

Committee in session at 8:00 a.m. Senator Floyd R. Lamb was in the Chair.

PRESENT: Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice Chairman
Senator Eugene V. Echols,
Senator Norman D. Glaser
Senator Thomas R.C. Wilson
Senator Lawrence E. Jacobsen
Senator Clifford E. McCorkle

ABSENT: None

OTHERS Ronald W. Sparks, Chief Fiscal Analyst
PRESENT: Eugene Pieretti, Deputy Fiscal Analyst
Howard Barrett, Budget Director
Senator Carl Dodge

(SEE PAGE 1A ATTACHED FOR BALANCE OF THOSE PRESENT.)

S.B. 213 - Appropriation to mental hygiene and mental retardation division for automated management system. (Attachment A)

Senator Gibson moved "Do Pass" on S.B. 213.

Seconded by Senator Jacobsen.

Senator McCorkle requested that the bill be deferred until information is obtained regarding the rationale for the computer system.

Bill held.

S.B. 217 - Appropriation for purchase of equipment by Nevada mental health institute. (Attachment B)

Senator McCorkle commented that he would like to reduce this appropriation to \$25,000, saying that he feels they can operate with the equipment they have for awhile.

Senator Lamb remarked that he is disturbed by the existing situation regarding the reorganization of the Department of Human Resources between Dr. DiSibio and his directors. He said the Committee should not be involved in the conflict. A general discussion ensued on the Committee's position regarding this matter.

Senator Jacobsen said that he would like to know the cost of individual items of equipment. Mr. Sparks said he would get an itemized list of equipment.

Bill held.

S.B. 211 - Appropriation to mental health center for salaries. (Attachment C)

Senator Wilson moved "Do Pass" on S.B. 211.

Seconded by Senator Gibson.

Motion carried.

S.B. 258 - Adds temporary increases in post-retirement allowances. (Attachment D)

Senator Gibson moved "Do Pass" on S.B. 258.

Seconded by Senator Jacobsen.

Motion carried.

OTHERS

PRESENT:

Jack Pine, Budget Division
Rosemary Clarke, President, State Board of Education
Ted Sanders, Superintendent, State Department of Education
Doug Sever, Fiscal Services Director, Department of Education
Frank South, Director of Special Education, Department
of Education
Amy D. Heintz, Director of Federal Supplementary Programs,
Department of Education
Claude Perkins, Superintendent, Clark County School District
Bob Scott, Humboldt County School District
Elmo Dericco, Churchill County School District
Arlo Funk, Mineral County School District
Barrett, City of Las Vegas
Charles H. Knight, Elko County School District
Joaquin Johnson, Nye County School District
Wendall K. Newman, Executive Director, Nevada State Educa-
tion Association
Joyce Woodhouse, Nevada State Education Association
Clifford Lawrence, Superintendent, Carson City School District
James Shields, Lobbyist, Nevada State Education Association
G.W. Brighton, Washoe County School District
Shirlee A. Wedow, State Board of Education
Marvin Picollo, Superintendent, Washoe County School District
Carl Shaff, Nevada State School Boards
Frank Coleman, Nevada Advisory Council for Vocational-
Technical Education
George T. Earnhart, State Board of Education
Michael L. Rask, Executive Director, Nevada Advisory
Council for Vocational-Technical Education
Hope Roberts, Nevada Advisory Council for Vocational-
Technical Education
Ernest E. Bryan, Department of Education
Ray Ryan, Deputy Superintendent, State Department of
Education
James Costa, Federal Liaison, Department of Education
John Hawkins, School Boards of Nevada
Richard Brown, Nevada Association of School Administrators
Frank Gross, Nevada Association of Handicapped Children
Preston Price, Esmeralda County Schools
T.R. Tower, Council for Exceptional Children
John Havertape, Special Education Department, UNR
Ralph E. Handelman, All-Kee Associates
William Hancock, Director, Public Works Board
Neldon Matthews, Superintendent, Lincoln County School
District
Hal Smith, Consultant, Lincoln County School District
Marjory Becker, President, Southern Nevada Association
for the Handicapped
Tod Carlini, Superintendent, Lyon County Schools
Gordon Oscar, Student Body President, Variety High School
Las Vegas
Jesse Martin, representing Gibson High School
Barbara Barnaby, parent of handicapped child
Cy Ryan, United Press International
John Rice, Associated Press

S.B. 181 - Withdrawal of certain judicial officers
from public retirement system. (Attachment E)

Senator Gibson said the Committee should look at funding of judges' retirement because pension plans are causing trouble in other states. He suggested the interim retirement committee study this matter and make recommendations.

Bill held for further discussion.

DISTRIBUTIVE SCHOOL FUND - Page 172

Mr. Sparks reported on why the Permanent School Fund showed only \$285,000 last year in interest. He said this figure is a combination of two numbers in the Distributive School Fund: \$285,402 of Investment Income, and the item entitled Interest Income Distributed, General Fund, of about \$475,000. The sum of these two figures is \$760,871.

Mr. Sparks reported that the reason the Distributive School Fund does not draw interest on the appropriation is because the money is from the General Fund; and the money stays in the General Fund. He said this sum is all the interest of the Permanent School Fund.

The breakdown is as follows: The Treasurer had a little over \$8,000,000 from the Permanent School Fund to put in the investment pool, which is with all the General Fund investments. From that they received 5.91 percent interest which is the \$475,000 figure. They also had \$4,200,000 in other investments which is largely made up of federal mortgage ventures, also U.S. Treasury notes and federal home loans. He said they received 6.78 percent interest on these. The total yield from the Permanent School Fund is 6.21 percent interest for the last fiscal year. Mr. Sparks said that currently the interest rate is 7.8 percent as of December 31.

Senator Lamb said that though this interest is higher than Mr. Sanders reported, it is still a low rate. Senator Lamb asked how the Treasurer does such a good job in other areas, and not in this account. Mr. Sparks said he thought part of the problem is with long-term investments. He said some investments pay about 3.25 percent interest.

Reallocation of Building Rent

Mr. Sparks announced that there is a problem in some budgets with regard to Building Rent. He said those budgets in which space was reallocated are being reviewed by the Budget Division.

He requested permission from the Committee to make the necessary adjustments in affected budgets when the information is received. The Committee agreed.

DISTRIBUTIVE SCHOOL FUND - Page 170

Ted Sanders, Superintendent of the Department of Education introduced Rosemary Clark, President of the State Board of Education. He read a prepared statement (see Attachment F) justifying the need for budget increases. He emphasized that Nevada's student enrollments are increasing.

Doug Sever of the Department of Education staff reviewed the Distributive School formula (see Attachment G). He provided a complete explanation of the formula. He said this formula is used to provide an equal educational opportunity to all children in Nevada. Mr. Sever reported that the major district resources available to schools is state aid, the 70 cents ad valorem tax, a 1 cent local school support tax, 80 cent optional ad valorem tax, the motor vehicle privilege tax, and public law 874 monies.

Mr. Claude Perkins, Superintendent, Clark County School District, described the budget process at the county level.

He stated that the County Superintendents, through the State Department of Education, support an overall increase in State aid of 12 and 10 percent over the biennium. He said this amount is much less than what was allocated to school districts over the last biennium. Mr. Perkins continued that they also support the 100 education units based on a projection of needs in local districts.

Senator McCorkle commented that the Governor recommends an 8.3 percent increase. He said the figure Mr. Perkins mentioned is 12 percent and 10 percent, without enrollment increases. Senator McCorkle said he was under the impression the percentage included increased pupil enrollment. He said if it does not, the Department is then exceeding the cost of living increase. He asked what are monies spent on which are above the cost of living increases. Mr. Perkins replied that the Cost Index for Education is running about 12.5 percent, which is slightly higher than the Consumer Price Index or Personal Income Index. He said that 20 percent of their budget goes toward utility costs and water, and 80 percent pays for salaries. Insurance, utilities, and similar costs have escalated. Mr. Perkins commented that they are opening 5 new schools next year.

Senator McCorkle remarked that if salary increases are kept to the cost of living, he does not understand why education costs should be higher than the Consumer Price Index.

Senator Lamb asked if salary increases are based on the cost of living. Mr. Perkins replied that the salary increases the last two years were 10 and 5 percent, an average of 7 percent over two years; while inflation was about 8 percent. He said there are other items in salary increases such as higher salaries for higher degrees, or for obtaining additional training.

Senator Lamb asked what percent will salaries increase, including all fringe benefits and supplementary monies. Mr. Perkins said there is about a 2 percent increase for certain kinds of fringe benefits, but the retirement program is running high, costing them about \$16,000,000.

Senator Lamb commented that the School District should accept the retirement benefits in lieu of salary increases. Mr. Perkins said that retirement benefits were given to employees in lieu of salary increases at that time.

Senator McCorkle asked if the reason the percentage increase is so high for salaries is because merit increases are included. Mr. Perkins answered that other items are also added, such as increased cost of fringe benefits.

Senator Echols requested the cost per pupil, including all costs, over the last five years. He requested figures on the total number of students, total operational costs, and capital improvements. Mr. Knight replied that information is being gathered in a different form, which would give an average by county, of dollars expended each year for the last five years. The figure includes capital expenditures, which can be subtracted out.

Charles Knight, Associate Superintendent of Schools, Elko County, discussed the effects of the funding of Special Education as originally proposed and as proposed by the Governor. (See Attachment H for full testimony.) Mr. Knight referred to a March 1 Memo to the Finance Committee from the Budget Division (see Attachment I).

Senator Gibson asked Mr. Knight if he felt the State should pay the full cost. Mr. Knight said originally when the budget was set up, it was anticipated that the State would pay the cost of salaries and other costs would be paid through per pupil payments, not paid by the State.

Senator Gibson commented that the Committee needs Mr. Knight's information in writing. Mr. Knight said he would get the information for the Committee.

