergarten through the 12th grade.

   Investment of all fees collected shall be managed by the the treasurer of the county in which the area of benefit is located.

4. Funds as used in this provision shall include all fees collected and interest accrued thereon through the prudent investment by the county treasurer.

5. Use of the fees shall be by the County School Board.

6. The use of the trust fund shall be in accordance with all applicalbe State law with regard to public bidding. However, the School Board may be free to bid the design and construction of the facilities as one bid item in lieu of having separate contracts for the design and the construction as a means of accelerating the time required to get construction underway.

7. The School Board shall have the authority to contract on behalf of the area of benefit and to obtain loans for the construction of school facilities provided that the sole security for said loans shall be the trust funds and any future trust funds that may be collected in accordance with the provisions of this chapter. In no event shall the county general fund be obligated for any monies borrowed by the School Board.

8. The County School Superintendent would be required to develop a forecast of anticipated school enrollment and a concurrent capital improvement program to meet said increases on an annual basis.

9. The School Board shall conduct a public hearing on aforesaid program within the affected area and take into account the wishes of persons within said affected area.

In conclusion, we realize that this proposal has statewide significance including some measure of impact on current tax reform proposals. It is a form of "user pay" taxation that could substantially solve rapid growth problems being experienced in our state.

Sincerely,

JOHNSON DEVELOPMENT CO.

Max B. Johnson,
Vice President

/lh

EXPENDITURE LIMITATIONS

Basic Features

- Base Year 1978-79 (Current year budgets as of July 1, 1978)
- Population Increases - with an appeal process
- Inflation - 80% of the last 5 years average CPI
- Funds - limit all funds receiving property taxes
- State Expenditures - limit state General Fund expenditures in the same manner as A.B. 438. (Base 1975-77 Biennium)
- Overrides - limits may be exceeded to protect life and property and by a vote of the people
- Trigger - allow additional tax relief if state revenues exceed expectations

Population Factor

- Population changes for the state are those of the U.S. Department of Commerce
- Population changes for local governments are those certified by the Governor with appeals to the Tax Commission
- Population changes for schools are weighted enrollments certified by the State Board of Education

Inflation Factor (1979-80)

- State Index is July 1974 to July 1978 (32.91%)
- Local Index is November 1973 to November 1978 at 80% (7.48%)

Formula Example

Expenditure Base: 1978-79 Budget	$1,000,000
Times: Population Increase	1.06
	$1,060,000
Times: Inflation Index	1.0748
Expenditure Limit 1979-80	$1,139,288

ASSEMBLY TAXATION COMMITTEE
EXPENDITURE LIMITATION ESTIMATES

Entity	FY 1979-80[1] Budget Limit	Increase from[2] FY 1978-79	FY 1979-80[3] Tentative Budget	FY 1979-80[4] Decrease	Tax Rate[5] Adjustment
Carson City	$ 11,498,966	$ 1,998,695	$ 9,782,556	-0-	-0-
Schools	10,572,298	900,679	10,670,459	$ 98,161	$ .05
Churchill County	3,163,142	317,974	3,306,570	143,428	.08
Schools	4,997,377	439,654	5,098,687	101,310	.14
Fallon	1,367,756	129,372	1,476,094	108,338	*
Clark County	86,389,365	9,354,385	87,911,299	1,521,934	.04
Schools	148,848,713	13,732,257	152,727,756	3,879,043	.13
Boulder City	2,316,611	269,739	2,524,752	208,141	*.24
Henderson	5,883,358	619,214	6,157,706	274,348	.07
Las Vegas	50,458,173	5,989,278	48,726,250	-0-	**
North Las Vegas	10,164,347	1,005,827	10,570,863	406,516	**
Douglas County	5,810,583	791,983	5,702,538	-0-	**
Schools	6,274,896	339,333	7,242,637	967,741	.42
Elko County	3,639,662	209,124	4,007,300	367,638	.21
Schools	7,594,766	522,065	7,505,386	-0-	**
Carlin	349,804	28,066	377,450	27,646	*
Elko	2,317,306	199,758	2,424,115	106,809	.32
Wells	331,506	21,972	332,225	719	**
Esmeralda County	852,705	48,130	969,659	116,954	.91
Schools	530,276	43,319	495,086	-0-	-0-
Eureka County	1,562,393	176,228	1,577,210	14,817	.05
Schools	884,592	113,385	812,859	-0-	**
Humboldt County	3,695,470	399,085	3,551,144	-0-	**
Schools	3,730,745	280,330	3,724,403	-0-	**
Winnemucca	1,261,172	139,839	1,357,330	96,158	*--**
Lander County	1,822,215	136,289	2,284,222	462,007	.48
Schools	2,029,210	215,705	2,092,462	63,252	.15
Lincoln County	1,355,713	139,935	1,555,074	199,361	.56
Schools	2,050,406	48,296	2,223,987	173,581	.50
Caliente	131,930	5,623	142,343	10,413	*.14
Lyon County	3,612,364	(53,724)	4,555,507	943,143	1.19
Schools	5,268,356	742,096	5,416,821	148,465	.14
Yerington	503,101	15,737	584,657	81,556	.61
Mineral County	2,813,630	383,286	2,261,210	-0-	**
Schools	2,868,679	192,432	2,724,494	-0-	**
Nye County	4,687,555	471,984	5,228,443	540,888	.48
Schools	4,159,083	491,798	4,357,950	198,867	.15
Gabbs	190,495	16,098	165,382	-0-	-0-

