



## The Nevada Policy Research Institute

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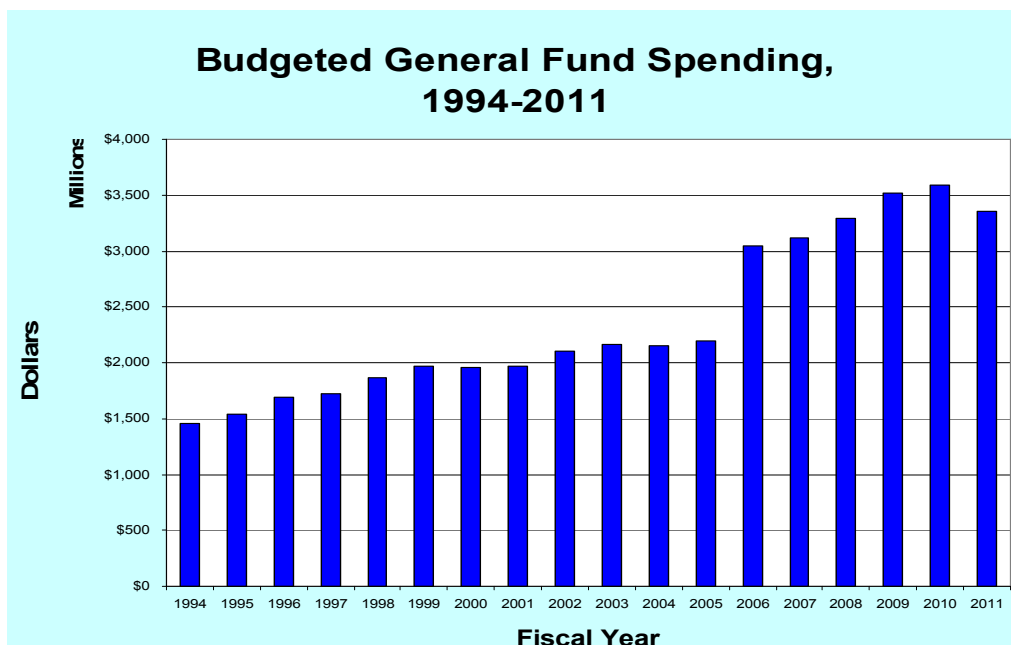
### **NPRI analyst: Special session caused by irresponsible spending**

LAS VEGAS — As Nevada lawmakers prepare to convene next week for a special legislative session, an analysis by Geoffrey Lawrence, a fiscal policy analyst at the Nevada Policy Research Institute, identifies unsustainable government spending as the cause of Nevada’s current budget problem.

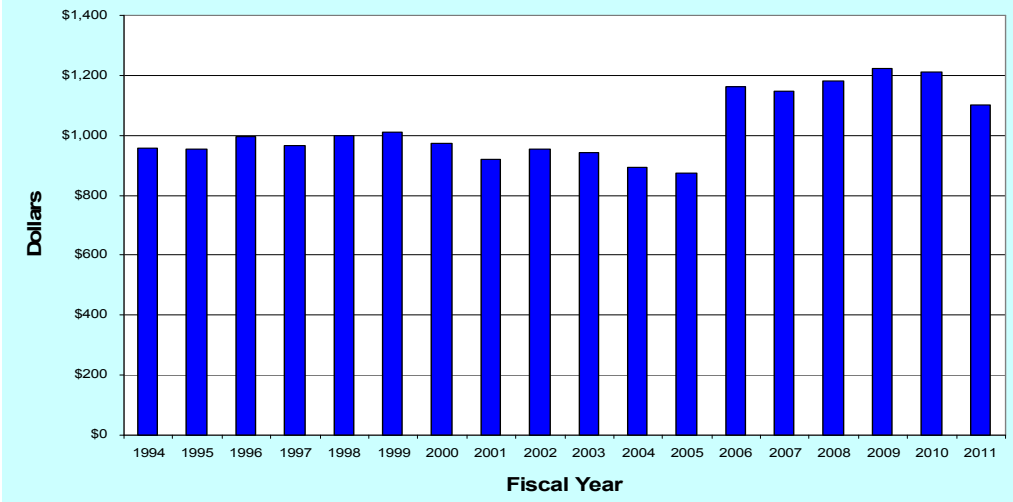
Although Nevada collected record-high tax revenues over the past six years, state leaders — ignoring the need to save for a rainy day — increased per-capita spending, even adjusted for inflation, by more than 30 percent, said Lawrence.

“Unfortunately, Nevada’s political narrative has become far removed from reality,” said Lawrence. “State legislative leaders consistently sound like modern-day clones of Chicken Little, always asserting that the sky is falling — or worse — on state government. What budget numbers show, however, is that after this special session, Nevada will still be spending more inflation-adjusted dollars per capita than just six years ago.

“This isn’t a fiscal crisis,” Lawrence continued. “It’s the natural result of a six-year spending binge that left Nevada with virtually no emergency reserves.