Dr. Marvin Picollo, Superintendent, Washoe County School District, testified that the critical issue now facing Nevada schools is how the capping concept interrelates with the Distributive School Formula. He said one alternative is to do away with the Distributive School formula by freezing in time the spending of a given year, then doing away with the formula.

Or, the Distributive School Formula could remain with a cap in spending. He said that educators prefer the last alternative. He said court suits to equalize education have been upheld and the Distributive School Formula helps to equalize education, which in view of recent legal decisions is necessary.

Dr. Picollo continued that they can combine the present Distributive School Formula with a cap such as 12.5 percent from the Cost of Education Index or 9.3% from the Personal Income Index. The latter percentage is low, but schools can still operate under this amount. Dr. Picollo said the formula adjusts for wealth and other factors. He said in some counties class size is shrinking, but not enough to combine or eliminate classes.

Dr. Picollo stated that if funding is tied to growth, there are problems such as shifting populations which create growth in some schools and creating smaller classes in other schools. He said it is difficult to freeze costs in these situations; there are no self-adjusting mechanisms. He urged that the Distributive School Formula be allowed to operate under a cap on spending, if a cap is ordered by the Legislature and the Governor. Dr. Picollo said that otherwise gross inequities will be created in a very short period of time. (See Attachment J for details regarding each county.)

Dr. Picollo remarked that their request for 12 percent increase was computed before the Cost of Education Index was compiled (which is 12.5 percent). He said the question was raised: couldn't someone artificially inflate the Cost of Education Index by inflating salaries, if salaries are 80 percent of the Index. Dr. Picollo continued that national statistics show that in 1969-70, 86 percent of the school districts' budgets went to salaries. This percentage was lowered in 1975-76 to 82 percent, and is now down to 72 percent. He said the reason for the decrease is that more money must be put into critical areas such as fuel costs, school buses and textbooks.

Dr. Picollo stated that last year in Washoe County there was an 8.2 percent raise in salaries. He said the increment raise for longevity and additional training is 2.8 percent. He said that if no raises were given, salaries would increase by this amount. There was 5.4 percent new money, and a 2.8 percent increment. Dr. Picollo went on that raises in the Reno area therefore, were just at the national average, while Reno is one of the five most expensive cities in the United States.

Senator McCorkle referred to the 2.8 percent that is fixed by contract, which is included in the 8.2 percent raise. He requested a breakdown for the last two bienniums on the salary increases for teachers including the 2.8 percent contract benefits. Dr. Picollo said in Washoe County, fringe benefits are about 21 percent. He said about 80 percent of money goes for salaries of all education personnel in Washoe County. He said of the 80 percent, about 55 percent is for teachers' salaries. He said the average teacher's salary is about \$15,400. The teacher also receives retirement benefits. Dr. Picollo said he would get Senator McCorkle the breakdown requested in a day or so.

Senator McCorkle asked if problems caused by putting a cap on expenditures on a statewide basis could be relieved by putting a cap on expenditures at the county level, using population estimates. Dr. Picollo replied that internal fairness is needed, or the State

faces the possibility of class action suits. Dr. Picollo said also, that growth costs more in some areas of the state than others. He said no growth could be experienced and costs would go up.

Senator Lamb asked, referring to the Nevada Plan formula (see Attachment G) what areas already have a cap. Dr. Picollo replied basic support monies. He said the only item not capped is the 80 cent ad valorem tax and a share of motor vehicle privilege tax and Public Law 874. Mr. Perkins added that even the 70 cents and 1 cent is a capping device, and tied in to State aid.

Senator Gibson remarked that after a tax proposal is adopted greater leveling will occur because the State is picking up the 70 cents on a statewide basis, and picking up a percentage of the local school support, depending on which program is finally adopted. He said he wondered that, if the cap is applied on the total rather than the elements, can the formula still function. Dr. Picollo replied that this is what they are suggesting, but they are arguing for a slightly higher cap. He said the present bill will cap based on expenditures. He said the weakness in the plan is that they are building new schools, and have to save for it. Dr. Picollo said if they cannot build up carry-over balances, they cannot open new schools. He added that the salary schedule cannot float without carry-over balances.

Tod Carlini, Superintendent of Schools, Lyon County, said his district is in need of financial assistance. He said, due to lack of funds, they have been cutting programs and reducing staff. Mr. Carlini said that last September a bond election was defeated in the Fernley and Dayton areas. He added that there are severe situations in those two areas. They are experiencing much growth, and are in the process of constructing two high schools, one in the Fernley area, and one in the Dayton area. He said the reason for the Dayton school is that Carson City will no longer be able to accommodate Dayton high school students who have been attending in Carson City. He said that Yerington, where enrollments are declining, is too far to transport the Dayton students.

Senator McCorkle said he has heard people say that education is in areas that it should not be in. He suggested that cuts in education could be applied to those programs that education should not be in. Mr. Sanders replied that there are programs today which did not exist in the past, such as drug education programs. He said that some people contend these are not the responsibility of the schools, but society is looking to schools to address these problems because they are not addressed in the home or elsewhere. Mr. Sanders said these programs could be cut, but not without a public outcry. Mr. Carlini added that in the past vocational areas, art, and music programs have been cut also.

Senator Gibson asked what is the magnitude of the growth problem in Dayton and Fernley. Mr. Carlini said growth fluctuates which makes future projections difficult. He said realtors and developers have reported about 700 new students in the Fernley area. He said his figure is about 300 and more. He said in Dayton five years ago there were about 150 students; there were 309 students this last year; now the student population is about 400. He said they will be on double sessions in the Dayton area because the school accommodates only 225 students. He said they are also faced with double sessions in the Fernley attendance area.

Senator Glaser asked about high school enrollment in these two areas. Mr. Carlini said 109 students are in Carson High School. Mr. Clifford Lawrence, Superintendent, Carson City School District, supported Mr. Carlini's testimony by saying Carson High School, now has 2,153 students, and it was designed for 1,850. He said they have informed Mr. Carlini that they can carry his students only about 1 more year; and if growth continues, they won't be able to house them.

Senator Echols asked if there were other programs, not as vital as drug information programs, which could be eliminated; such

as art and music. Mr. Lawrence said the accrediting association which accredits high schools, so that students will be eligible for college, requires a certain number of electives - 75 course offerings in a school the size of Carson High School. He said they now offer about 93 electives, therefore are slightly above the minimum required number. He said they feel most are valuable courses. He said some could be cut but program elimination would depend upon who was evaluating the program. Some parents believe music is vitally important, others believe athletics are vitally important.

Senator Echols questioned whether the thrust of high school should be to help students go to college. He said a high percentage of students will not enter college for a worthwhile purpose, which is working toward a career.

Senator Echols continued that if bond issues have been turned down by the people, how does the legislative body at the State level, which represents the people, make decisions? Mr. Lawrence, referring to the college question, said they also believe more students should be looking at vocational areas. He said those courses are in elective areas. He said most high schools have tried to expand vocational programs, and work study programs, to get students ready for the labor market.

Mr. Lawrence said the bond issue is difficult to analyze. He said that in Washoe County, when Proposition 6 passed opposing taxes, they passed a bond issue for schools. He said it depends upon how people perceive the need.

Senator Jacobsen asked the superintendents to submit a list of courses from a depressed school and well-off school to compare offerings.

Senator Wilson asked if Humboldt County is experiencing the same problems. Mr. Bob Scott from Humboldt County School District, testified that the rural counties are less sophisticated in course offerings than urban counties. He said the more students a school has, the more diversity of course offerings and more faculty. Mr. Scott continued that they are also mandated to send as many students to college as they can and they would like to continue supporting this goal. He said they have large numbers of students who never go on to college, who do not have the vocational courses they need to go into the work force out of high school. Mr. Scott continued that he is concerned about the cap in expenditures.

Mr. Scott explained that they have experienced growth only in the last year, about 8 percent. He said that though they had negligible student increases in years past, they were mandated by the federal government to provide certain courses such as speech therapy and special education courses. He continued that they have students on the waiting list for speech therapy, and he expects he will soon be asked to get into compliance with rules. Mr. Scott commented that he will then have to add a class, personnel and travel costs. He said the cap, based on a previous year with a population factor that is low, isn't sensitive to the requirements imposed on his school district.

Senator Lamb remarked that the legislature does not yet know what the cap will be.

Senator Gibson asked if there is a list of programs mandated by the federal government. He said he thinks a decision will have to be made in the future to ignore the mandate for certain programs and lose federal money, making it up with state money. He said he does not know what the mandates are. Mr. Sanders said they would provide a list of mandated programs.

Senator Lamb said he heard the federal government contributes about \$7,000,000 to education. Mr. Sanders said he thinks it is greater than that amount in the State of Nevada.

Senator Lamb asked Mr. Sanders to get this figure so the Committee can compare it with the cost of programs required by the federal government.

Senator McCorkle said that Mr. Sanders remarked that his predecessor was thinking of undertaking a study program trying to determine the efficiency of the educational minute, to try to determine how much of the class time is devoted to instruction. The purpose of this study was to increase the efficiency of the educational day, to expand the ability to educate without educating staff. He asked if Mr. Sanders was doing this. Mr. Sanders said he is unaware of this study. Ms. Clarke said that study arose from a request from the State Board of Education to Dr. DiSibio, asking if all districts were using the 180 days of schooling per year. She said the ideal still exists and at present a survey has been completed.

Senator Lamb asked Mr. Barrett what his rationale is for the narrative regarding Special Education. Mr. Barrett said they changed the units for special education this time. They reviewed existing salaries and determined the existing average salary was almost \$15,500. He said they came up with 75 special education units. Mr. Barrett added that on top of the \$15,500 for each one of the teaching units they have an average classroom size of 10. Ten times the basic support figure of \$1,252 is an additional \$12,520 for a total of \$28,020 for each special education unit in the Governor's Recommendation of the budget. He said special education itself is almost a million dollars more in next year's recommended appropriation than this year. In the second year there is an additional half million dollars more than in the first year of the biennium.