EXHIBIT C

Entity	FY 1979-80[1] Budget Limit	Increase from[2] FY 1978-79	FY 1979-80[3] Tentative Budget	FY 1979-80[4] Decrease	Tax Rate[5] Adjustment
Pershing County	1,715,452	151,643	1,591,012	-0-	**
Schools	1,547,523	95,264	1,609,646	62,123	.15
Lovelock	317,159	28,941	365,056	47,897	*.69
Storey County	879,071	95,004	952,745	73,674	.46
Schools	556,633	68,471	567,694	11,061	.08
Washoe County	45,912,945	7,876,746	48,190,941	2,277,996	.28
Schools	57,728,439	4,319,549	60,069,511	2,341,072	.14
Reno	35,073,875	3,964,502	40,449,454	5,375,579	.54
Sparks	11,018,516	1,227,468	11,909,595	891,079	*.20
White Pine County	3,166,611	306,080	4,467,597	1,300,986	1.60
Schools	3,757,660	249,059	3,175,161	-0-	**
Ely	798,138	12,531	990,000	191,862	*.07
Totals	$568,460,741	$59,270,504	$586,963,298	$23,834,563	
		12.1%		4.1%	

Note: Expenditure Limit uses 1978-79 Budgeted expenditures as the base with increases allowed for population and inflation. Population increase is from 1977 to 1978 as prepared by the State Planning Coordinator. Enrollment increases are weighted enrollments from September 1978 to projected enrollment September 1979. Inflation increase is 80% of the last five year average of the CPI.
(Nov. 1973 = 137.6, Nov. 1978 = 202.0 = 9.36% X 80% = 7.48%).

Footnotes:

1. 1979-80 Budget Limit is expenditure limitation plus a 3% to 5% ending balance.

2. Increase from FY 1978-79 is the amount of expenditure increase provided over 1978-79 budgeted expenditures before allowance for ending balance.

3. FY 1979-80 Tentative Budget is total budget filed with Department of Taxation on Feb. 20, 1979.

4. Decrease Required is adjustment of tentative budget.

5. Tax Rate adjustment is amount of estimated decrease from the existing (FY 1978-79) tax rate.

   *   Tentative 1979-80 rate higher than current 1978-79 rate.
   **   Exemption of food from Sales Tax or exemption of household property, inventories and livestock would allow a higher rate than current rate.

EXHIBIT C

EXHIBIT C

ESTIMATED TAX RATES

Entity		Existing Rate FY 1978-79	Tax Rate After[1] Major Tax Relief FY 1979-80	Estimated Tax[2] Rate w/Expenditure Limits FY 1979-80
Carson	Urban	$4.83	$3.47	$3.42
	Rural	3.65	2.29	2.24
Churchill County		3.80	2.44	2.22
	Fallon	5.00	3.64	3.64
Clark County		3.58	2.22	2.05
	Boulder City	5.00	3.64	3.23
	Henderson	5.00	3.64	3.40
	Las Vegas	5.00	3.64	3.47
	North Las Vegas	5.00	3.64	3.47
Douglas County		3.01	1.65	1.23
	Minden	4.87	3.51	1.48
Elko County		3.05	1.69	1.48
	Elko	4.40	3.04	2.83
Esmeralda County		3.75	2.39	1.48
	Goldfield	4.70	3.34	1.68
Eureka County		3.42	2.06	2.01
	Eureka	3.92	2.56	2.06
Humboldt County		3.23	1.87	1.87
	Winnemucca	4.88	3.52	3.52
Lander County		3.92	2.56	1.93
	Battle Mountain	5.00	3.64	2.10
Lincoln County		3.60	2.24	1.18
	Caliente	5.00	3.64	2.44
Lyon County		3.91	2.55	1.22
	Yerington	5.00	3.64	1.70
Mineral County		5.00	3.64	3.64
Nye County		3.70	2.34	1.71
	Gabbs	4.95	3.59	2.96
Pershing County		3.28	1.92	1.77
	Lovelock	5.00	3.64	2.80
Storey County		4.79	3.43	2.89
	Virginia City	4.99	3.63	2.89
Washoe County		3.87	2.51	2.09
	Reno	5.00	3.64	2.68
	Sparks	5.00	3.64	3.02

EXHIBIT C

Entity	Existing Rate FY 1978-79	Tax Rate After[1] Major Tax Relief FY 1979-80	Estimated Tax[2] Rate w/Expenditure Limits FY 1979-80
White Pine County	$3.60	$2.24	$ .64
Ely	5.00	3.64	1.97
Maximum Allowable Rate	5.00	3.64	

1. Tax Rate After Major Tax Relief is the existing tax rate less $1.36 proposed for state funding (11¢ share, 25¢ share and 1.00 for schools).

2. Estimated Tax Rate with Expenditure Limits is the estimated rate after major tax relief and expenditure limitations based on 1978-79 budgets, population growth and 80% of the 5 year average CPI. These rates are based on tentative budgets filed February 20, 1979 and, therefore, can only be considered estimates at this time. Reductions in rate because of the expenditure limitation occur largely because of large beginning balances for FY 1979-80. These rates will go back up in 1980-81 in many cases.