



The Nevada Policy Research Institute

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NPRI analyst reacts to Gov. Sandoval's State of the State speech

LAS VEGAS — In response to Gov. Brian Sandoval's first State of the State address tonight, Geoffrey Lawrence, the deputy director of policy at the Nevada Policy Research Institute, offered the following comments:

“Gov. Sandoval should be applauded for submitting a performance-based budget that reduces General Fund spending by 8 percent, and for seeking to reduce or eliminate many duplicative government agencies and boards, grant more educational control to school districts and universities, and implement education reforms that have worked in other states. The governor made a clear and compelling case that Nevada's government needs to be driven by the pursuit of results and that an emphasis on performance can produce equal or better results with fewer resources.

“The governor's Executive Budget successfully incorporates many of the reforms long advocated by NPRI. While not perfect, the proposed Executive Budget demonstrates that the state budget can be balanced with existing revenues, and without the need for a tax increase.

“While Gov. Sandoval made an eloquent case for a smaller and more effective government, it was unfortunate to find him advocating an increased government role in the pursuit of economic growth. As the governor noted, Nevada governors over the past 100 years have called for and created economic development agencies. One hundred years of Nevada history, coupled with today's current economic picture, should have taught us that government cannot create long-term economic growth by picking the economy's winners and by offering subsidies or targeted tax breaks. This is especially true of attempts to support businesses — such as renewable energy companies — that have yet to prove themselves viable without tax subsidies.

“Instead, Nevada should focus on creating a low and uniform tax and regulatory burden to foster job-creating investment in Nevada. Gov. Sandoval's freeze on regulatory rulemaking is an important step in this direction.

“NPRI will continue to examine Gov. Sandoval's budget plan in more detail over the coming days and weeks. However, the proposal appears, on the whole, to put meaningful controls on the growth in

state spending. It also includes a series of proven education reforms that would benefit the state's children and increase the effectiveness of existing education spending through clear performance measures.”

Last week, NPRI released “[Better Budgeting for Better Results](#),” a new policy study that details how a performance-based budgeting approach would maintain or increase levels of government service while saving Nevada more than \$3 billion.

An executive summary of the NPRI study is available online at <http://www.npri.org/publications/better-budgeting-for-better-results>. The full study can be downloaded at http://www.npri.org/docLib/20110119_Better_Budgeting_2011-2013.pdf.

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