Ms. Clarke reported that the State Board of Education has not gone over this. She said she thought that in 1979-80 the Governor's proposal would be \$12,000,020. She said the budget presented by the Board was \$12,420,000. The Governor's figure is \$380,000 less. Mr. Barrett said his projections are based on a comparison to the Actual expenditures of the previous year.

Mr. Perkins, speaking for the County Superintendents of Schools, said he believes that the present education units, using \$17,600 or \$18,000, should be maintained. He said the figures associated with Special Education are highly inflated figures. He said they require 100 special education units; under the Governor's proposal it would be 80.

Mr. Perkins continued that Special Education is extremely expensive for school districts in Nevada, and becoming more expensive. It costs about \$10,000,000 in Clark County, and only \$6,000,000 is received from the State. Mr. Perkins said some expenses are not covered. The school district pays for about 50 psychologists, nurses, and others who are not fundable. He said most students are mainstreamed into the regular classroom, and they have added teachers to keep classes under 30. He said the figures presented by the Budget Department don't show the adjustments necessary in the district. He said the Governor's figure will inflate public opinion about the local situation.

Mr. Sanders added that about 70 percent of Special Education programs are pull-out programs and in only 30 percent of the programs does the child spend all or most of the day in separate classrooms. Mr. Sanders said that the agency request is probably a reasonable figure. He said though they may now have a greater number of units available, these programs are driven by children with specific needs. If the children are not there, the program units may not be used.

Mr. Frank Gross, representing the Nevada Association for Handicapped Children, stated they are a parents' group of volunteers. He reviewed the history of the unit concept, and the growth in numbers of units in recent years. Mr. Gross said that in 1978-79 there was an 80-unit increase; the Governor recommends only a 20 unit increase for 1979-80 and 1980-81. Referring to Page 171, Mr. Gross commented that there is an inflation factor of \$252,000.

Mr. Gross remarked that the Federal 94.142 Law did not reach Nevada until the latter part of 1978. He said that Nevada chose to fund 630 special education units without that mandate. He said of the 630 units, there were 24 in Carson City, and now they are expanding to 32. Mr. Gross said they are supporting 8 additional units.

Mr. Gross said Churchill County is spending 3 more units than their allocation, Clark County is spending 39.5 more units than their allocation. He went on that Esmeralda County expends 1 more unit; Lincoln County 1.5 more units; Nye County 2 more units; Pershing County -1; and Washoe 4 more units than their allocations. Mr. Gross added that this is a total of 687 units, of which the State pays for 630. He said, regarding per unit costs, the administrators pay for ancillary services, for example for teacher aides, out of the differential.

Mr. Gross commented that the present trend toward comprehensive education is producing a much better student. He said this child is able to be integrated into the main classroom. Also, more regular students are shifting over into remedial services. He said special education is not growing with regard to the disabled; more children who need services are being referred to special education. Mr. Gross continued that there are probably more non-disabled students using special education services than disabled. He said, referring to the narrative on Page 171, that limiting the number of special education units funded is unconstitutional, because certain children are not being served. Mr. Gross added that somehow the school districts are absorbing the extra costs.

Senator Glaser asked if there is a yardstick defining what a special education student is. He asked who is responsible to see that the yardstick is used. Mr. Sanders replied that there is a yardstick specified in the State Board of Education regulations. He said it is the Board's responsibility to monitor these programs.

Senator Wilson asked Mr. Gross to comment on their being more regular students in special education programs than handicapped students. Mr. Gross said the academically-talented program is under special education and in Clark County 29.5 units are for this purpose. He said these are not physically or mentally handicapped. He said the developmentally or educationally delayed students are not necessarily handicapped in other ways. Mr. Gross said that in Clark County 186 units are for the educationally handicapped. He said that learning-disabled children are served by the special education system. He said home-bound, pregnancy and juvenile offender programs all come under special education.

Senator Wilson requested a profile on standards for the special education program and the percentage of students in each category.

Senator Gibson asked if there is a definition of special education in the 94.142 law. Mr. Gross replied that there was. He said he thought there are about 9 or 11 specific categories of handicapping conditions. It does not cover academically-talent. Ms. Clarke added that 25 states have put gifted and talented students as a handicapping condition, of which Nevada is one. She said that this was done in 1973, and she feels that it was a good move. She said that 94.142 dollars do not go to gifted programs. Gifted programs are funded by the State or local districts. Ms. Clarke said that the State Department of Education gives local school districts units, but does not tell them how to use them.

Senator Lamb asked Mr. Gross if he agreed with not funding gifted programs. Mr. Gross said no, because the academically-talented child is bored, hyperactive, and disruptive in the class, and needs incentives to stay interested.

Ms. Marjorie Becker, President of Southern Nevada Association for the Handicapped, represented a coalition of parents of handicapped children which includes 8 organizations. She stated that she is the parent of two handicapped children. Ms. Becker read from a prepared statement (see Attachment K).

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Ms. Becker introduced two students, Gordon Oscar, Student Body President of Variety High School in Las Vegas, and Jesse Martin, from Gibson Junior High School, handicapped students, who spoke in favor of programs for the handicapped.

Mr. John Havertape, Special Education Department, University of Nevada, commented on definitions of "handicapped". He commented that the 100 units proposed by the State Board of Education is the maximum needed in the State.

Ms. Barbara Bernaby, parent of a handicapped child, read from a prepared statement (see Attachment L).

Lincoln County School District - Page A19

Neldon Matthews, Superintendent of Schools, Lincoln County School District, described the present situation of the school in Alamo. He said this school, built in 1917, is dangerous and does not meet educational needs. He said the presence of Union Carbide Company in the area increased enrollments. Mr. Matthews stated they have passed a bond issue in Lincoln County for \$1,000,000 for the school at Alamo and \$500,000 for a gymnasium at Lincoln County High School. He said the school at Alamo is first priority. Mr. Matthews continued that they have an F.H.A. loan at 5 percent which helped the bond issue pass. The first bids for the high school alone were over \$2,100,000 (about \$1,000,000 more than anticipated). He said bids were over \$80 per square foot.

Mr. Matthews commented that Mr. Hancock of the Public Works Board has assisted in cutting the cost of the building back to a bare bones structure and a recent bid was \$1,672,000; about \$600,000 less than the previous cost. He said they are still short the \$672,000. Mr. Matthews said they have the smallest tax base of the counties and they do not feel it is possible to secure the remaining \$672,000 through another bond issue; and they hope the State will fund this amount. Mr. Matthews submitted photographs of facilities at the Alamo school. He said that in 1968 the Fire Marshal condemned it; the building was brought up to code, but it is still dangerous.

Senator Wilson asked how many students and what different kinds of use would the new facility have. Mr. Matthews said the new facility would handle an optimum of 175 students and a maximum of 200 students. He said there are 11 classrooms, a library, an office, and a multiuse area for cafeteria and band combined. He said a similar structure was constructed in Salt Lake City for \$32 a square foot. Mr. Matthews said they thought their price would be near this figure. He said at the last bid opening, the price was between \$62 and \$67 a square foot.

Senator Wilson asked why there is such a price difference between Salt Lake City and this bid. Mr. Matthews said there are several factors - remoteness of area and difficulty in finding tradesmen in the area. He said finding skilled carpenters in Lincoln County is difficult. Mr. Matthews remarked that his original calculations were based on northern not southern Nevada wages. Prevailing wages in Lincoln County were \$4 to \$6 an hour, whereas they are \$10 to \$16 per hour in Las Vegas.

Senator Jacobsen asked, referring to additional students due to the Union Carbide plant, is the Union Carbide plant permanent? Mr. Matthews said yes, the company has indicated they will be there at least 20 years. They have already begun construction projects.

Senator Echols asked why the county cannot fund the remaining \$672,000 through another bond issue. Mr. Hal Smith, consultant for the Lincoln County School District, stated that the county could not afford the original program of \$1,750,000, at the prevailing rates of interest, without severely impacting other services. He commented that because of the 5 percent guarantee of the Farmers Home Administration loan they are able to construct a fund which

did not so severely impact other service units at the \$5 rate. Mr. Smith added that population centers in Lincoln County are widely separated and community interests are also widely separated.

Senator Echols asked what the assessed value is. Mr. Matthews replied that it has increased from \$21,000,000 to \$25,000,000. He said that Union Carbide has said they would spend \$32,000,000 in that area for mills, etc.

Senator Echols asked what Union Carbide has done to help solve the problem. Mr. Matthews said, regarding a tax contribution, very little if anything because net proceeds of mines takes awhile to realize. He said Union Carbide has been willing to work with them but the company does not have the mechanics for constructing schools. He said the company does pay \$600 per month for lease-purchase of a trailer.

Senator Glaser remarked that if this allocation is made to Lincoln County, what about other counties in need, such as Austin. Senator Lamb said another situation would be handled as a separate issue.

Ray Ryan, Deputy Superintendent of Public Instruction, who had visited the Alamo School, commented on poor conditions at the school. He said the State Department of Education is interested in assuring that each student in Nevada has an equal educational opportunity. He emphasized that the school is a hazard and could create an injury or death.

Senator Gibson asked if other areas in need have been identified. Mr. Ryan answered yes, there are other schools which create concern.

Senator Gibson asked if these schools can be identified so the problem can be approached generally rather than to a specific instance. Senator Wilson concurred with Senator Gibson. Mr. Ryan suggested that each Superintendent would best be able to comment on conditions in his or her own area. He said the Department of Education would not like to be in the situation of prioritizing these schools.

Senator Gibson suggested that criteria could be drawn up to identify schools in need. He said that perhaps a permanent program could be set up for critical needs of schools. Senator Glaser said much of this work has been done. A bill of 1977 set up criteria so wealthy school districts could not use that program.