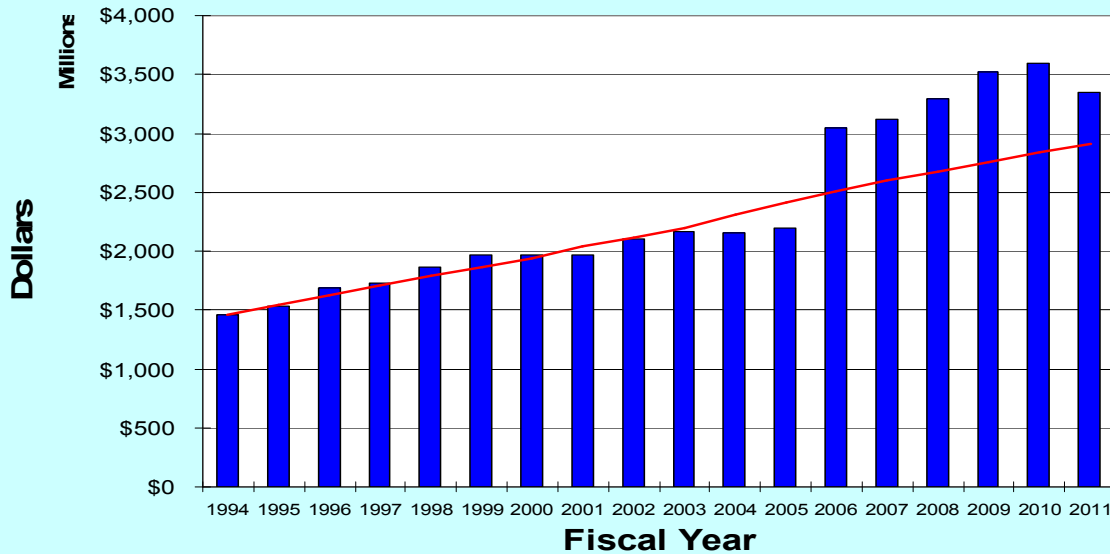


### Budgeted Per Capita GF Spending, 1994-2011



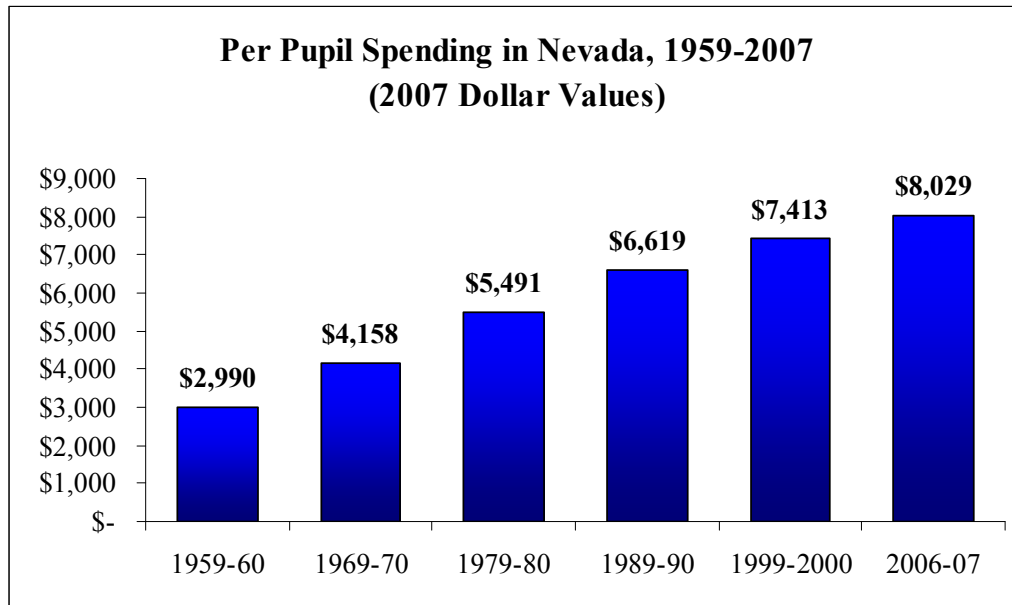
“Constraints on government spending, such as the proposed Tax and Spending Control amendment of 2006, would have limited government growth to inflation plus population growth and would have prevented Nevada's current fiscal woes,” Lawrence said. “Had such a provision been in place since the mid-1990s, Nevada would currently be running a budget surplus with a large emergency reserve.”

### Budgeted GF Spending Vs. TASC, 1994-2011



Patrick R. Gibbons, an education policy analyst at NPRI, said that Nevada’s public K-12 education system is a prime example of Nevada’s profligate spending.

“It is shameful that Nevada’s politicians continue using students as political human shields,” said Gibbons. “Over the last 50 years, Nevada has nearly tripled its inflation-adjusted, per-pupil spending, but results have been stagnant. Instead of resisting the need to rein in excessive spending, Nevada’s leaders should examine ways to get a better return on the state’s already-significant investment in public education and demand accountability for the money already being spent.”



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