



The Nevada Policy Research Institute

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Contact Andy Matthews
(702) 222-0642

Rory Reid's budget plan: Strong in theory, short on details

LAS VEGAS — A fiscal policy analyst with the Nevada Policy Research Institute today reacted to the release of Democratic gubernatorial candidate Rory Reid's budget plan, saying that while Reid is right that Nevada's budget needs fundamental reform and can be balanced without raising taxes, his plan is short on details and relies on untenable assumptions.

“Rory Reid should be applauded for presenting a no-new-taxes budget and being willing to go on record with his proposals,” said Geoffrey Lawrence, the NPRI analyst. “As the Nevada Policy Research Institute has been saying for months, past spending increases have created Nevada's current budget problems, and reducing spending will be necessary in the next session.

“However, while Reid's budget includes many meritorious reforms, especially those borrowed from the Spending and Government Efficiency Commission and from other states, several parts should concern taxpayers. Foremost is Reid’s assumption of significantly higher revenue collections. Additionally, his plan includes multiple ideas that, while worth considering, are not backed up with specific details.”

Reid's budget plan assumes that Nevada will collect \$615 million more in taxes in Fiscal Year 2013 than the Legislative Counsel Bureau currently projects.

"The problem with assuming more tax revenue in the second year of a two-year budget is that the governor is legally obligated to present a balanced budget to the legislature in January," said Lawrence. "Even if Reid’s assumption proves correct in Fiscal Year 2013, his office would be forced next year to present a balanced budget based on the revenue projections from the December 2010 meeting of the Economic Forum.

"Additionally, while his plan to save \$200 million in human services and transportation is solid in concept, it contains few details. Nor does his plan consider the implementation cost of many of his proposed programs.

"Overall, taxpayers should be grateful for Rory Reid's commitment not to raise taxes. But they should adopt a 'trust-but-verify' approach toward his plan. It has a lot of potential — and a lot of unanswered questions."

More information:

Rory Reid's budget plan: [Moving Nevada Forward](#)

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The Nevada Policy Research Institute • 3155 E. Patrick Lane, Suite 10, Las Vegas, NV 89120
Phone: (702) 222-0642 • Fax: (702) 227-0927 • Web site: www.npri.org