Mr. Hancock, of the State Public Works Board, testified that the building (at Alamo) is totally inadequate and presents a high risk of fire. He said the new plans have been gone over, and \$600,000 pulled out of it. He said the building is at its lowest cost. He remarked that bids were not received from southern Nevada probably due to the remoteness of the area and the use of a Utah architect; but bids were received from Utah.

Senator Jacobsen asked if the site has adequate water and sewage. Mr. Matthews answered yes.

Senator Lamb said the Governor recognized the problem in Lincoln County, but at that time did not know the amount of money needed. Mr. Barrett said the budget figure is based on correspondence from Lincoln District about May or earlier in 1978.

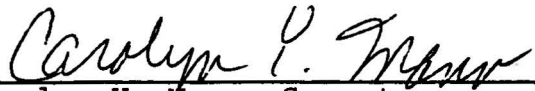
Mr. Smith remarked that every month costs increase. He said that Senator Gibson has approached the problem correctly, asking for a general approach to the problem. He said there are other severe problems in the adjoining county, but the problem in Lincoln County needs addressing in this legislature.

Ms. Clarke commented that during the last legislative session a bill was passed giving the State Board the option to provide rules and regulations for closing schools. She said this legislation can probably be broadened to review needy schools.

Mike Rask, Executive Director of the State Advisory Council for Vocational Education, reported he has traveled over the State during the last year doing a needs assessment of vocational facilities and equipment. He said the high school at Lund, and schools in White Pine County have similar problems to the one in Alamo. Mr. Rask said this problem is widespread in rural counties.


Meeting adjourned at 10:30 a.m.

Respectfully submitted,



Carolyn Y. Mann, Secretary

APPROVED;



Floyd R. Lamb, Chairman

ATTACHMENT A

S. B. 213

SENATE BILL NO. 213—COMMITTEE ON FINANCE

FEBRUARY 13, 1979

Referred to Committee on Finance

SUMMARY—Makes appropriation to mental hygiene and mental retardation division of department of human resources for automated system of management. (BDR S-1273)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT making an appropriation to the mental hygiene and mental retardation division of the department of human resources for an automated system of management through use of electronic data processing; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. 1. There is hereby appropriated from the state general
2 fund to the mental hygiene and mental retardation division of the depart-
3 ment of human resources the sum of \$96,000 for the purpose of develop-
4 ing and operating an automated system, through use of electronic data
5 processing, to be used in the management of the division.
6 2. Any unencumbered balance of the appropriation made by sub-
7 section 1 must not be committed for expenditure after June 30, 1981,
8 and such a balance reverts to the state general fund.
9 SEC. 2. This act shall become effective upon passage and approval.

ATTACHMENT B

S. B. 217

SENATE BILL NO. 217—COMMITTEE ON FINANCE

FEBRUARY 13, 1979

Referred to Committee on Finance

SUMMARY—Makes supplemental appropriation for purchase of equipment by Nevada mental health institute. (BDR S-1276)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT making an additional and supplemental appropriation to the mental hygiene and mental retardation division of the department of human resources for the purchase of dictation and audio-visual equipment for the Nevada mental health institute; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. 1. There is hereby appropriated from the state general
2 fund to the mental hygiene and mental retardation division of the depart-
3 ment of human resources the sum of \$45,952 for the purchase of dicta-
4 tion and audio-visual equipment for the Nevada mental health institute.
5 This appropriation is additional and supplemental to that allowed and
6 made by section 30 of chapter 574, Statutes of Nevada 1977.
7 2. After June 30, 1979, any unencumbered balance of the appro-
8 priation made by subsection 1 must not be committed for expenditure,
9 and such a balance reverts to the state general fund.
-10 SEC. 2. This act shall become effective upon passage and approval.

ATTACHMENT C

S. B. 211

SENATE BILL NO. 211—COMMITTEE ON FINANCE

FEBRUARY 13, 1979

Referred to Committee on Finance

SUMMARY—Makes supplemental appropriation to Reno mental health center for salaries. (BDR S-1275)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT making an additional and supplemental appropriation to the mental hygiene and mental retardation division of the department of human resources for the payment of salaries at the Reno mental health center; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. 1. There is hereby appropriated from the state general
2 fund to the mental hygiene and mental retardation division of the depart-
3 ment of human resources the sum of \$55,746 for the payment of salaries
4 at the Reno mental health center. This appropriation is additional and
5 supplemental to that allowed and made by section 30 of chapter 574,
6 Statutes of Nevada 1977.
7 2. After June 30, 1979, any unencumbered balance of the appropria-
8 tion made by subsection 1 must not be committed for expenditure, and
9 such a balance reverts to the state general fund.
10 SEC. 2. This act shall become effective upon passage and approval.

ATTACHMENT E

S. B. 181

SENATE BILL NO. 181—SENATORS YOUNG AND RAGGIO

FEBRUARY 2, 1979

Referred to Committee on Finance

SUMMARY—Removes prerequisite for withdrawal of certain judicial officers from public employees' retirement system. (BDR 23-268)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to the public employees' retirement system; removing a prerequisite for the withdrawal of certain judicial officers from the system; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. NRS 286.305 is hereby amended to read as follows:
2 286.305 1. Any justice of the supreme court and any district judge
3 who became a member before July 1, 1977, may remain a member of the
4 system. [Such] *Those* justices or district judges may choose to gain
5 service credit for previous service as provided in NRS 286.300.
6 2. The State of Nevada shall be deemed, for the purpose of this
7 chapter, to be the public employer of such justice or judge, and shall
8 contribute to the public employees' retirement fund and the public
9 employees' retirement administrative fund, in the manner provided in
10 this chapter for public employers.
11 3. Any justice of the supreme court and any district judge who [has
12 been] *is* a member of the system [and who qualifies for a pension under
13 the provisions of NRS 3.090 or NRS 2.060] may withdraw from the
14 public employees' retirement fund the amount credited to him in the
15 account. No [such] justice or judge may receive benefits under both this
16 chapter and under NRS 3.090 or NRS 2.060.

ATTACHMENT F

Testimony to the Senate Finance Committee
on the Distributive School Fund Budget

--Ted Sanders, Superintendent

Mr. Chairman and Members of the Senate Finance Committee.
We welcome this opportunity to provide information regarding our request for state guaranteed support to public school education for the coming biennium.

The State Board of Education, with the support of the school districts, is requesting an increase in basic support per pupil of 12% in the first year, and 10% in the second year. Our request also recognizes an increase of approximately 2% each year of the biennium, or 5,035 students over that period. We have graphically displayed the growth of pupil enrollments over the past ten years. You will note that Nevada's school-age population has continued to grow at a time when other states are experiencing a decline in student populations.

Our request for additional support is based primarily upon four important considerations:

1. A five year review of general fund school district expenditures has indicated that "growth" and "inflationary" costs for personnel have increased an average of 10 percent each year, while other costs have increased at about 20% per year.

2. The Presidential guidelines for wage and price stability have been modified since their original issue to not include some employer costs. Also since the order is only requested and not mandatory, the school districts will find themselves later this year in the inevitable position of

collective bargaining with personnel for salary increases that are at least commensurate with cost of living increases.

3. Roll-up costs that will normally occur in order to move from one year to the next, even if no salary increases are granted, will range from 2.4% to 4% annually.

4. In addition to the basic support per pupil, we are requesting that the state guarantee an additional 100 additional special education units over the biennium. This would include 60 units the first year and 40 units the second year. Department records indicate that for the current biennium, school districts will have operated some additional 90 units above the guarantee.

Mr. Chairman, because of the manner in which the request was prepared, we would like to share the presentation with several individuals. This would include:

- 1) An overview of the distributive school formula by Doug Sever of the Department staff.
- 2) How the request was arrived and why the Governor's recommendation will not be adequate, by Claude Perkins.
- 3) Special education needs, by Chuck Knight.
- 4) Caps and their affects on schools, by Marvin Picollo.
- 5) Information about some current situations facing districts, by Tod Carlini, Bob Scott, and Cliff Lawrence.
- 6) Summary by Joaquin Johnson.

The overview of the distributive school fund and how it works certainly is optional to the committee. I would appreciate knowing your pleasure on this, Mr. Chairman.

To Doug Sever

ATTACHMENT G

NEVADA PLAN

REF: NEVADA CONSTITUTION, ARTICLE 11, SEC. 2

"A STATE SYSTEM OF PUBLIC EDUCATION"

REF: NRS 387.121

"A REASONABLE EQUAL EDUCATIONAL OPPORTUNITY"

"STATE FINANCIAL AID EQUALS SCHOOL DISTRICT
BASIC SUPPORT GUARANTEE MINUS LOCAL AVAILABLE
FUNDS PRODUCED BY MANDATORY TAXES"

NEVADA PLAN

SCHOOL DISTRICTS MAJOR RESOURCES

REVENUE:

- + STATE AID
(NEVADA PLAN)
- + 70¢ Ad Valorem Tax
(MANDATORY)
- + 1¢ Local School Support Tax
(Guaranteed on 3 or 3 1/2¢ per \$1)
- + 80¢ Ad Valorem Tax
(Permissive)
- + Motor Vehicle Privilege Tax
(Distributed in same ratio as property taxes
Collected)
- + P.L. 874
(Receipts from federal impaction)

LEGAL REFERENCES

STATE CONSTITUTION

Section 2. UNIFORM SYSTEM OF COMMON SCHOOLS. The legislature shall provide for a uniform system of common schools, by which a school shall be established and maintained in each school district at least six months in every year, and any school district which shall allow instruction of a sectarian character therein may be deprived of its proportion of the interest of the public school fund during such neglect or infraction, and the legislature may pass such laws as will tend to secure a general attendance of the children in each school district upon said public schools.

NEVADA REVISED STATUTES

NRS 387.121
 387.122
 387.123
 387.1233
 387.1235
 387.124
 387.1243
 387.1245
 387.126

NEVADA PLAN

EXHIBIT 6 -J

BASIC SUPPORT:

DISTRICT EXAMPLE

# Of pupils (weighted enrollment)		6,000	
X Basic Support per Pupil	\$	1,200	
= Guaranteed Basic Support	\$	7,200,000	
+ Special Education Allocation		<u>300,000</u>	
= TOTAL GUARANTEED SUPPORT			\$ 7,500,000
- Local Resources	(\$	1,500,000)	
70¢ Mandatory Ad Valorem			
&			
1¢ Local School Support Tax	(	2,500,000)	
= STATE AID	\$	<u>3,500,000</u>	

OUTSIDE BASIC SUPPORT:

+ 80¢ Permissive Ad Valorem Tax			\$ 1,700,000
+ Share of Motor Vehicle Priviledge Tax Receipts			200,000
+ P.L. 874 (Federal Impaction)			<u>100,000</u>
+ TOTAL MAJOR RESOURCES			\$ 9,500,000

NEVADA PLAN

Agency Request

\$ 1,251

+ 44

+ 5

\$ 1,300

690 Units

Governor Recommends

\$ 1,203

+ 44

+ 5

\$ 1,252

640 Units (Special Education)

(\$ 18,000 per unit)

Equalized Support

Transportation

Low Wealth

Guaranteed Basic Support

NEVADA PLAN

EXHIBIT 6

1979-80	(EXAMPLE)	
AGENCY REQUEST	GOVERNOR RECOMMENDS	
\$ 1,251	\$ 1,203	EQUALIZED SUPPORT AMOUNT (Calculated by Department of Education with equalizing factors for pupil enrollments, teacher and other certified employee allotments with rural, non-rural, and urban considerations.)
+ 44	+ 44	TRANSPORTATION AMOUNT (Calculated by Department of Education with equalizing factors for costs of capital outlay and operating.)
+ 5	+ 5	LOW WEALTH AMOUNT (Calculated by Department of Education with equalizing factors for those districts whose resources outside of basic support are less than the state weighted average of resources outside of basic support for all districts.)
\$ 1,300	\$ 1,252	GUARANTEED BASIC SUPPORT
690	640	Special Education (Calculated by Department of Education with equalizing factors for unit distribution based on the number of teacher allocations--\$18,000 per unit.)

DISTRIBUTIVE SCHOOL FUND

EXHIBIT 0 J

REVENUE:

STATE APPROPRIATION

MINERAL LAND LEASING ACT

INCOME FROM PERMANENT SCHOOL FUND INVESTMENT

FEDERAL SLOT TAX CREDIT

FEDERAL REVENUE SHARING

INTEREST INCOME FROM GENERAL FUND

LOCAL SCHOOL SUPPORT TAX ON OUT-OF-STATE SALES

NEVADA PLAN ALLOCATIONS--1979/1981 BIENNIUM

EXHIBIT 6

Prepared June 16, 1978

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
Enrollment	141,933	143,420 + 890 *	144,850 + 900 *
		<u>144,310</u>	<u>145,750</u>
Basic Support:			
1. Transportation at 85% of expenditure rate			
141,933 pupils @ \$40	\$ 5,677,320		
143,420 pupils @ \$44		\$ 6,310,480	
144,850 pupils @ \$48			\$ 6,952,800
2. Special Education Units			
630 units @ \$17,600	\$ 11,088,000		
690 units @ \$18,000		\$ 12,420,000	
730 units @ \$18,000			\$ 13,140,000
3. Equalized basic support calculated from attendance area enrollments			
141,933 pupils @ \$1,089	\$154,565,037		
144,310 pupils @ \$1,251		\$180,531,810	
145,750 pupils @ 1,376			\$200,552,000
4. Low wealth at 80% parity			
141,933 pupils @ \$2	\$ 283,866		
143,420 pupils @ \$5		\$ 717,100	
144,850 pupils @ \$5			\$ 724,250
5. Trigger			
141,933 pupils @ \$28	\$ 3,974,124		
<u>Basic Support Amounts</u>	<u>\$175,588,347</u>	<u>\$199,979,390</u>	<u>\$221,369,050</u>
Local Funds Available:			
70¢ property tax	\$ 33,781,923	\$ 37,835,754	\$ 42,376,044
Local school support	52,912,067	63,494,480	76,193,376
	<u>\$ 86,693,990</u>	<u>\$101,330,234</u>	<u>\$118,569,420</u>
<u>State Responsibility</u>	\$ 88,894,357	\$ 98,649,156	\$102,799,630
Major District Resources			
Outside Basic Support:			
80¢ property tax	\$ 38,607,912	\$ 43,240,861	\$ 48,429,764
Motor vehicle tax	5,752,593	6,557,957	7,476,069
P.L. 81-874	2,800,000	2,900,000	3,000,000
	<u>\$ 47,160,505</u>	<u>\$ 52,698,818</u>	<u>\$ 58,905,833</u>
Total Support and Major District Resources, plus "Trigger"	\$222,748,852	\$252,678,208	\$280,274,883

*includes Adult High School Diploma Program F.T.E./ADA

TESTIMONY BY CHARLES KNIGHT, ASSOCIATE SUPERINTENDENT OF SCHOOLS,
ELKO COUNTY, NEVADA

Chairman Lamb and members of the committee:

We would like to, at this time, discuss with you the effect of the funding of Special Education units as it was originally proposed and as it was funded under the Governor's proposed budget. The original request proposed by the Department of Education was for 100 units after the biennium. This proposal was based on two factors: anticipated need and a justifiable need in terms of dollars requested for special education in relation to the total request. As you are aware the Governor in his original budget requested 20 units to be added over the biennium. This request has now been modified to some extent or has been proposed to be amended as of March 1. We would, at this time, like to address that proposal to illustrate the pitfalls and erroneous assumptions that are included.

The proposal adds one half million dollars to each half of the biennium. It further reduces the amount allocated to \$15,500 per unit which greatly increases the number of units to 775.5 in the first year and 807.7 in the second year. In the narrative, it is erroneously stated that each student in a special education unit has a per student value equal to the average guaranteed basic support value for each year of the biennium. In actuality, this value is \$190 per elementary student or \$266 per secondary student. If the committee desires the data will be supplied illustrating how these values are derived based on the Governor's budget and the Nevada Plan.

A further statement is made that the current average teacher salary was utilized to derive the \$15,500 figure. It should be noted that in addition to just salary, teacher costs must include Public Employee Retirement System payments at 15% or 8% as applicable, Nevada Industrial Commission payments at approximately 1% and health insurance costs. The total cost then becomes \$18,380, which was rounded in the department's original proposal to \$18,000.

For further comparisons, it should be noted that the Nevada Plan utilized to derive the guaranteed basic support has an adjusted value of \$16,652 per certified unit when applied to the Governor's proposed budget of 8%. If we applied the number of students per pupil utilized in the formula for elementary and secondary students, we would see that an elementary teacher has a value of \$16,652 plus an average of 26 students x \$190 for a total value of \$21,592 and a secondary teacher has a value of \$16,652 plus an average of 22 students x \$266, or a total value of \$22,504. This would compare, if we followed the March 1 memorandum to your committee's attention, with a value of \$15,500 plus 10 students x \$190 for a maximum value of \$17,400 per special education unit on the elementary level or a value of \$15,500 plus 10 x \$266 for a maximum value of \$18,160 on the secondary level. We would compare these values to the original cost of the average teacher of \$18,380. This would illustrate very graphically that the proposal in no way would fund special education classes at a satisfactory level.

We realize that special education was short-changed in the original request in the Governor's budget. We further would suggest that it is more practical to fund fewer programs at an adequate level than to fund a larger number inadequately. By way of illustration, if the number were increased and the value decreased, the following would occur: Carson City would receive 5 additional units during the first year of the biennium and would receive \$12,500 to fund these programs, an average of \$2,500 per program; Clark County - 79 programs and \$292,000 (an average of \$3,696 per additional program); Douglas County - 3 programs and \$14,000 (an average of \$4,667); Elko County - 3 programs and \$1,500 (an average of \$500); Humboldt County - 2 programs and \$11,000 (an average of

\$5,500); Lincoln County - 2 programs, \$18,500 (an average of \$9,250); Washoe County - 29 programs and \$99,500 (an average of \$3,431); the small counties such as Eureka, Esmeralda and Storey would all have a negative factor. The added dollars are brought about by utilizing the additional \$500,000 now allocated.

A second view would be to look at the \$500,000 as added units at \$18,000 per unit or an addition of approximately 28 units per year. The majority of counties would show little change until the second year of the biennium, but no county would receive less than originally proposed in the Governor's proposal. It should be noted that Carson City would increase one unit over the original proposed budget and would receive \$5,500 dollars more than under the higher unit allocation; Clark County - 16 units and decrease \$6,000 as compared to the higher unit allocation; Douglas County - 1 added unit and \$4,000 more; Elko County - no change; Humboldt County - no change; Lincoln County - 1 unit and \$500 less; Washoe County - 6 units and \$8,500 more; White Pine County - 1 unit, \$9,500 more.

It would therefore be our recommendation to you to apply any added dollars designated for Special Education as additional units at \$18,000 per unit. Thank you for your time.

March 1, 1979

MEMORANDUM

TO: Senate Finance and Assembly Ways and Means Committees

FROM: Budget Division

SUBJECT: Distributive School Fund

ATTACHMENT I

As a result of an underestimate in State revenue, the Governor is able to fully reevaluate the special education allotments for the coming biennium allowing the following recommendations:

An additional \$500,000 in 1979 and \$500,000 in 1980, reflecting a total of \$1,000,000 additional for the biennium.

Of equal importance is the definition of a unit and the dispersment of those units. The Governor recommends the following:

1. A unit shall comprise: The average salary of a teacher during the year of the legislative session (\$15,500) plus the basic per pupil State support for an average class (10) in special education (\$12,520). The first shall be identified in the special education allotment and the second in the basic support allocation. The total unit will therefore be \$28,020. Total State dollars should therefore provide for 775.5 teachers, benefits and materials. (Teachers in the special education allotment and benefits and materials in the General Distribution School Fund.)
2. Dollar distribution should be based on general teacher allocations as in the past with the exception that for each ten (10) children enrolled in the SNCH and NNCH, one teacher unit should be allocated to the school district providing for those children. This is an effort to address the inequity of impacting those districts with these special State ward children.
3. The second year of the biennium will increase the teacher allocation to 807.7 and the basic support to \$13,310 for an average special education class.

Historically there has been wide disparity in the definition of what a unit is and how it is utilized from district to district. While the sophistication of service delivery varies widely from county to county, the types of handicaps treated also vary.

This proposed plan continues to subscribe to local control within the constraints of present State and federal requirements. The plan presupposes that present State regulations regarding caseload and class size will remain constant unless federal requirements prohibit.

This approach should lay to rest the role of the State and the responsibility of the local district in providing for our special children. This concept leaves in the hands of the district local decision with regard to how they will prioritize their needs and address the overall education of our children. This plan does not assume that districts cannot identify additional local resources as need or desire arises. Nor does it supplant the large resources of the federal government which districts are entitled to utilize.

For the first time, it should be clear that the State recognizes its role as a partner in the educational process and substantially more than an equal partner for special education.* It should be noted that local districts must assume its role in prioritizing needs and providing resources for those priorities.

*At the end of the biennium for every 7.1 regular teachers the State will provide for one special education teacher average salary.

JP/md

620

DISTRIBUTIVE SCHOOL FUND
Revised February 27, 1979

	<u>1977-78</u>	<u>1978-79</u>	<u>% of Change</u>	<u>1979-80</u>	<u>% of Change</u>	<u>1980-81</u>	<u>% of Change</u>
<u>Before Recommended Tax Reform</u>							
Weighted Enrollment	140,077	142,610	1.8%	145,462	2.0%	148,371	2.0%
Basic Support	\$1,035	\$1,131	9.3%	*\$1,252	8.0%	\$1,331	6.3%
Total Basic Support	\$144,979,695	\$161,291,910	11.3%	\$182,118,424	12.9%	\$197,481,801	8.4%
Special Education**	10,560,000	11,088,000	5.0%	12,020,000	8.4%	12,520,000	4.2%
Adult Diploma	797,455	904,800	13.5%	1,026,640	13.5%	1,104,730	7.6%
Bonus Payments NRS 387.1233	255,344	410,508	60.7%	0		0	
Bonus Payments NRS 387.1243	39,614	0		0		0	
Trigger	0	3,988,547		0		0	
Prior Year Adjustments	(443,088)	0		0		0	
Total Need	\$156,189,020	\$177,683,765	13.8%	\$195,165,064	9.8%	\$211,106,531	8.2%
70¢ Property Tax	(28,137,989)	(33,482,978)	19.0%	(39,269,590)	17.3%	(44,767,333)	14.0%
1¢ School Support Tax	(43,370,547)	(53,345,773)	23.0%	(61,881,097)	16.0%	(71,163,262)	15.0%
State Responsibility	\$ 84,680,484	\$ 90,855,014	7.3%	\$ 94,014,377	3.5%	\$ 95,175,936	1.2%
General Fund	\$ 73,449,500	\$ 81,164,950	10.5%	\$ 67,556,595	(16.8%)	\$ 66,751,787	(1.2%)
Slot Tax	9,603,370	10,771,000	12.2%	12,032,000	11.7%	13,395,000	11.3%
Revenue Sharing	5,737,742	5,800,000	1.1%	5,900,000	1.7%	5,900,000	0%
Investment Income	760,871	750,000	(1.4%)	750,000	0%	750,000	0%
Mineral Land Lease	3,886,359	3,800,000	(2.2%)	3,800,000	0%	3,800,000	0%
Out-of-State Sales Tax	2,881,035	3,457,202	20.0%	3,975,782	15.0%	4,579,149	15.2%
Balance Forward from Previous Year		11,638,393					
Balance Forward to New Year	(11,638,393)						
Approximate Reversion		\$ 26,526,531					
Increase Includes Prior Year Support Plus Trigger							
**Special Education Units	600	630	5%	775.5	23.1%	807.7	4.2%
***Price/Unit	\$17,600	\$17,600		\$15,500		\$15,500	
<u>After Recommended Tax Reform</u>							
General Fund (Line 10 Above)				\$ 67,556,595		\$ 66,751,787	
General Fund to Replace 70¢ Property Tax				39,269,590		44,767,333	
General Fund to Replace Sales Tax on Food				7,425,612		8,539,591	
General Fund to Replace 30¢ of 80¢ Property Tax				0		19,186,000	
Total General Fund				\$114,251,797		\$139,244,711	

***Price per unit is average teacher salary during fiscal year 1979

080

ATTACHMENT J

CONSIDERATIONS RELATIVE TO THE
BUDGETING PROCESS IN NEVADA PUBLIC SCHOOLS

-INTRODUCTION AND OVERVIEW-

The material enclosed is submitted in response to a request from the Assembly Taxation Committee Chairman for suggestions and recommendations as to how the yearly budget increases of Nevada's Public Schools might be limited. A variety of alternatives for achieving this "capping process" have been considered and the effects that five of these alternatives would have upon school district budgets are attached. During the verbal presentation that will be made to the members of the Assembly Taxation Subcommittee, the pros and cons of each of these alternatives will be reviewed.

In addition, information compiled nationally in comparing local school costs has been included. This has been done as part of the supporting rationale for the rank order in which these alternatives have been listed. Local school district information is even more supportive of this rationale, consequently, specific information concerning cost increases in various subcategories of Nevada School Districts will also be presented during the presentation to the committee.

Also included is a listing of the six Nevada School Districts that are in need of equalization for the coming biennium. Normally, this equalization would occur each year in an automatic way as the various factors that go to make up the school distribution formula are computed; however,

if school district budgets for the current school year (1978-79) are "frozen" and used as a base for the future, then these inequities could only be corrected by the addition of the per pupil dollar amounts that are listed below.

<u>COUNTY</u>	<u>LOW WEALTH</u>	<u>RELATIVE WEALTH</u>	<u>TOTAL</u>
Carson City		25	25
Churchill		30	30
Lincoln	35	80	115
Lyon		70	70
Mineral		70	70
White Pine		70	70

It should be noted and emphasized that the dollar amounts represented by the increases recommended for these six County School Districts would not require an increase in the State Distributive School Fund for the current year. They do, instead, represent recommended adjustments that would raise the dollar amounts for these counties when and if "new" monies are given to the schools, but they would be offset by decreases in the number of "new" dollars that are given to other County School Districts.

Finally, it must be pointed out that while representatives from a cross section of Nevada Public Schools have assisted with the development of this paper, it has not been reviewed by personnel from each and every school district prior to its submission, therefore, it must be considered as a draft copy that is subject to change and correction.

-SUPPORTING RATIONALE-

EXHIBIT J - -

Enrollment in the nation's public school system decreased from 44.4 million students in school year 1976-77 to an estimated 43.7 million students in school year 1977-78. However, this survey of district budgets indicates that it costs an additional \$194.00 to educate this year's student population, a much steeper increase than last year's increase of \$111.01. The cost of education climbed to \$1587.42 per student in 1977-78 exhibiting a significant 13.9% increase over last year's cost of \$1393.42 per student.¹ The decreasing enrollment experienced in recent years has served to buoy up the per-student cost of education because district budgets are divided by a reduced pupil base yielding higher per-student expenditures. This situation, coupled with the nearly 72% portion of the budget allocated to salaries, produces a locked-in effect greatly reducing the potential for budget cuts with a national enrollment decrease of less than 2%. Enrollments would have to decline at a substantially more rapid pace to bring about a decrease in the cost of education.

The addition of transportation, capital outlay and debt service brings the total cost of educating one public school student to \$1838.38 in 1977-78. Extrapolating this per-pupil figure to the national enrollment scene yields an estimated 80.3 billion dollar national public school budget. This represents an 8.7 billion dollar increase over last year's estimated total cost of 71.6 billion dollars.

1

Excerpts from Market Data Retrieval Publications 1976-77 and 1977-78
Market Data Retrieval, Ketchum Place, Westport, Ct. 06880

An analysis of the 1977-78 and 1976-77 national averages yields an explanation of this year's increase. For the most part, this sharp increase was brought about by rising costs for Instruction. This budget category evidenced the greatest dollar increase -- \$109.45 per-student causing Instruction to jump from \$924.22 in 1976-77 to \$1033.67 in 1977-78. The bulk of this increase involved salaries which rose from \$850.05 in 1976-77 to \$963.99 in 1977-78. Allocation for Classroom Teachers' salaries accounted for more than 80% of this instruction-related salary increase. Other line items contributing to the overall total net increase are Fixed Charges - up \$27.58, Plant Operation and Maintenance - up \$18.46, and Food Services - up \$13.35. The only budget categories containing decreases were Administration - down \$4.87 and Attendance Services - down \$0.63.

Over the past decade, the cost of education per student has increased by 186.5%. During this same time period, The Consumer Price Index (CPI for Urban Wage Earners and Clerical Workers) has risen 80.6% (Chart A). Assuming that school costs had advanced at the same rate as the CPI, the cost of educating a public school student in 1977-78 would be \$1000.43 per-student - \$586.99 less than the current cost.

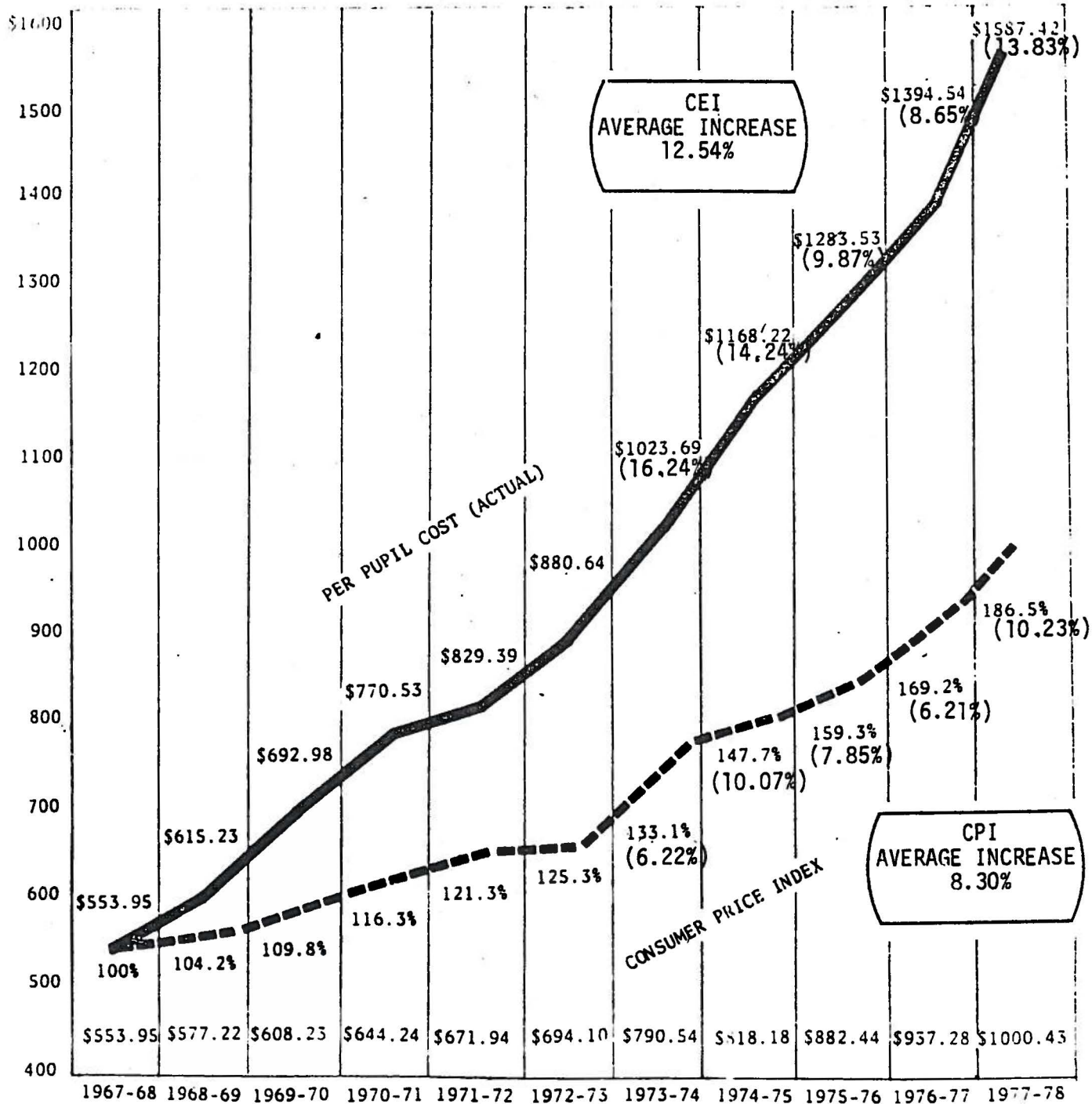
Administration

As noted, the national average for Administration dropped from \$55.19 per student in 1976-77 to \$50.32 per student this year.

Despite the salary increases in dollars, this 72% going for salaries EXHIBIT J exhibits a decreasing trend with respect to budget allocation for employee salaries. In 1967-70 salaries totaled 86.3% of the budget; this was reduced to 82% in 1975-76 and then further reduced to 72% for the 1977-78 school year. The current school year reflects a drop of 14% for total salaries since 1967-68 and a drop of 10% since 1975-76. A substantial portion of this trend can be explained in terms of salaries for teachers and other professionals. Budget allocation for classroom teachers decreased 3.3% in 1976-77 and dropped even further for the current year. Salaries for other professionals dropped 1.9% in 1976-77 and dropped even more sharply during the current year.

In effect, sharp increases in that part of the budget that does not go for salaries forced a reallocation of priorities. As examples, since 1974-75, utility costs in the nation have nearly doubled. This same trend has been experienced here in Nevada, where, since 1974-75, utility costs have increased 129%, heating costs (excluding natural gas) have increased 149% and natural gas costs have increased 278%.

COST OF EDUCATION INDEX
 INCREASE IN PER PUPIL COST VERSUS
 INCREASE IN CONSUMER PRICE INDEX 1967/68-1977/78



CONSUMER PRICE INDEX APPLIED TO 1967 PER PUPIL COST (\$553.95=100%)

THIS CHART ILLUSTRATES THAT PER PUPIL COSTS HAVE GROWN FASTER THAN THE CONSUMER PRICE INDEX. DOTTED LINE SHOWS CONSUMER PRICE INDEX AS PER CENT FROM 1967 BASE OF 100. FIGURE IMMEDIATELY ABOVE THE BOTTOM LINE OF THE CHART GIVES CONSUMER PRICE INDEX IN PER PUPIL COST EQUIVALENT.

CHART A

DEFINITIONS:

E X H I B I T J]

Mathematical Calculation:

CEI (Proposal 1)	)					Maximum
PII (Proposal 2)	)	Enrollment		Current		Budget
PII - CEI (Proposal 3)	)	X Factor	X	Year	=	Allocation
CPI - CEI (Proposal 4)	)			Budget		FY80, FY81*
CPI (Proposal 5))					

1) CEI - Cost of Education Index (112.54%)

This factor is developed by Market Data Retrieval, Inc., as the result of budget survey responses by the majority of school districts in the United States. This yearly nationally published information is recognized by school districts as the authoritative compilation of educational budget data for public schools. The CEI has been compiled since 1967, formerly by School Management Corp., and in the last five years by its successor, Market Data Retrieval, Inc.

2) PII - Personal Income Index (109.3%)

This factor is given in the Governor's Budget and is derived by averaging the five interval periods between 1973 and 1978.

3) CPI - Consumer Price Index (108.3%)

This factor is determined by the Federal Government and is published on a monthly basis. The base CPI may vary dependent upon the month selected for computation. For the purposes of this discussion the CPI used is that of Market Data Retrieval, Inc., which was consistent in time with the budget documents provided by participating school districts for the time intervals shown in No. 2 above.

4) 80% Personnel/20% Non-Personnel

Consistently, education (which is person oriented rather than material oriented) has maintained a budget ratio of approximately 80/20 for personnel vs. other costs, such as utilities, supplies and equipment. This ratio varies from year to year, but over the years nearly always has maintained the average shown. This ratio recognizes that non-personnel educational costs rise at a rate greater than costs rise for personnel.

* All factors within the formula are subject to outside verification.

5) Enrollment Factor

This factor results from dividing the 1978-79 first month enrollment in each district by the same period enrollment for the 1977-78 year. The factor has been used for both years of the biennium.

CEI - Total Budget - 1.1254%

EXHIBIT J

	(2) % Enrollment Factor	(3) Current Year Budget	(4) FY80 Maximum Budget Alloc.	(5) FY81 Maximum Budget Alloc.
Carson City	1.024	\$ 9,993,000	\$ 11,516,029	\$ 13,271,183
Churchill	1.092	4,319,753	5,308,703	6,524,061
Clark	1.023	133,434,907	153,621,500	176,862,006
Douglas	1.106	5,713,151	7,111,116	8,851,152
Elko	.978	6,851,494	7,541,037	8,299,976
Esmeralda	.965	476,206	517,165	561,647
Eureka	.972	732,032	800,762	875,944
Humboldt	1.078	3,307,728	4,012,873	4,868,343
Lander	1.032	1,724,869	2,003,285	2,326,641
Lincoln	1.045	2,001,232	2,353,535	2,767,858
Lyon	1.028	4,275,386	4,946,242	5,722,363
Mineral	.973	2,539,653	2,780,956	3,045,186
Nye	1.103	3,604,233	4,473,993	5,553,640
Pershing	.996	1,424,186	1,596,368	1,789,366
Storey	1.184	491,656	655,119	872,928
Washoe	.998	52,377,479	58,827,724	66,072,311
White Pine	.884	3,329,665	3,312,529	3,295,482

PII - 80% (Personnel)
CEI - (Non Personnel)

1.0995%

EXHIBIT J

	(2) % Enrollment Factor	(3) Current Year Budget	(4) FY80 Maximum Budget Alloc.	(5) FY81 Maximum Budget Alloc.
Carson City	1.024	\$ 9,993,000	\$ 11,250,998	\$ 12,667,363
Churchill	1.092	4,319,753	5,186,529	6,227,226
Clark	1.023	133,434,907	150,086,048	168,815,062
Douglas	1.106	5,713,151	6,947,460	8,448,438
Elko	.978	6,851,494	7,367,487	7,922,340
Esmeralda	.965	476,206	505,263	536,093
Eureka	.972	732,032	782,333	836,090
Humboldt	1.078	3,307,728	3,920,521	4,646,840
Lander	1.032	1,724,869	1,957,181	2,220,782
Lincoln	1.045	2,001,232	2,299,370	2,641,925
Lyon	1.028	4,275,386	4,832,409	5,462,004
Mineral	.973	2,539,653	2,716,955	2,906,635
Nye	1.103	3,604,233	4,371,028	5,300,958
Pershing	.996	1,424,186	1,559,629	1,707,953
Storey	1.184	491,656	640,042	833,211
Washoe	.998	52,377,479	57,473,860	63,066,124
White Pine	.884	3,329,665	3,236,295	3,145,542

PII on Total Budget - 1.093%

EXHIBIT J

	(2) % <u>Enrollment Factor</u>	(3) <u>Current Year Budget</u>	(4) FY80 <u>Maximum Budget Alloc.</u>	(5) FY81 <u>Maximum Budget Alloc</u>
Carson City	1.024	\$ 9,993,000	\$ 11,184,485	\$ 12,518,034
Churchill	1.092	4,319,753	5,155,867	6,153,818
Clark	1.023	133,434,907	149,198,773	166,824,967
Douglas	1.106	5,713,151	6,906,388	8,348,842
Elko	.978	6,851,494	7,323,932	7,828,946
Esmeralda	.965	476,206	502,276	529,773
Eureka	.972	732,032	777,708	826,234
Humboldt	1.078	3,307,728	3,897,344	4,592,061
Lander	1.032	1,724,869	1,945,611	2,194,602
Lincoln	1.045	2,001,232	2,285,777	2,610,780
Lyon	1.028	4,275,386	4,803,841	5,397,615
Mineral	.973	2,539,653	2,700,893	2,872,370
Nye	1.103	3,604,233	4,345,187	5,238,467
Pershing	.996	1,424,186	1,550,409	1,687,818
Storey	1.184	491,656	636,258	823,389
Washoe	.998	52,377,479	57,134,087	62,322,662
White Pine	.884	3,329,665	3,217,162	3,108,460

CPI - 80% (Personnel)
CEI - 20% (Non Personnel) 1.0915%

EXHIBIT J

	(2) % Enrollment Factor	(3) Current Year Budget	(4) FY80 Maximum Budget Alloc.	(5) FY81 Maximum Budget Alloc.
Carson City	1.024	\$ 9,993,000	\$ 11,169,136	\$ 12,483,697
Churchill	1.092	4,319,753	5,148,791	6,136,937
Clark	1.023	133,434,907	148,994,018	166,397,391
Douglas	1.106	5,713,151	6,896,910	8,325,943
Elko	.978	6,851,494	7,313,881	7,807,472
Esmeralda	.965	476,206	501,587	528,320
Eureka	.972	732,032	776,641	823,968
Humboldt	1.078	3,307,728	3,891,995	4,579,465
Lander	1.032	1,724,869	1,942,941	2,188,583
Lincoln	1.045	2,001,232	2,282,640	2,603,619
Lyon	1.028	4,275,386	4,797,248	5,382,810
Mineral	.973	2,539,653	2,697,186	2,864,491
Nye	1.103	3,604,233	4,339,224	5,224,098
Pershing	.996	1,424,186	1,548,281	1,683,189
Storey	1.184	491,656	635,385	821,131
Washoe	.998	52,377,479	57,055,678	62,151,720
White Pine	.884	3,329,665	3,212,747	3,099,935

CPI on Total Budget - 1.083%

E X H I B I T J

	(2) % <u>Enrollment Factor</u>	(3) <u>Current Year Budget</u>	(4) FY80 Maximum <u>Budget Alloc.</u>	(5) FY81 Maximum <u>Budget Alloc.</u>
Carson City	1.024	\$ 9,993,000	\$ 11,082,157	\$ 12,290,023
Churchill	1.092	4,319,753	5,108,695	6,041,727
Clark	1.023	133,434,907	147,833,734	163,786,324
Douglas	1.106	5,713,151	6,843,201	8,196,772
Elko	.978	6,851,494	7,256,924	7,686,345
Esmeralda	.965	476,206	497,681	520,123
Eureka	.972	732,032	770,592	811,184
Humboldt	1.078	3,307,728	3,861,686	4,508,419
Lander	1.032	1,724,869	1,927,810	2,154,628
Lincoln	1.045	2,001,232	2,264,864	2,563,226
Lyon	1.028	4,275,386	4,759,890	5,299,300
Mineral	.973	2,539,653	2,676,182	2,820,051
Nye	1.103	3,604,233	4,305,433	5,143,051
Pershing	.996	1,424,186	1,536,223	1,657,095
Storey	1.184	491,656	630,437	808,391
Washoe	.998	52,377,479	56,611,360	61,187,483
White Pine	.884	3,329,665	3,187,728	3,051,842

ATTACHMENT K

Marjory Becker

Parent of two handicapped children

President of the Southern Nevada Association for the Handicapped

Representing the Coalition of Parents of Handicapped Children which

includes eight different organizations of parents of children
with specific disabilities

For many months, parents of children in special education programs have been expressing their serious concerns that the State School Board's very conservative recommendation of only 100 new units would not be a sufficient number to meet critical needs. We were stunned - shocked - when Governor List's original budget proposal for a mere 20 new units was made public. The Governor's proposal cut the State School Board's funding recommendations for special education by more than two times the amount of the cuts for regular education programs. The suggested increase of only 20 units would actually have resulted in a decrease of services for Nevada's handicapped students. The State Special Education Advisory Committee which has representatives from different levels of administration, teachers, the universities, and parents has stated, in agreement with parent organizations, that 200 new special education units is a reasonable, but not inflated, figure to meet children's needs.

The needs can be documented. For instance, figures submitted by local school districts identify almost 2000 under-served youngsters. At a public hearing in Clark County in December, it was pointed out that over 1000 students in its school system were on waiting lists for speech therapy. An even more dramatic example is the lack of programs for emotionally

disturbed children. The Bureau of Education for the Handicapped states that the expected rate of children with emotional disturbances so severe that they cannot benefit from an educational opportunity without the help of special services is 2 percent of the school age population. Clark County currently provides special programs for just about 100 emotionally disturbed children. If it were to serve but $\frac{1}{2}$ a percent of its school age population, that figure would jump to 428 students. If class sizes were 15 students per teacher, Clark County alone would need 28 new special education units now for just this one disability category. One can then predict that the statewide need is approximately 60 units for the emotionally disturbed. These figures are based on providing for only $\frac{1}{2}$ a percent, or 1 child out of every 200, not the predictable 2 percent or 4 children out of every 200. These are but a few examples of the numbers of handicapped children for whom Nevada is not providing an appropriate educational opportunity.

Yesterday we were very pleased to learn that the Governor's office has submitted a new proposal which recognizes the need for a substantial number of additional special education units - 187 over the next two-year period. To repeat, there is documentation to substantiate the need for such an increase. The proposal also suggests a decrease in the amount of funding per unit of \$2100 from the current level. The amount of funding per unit is not my concern nor the concern of the parents I represent excepting if it is used as an excuse by districts to lessen the quality of education for our children by increasing class size, reducing related services such as physical therapy, speech therapy or transportation, or removing aides from classrooms. We would strenuously resist - by court proceedings if necessary - any action that will result in a decrease in the quality of programs. Landmark court

decisions have established that a plea of lack of funds is not an acceptable reason for failure to provide handicapped children with an equal educational opportunity -- that is our children's right whether the funding comes from state units or whether the local districts must make up the differences.

We cannot be complacent because some of our handicapped children in Nevada are receiving an adequate education. Special education is still very much in a catch-up phase. On a statewide basis, only 7 percent of the school population is receiving services - far below the predicted level of children in need. Sufficient new special education units must be provided to allow for population growth, to improve the programs for the large numbers of identified underserved children, and to add programs for the unserved children who cannot develop to their full potentials without the provision of special services. It is shortsighted thinking that denies any child a full educational opportunity.

State Statutes mandate that special education programs be provided for our handicapped children. Federal Statutes provide means of guaranteeing the rights of our children through due process proceedings and civil court procedures. Parents are no longer in the position of having to beg or ask for equal educational opportunities for their handicapped children. We can legally demand these services. As our elected representatives, it is up to you to provide the means, the funds, that will guarantee an appropriate education for every handicapped child in Nevada as the laws state is their right. We, therefore, recommend that the Legislature support the increase in units suggested in the latest proposal from the Governor's office.

ATTACHMENT L

IN JUNE OF 1978 MY HUSBAND AND I TOOK OUR SIX YEAR OLD SON TO SEATTLE, WASHINGTON TO ATTEND SCHOOL IN A RESIDENTIAL PROGRAM. WE MADE THE DECISION TO PLACE HIM OUT OF STATE AFTER HAVING EXHAUSTED EVERY PRIVATE AND STATE FACILITY IN NEVADA THAT MIGHT BENEFIT JOHN. THERE SIMPLY WAS NO PLACE WITH AN ANDEQUATE AND APPROPRIATE FOR OUR AUTISTIC-LIKE CHILD.

IN THE PAST EIGHT MONTHS JOHN HAS COMPLETELY STOPPED ALL SELF ABUSIVE BEHAVIORS, ATTENDS TASK FOR 30 MINUTES TO ONE AND A HALF HOURS, HE INTERACTS APPROPRIATELY WITH PEERS AND MOST IMPORTANT JOHN HAS STARTED TO TALK.

AS ONE PERSON IN THE CLARK COUNTY EDUCATION DEPARTMENT STATED THE PROGRESS JOHN HAS SHOWN IN SUCH A SHORT TIME IS A CHALLENGE TO OUR SYSTEM. IT IS OUR RESPONSIBILITY TO MAINTAIN BEHAVIORS AND ASSURE CONTINUED PROGRESS.

JOHN IS READY TO RETURN TO THE HOME. HE MUST HAVE A PRIMARY CLASS AT CBS WITHAN INTENSIVE LANGUAGE ACQUISTION PROGRAM. WITHOUT THIS PROGRAM JOHN WILL PROBABLY REGRESS AND FACE POSSIBLE INSTITUTIONALIZATION. I BEG YOU TO ASSURE ADEQUATE FUNDING AND ELIMINATE THE TERRIBLY EXPENSIVE COST OF A LIFE IN AN INSTITUTION AND MORE IMPORTANTLY THE UNFORGIVABLE WASTE OF A HUMAN LIFE. PLEASE HELP US TO BRING OUR BOY HOME.