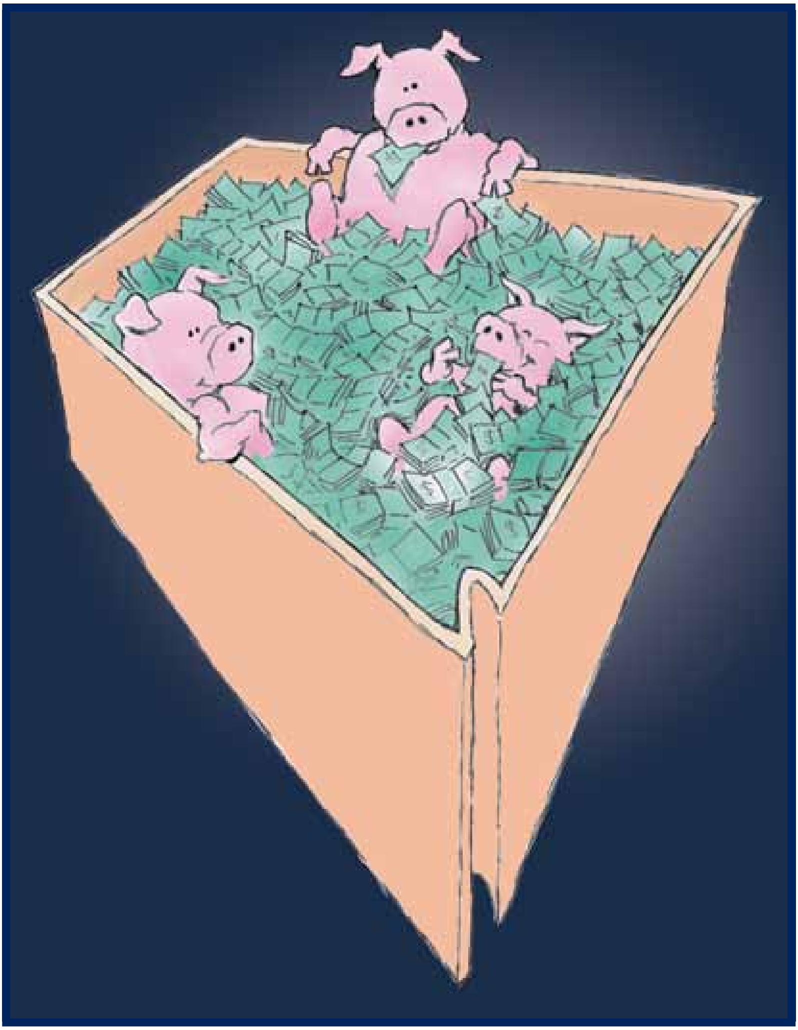
The Nevada Piggy Book 2016



Nevada Policy Research Institute

Introduction

Have you noticed? Government just *never* seems to have "enough" money.

Despite the 2015 passage of a $1.4 billion tax increase in Nevada – the largest in state history – already reports are circulating that the 2017 legislative session may once again be looking for "more revenue."

"Revenue," of course, meaning higher taxes.

Even the Clark County School District, upset that property tax revenue has not climbed as quickly as property values themselves, has floated ideas for increasing the revenue that flows to government coffers.

Washoe County School District also jumped on the bandwagon, and even managed to place a tax increase on the 2016 ballot.

Yes, Nevadans are faced with threats of higher taxes at every turn – from members of both major political parties. It can be called "bi-partisanship," but it's increasingly a kind of bi-partisan predation on taxpayers.

Taxpayers in the Silver State, naturally enough, have repeatedly shown they oppose unfettered government confiscation of their wealth.

In 2014 taxpayers soundly defeated a proposal to implement a gross receipts tax on businesses. (Of course, the governor and lawmakers proceeded to pass something all-too-similar the following year.) And Nevada remains one of the few states that steers clear of personal income taxes – leading many to believe that sufficient political will still exists in Nevada to keep it from becoming entirely Californicated.

Such voter restraints on Nevada government's ability to tax has not resulted in some sort of fiscally starved government.

Instead, over the last decade, State of Nevada revenue has grown faster than the income of Nevada families and businesses. Compared to just 2005 data – following what at that time was the state's biggest tax hike in history – government in the Silver State saw a 54 percent increase in total revenue – and a 59 percent increase in spending levels.

It's not exactly difficult, therefore, to determine that Nevada – just like the federal government – doesn't have a revenue problem.

It has a spending problem.

And it's a problem that is not hard to see, if you know where to look.

Nevada's local government employees are among the most highly compensated in the nation – with the average local government worker earning 20 percent more than the average Nevada private sector worker.[1] That is the second largest premium received by local government workers of any state nationwide.[2] And that's not even to mention the unfunded liabilities of Nevada's pension system.

Moreover, public sector unions have added to Nevada's overspending problem for decades. When the Silver State passed its first collective bargaining law in 1965, it expressly prohibited government from engaging in collective bargaining. Had that prohibition on public-sector unionization remained in effect, state and local spending in 2014 would have been between $1 billion and $1.8 billion below current levels.[3]

It casts a revealing light on 2015's massive tax hike.

But such is the nature of government at all levels: Since it spends other people's money, it breeds an inherent disregard for fiscal discipline. After all, for politicians, tax revenue is always "other people's money."

Despite the fiscally conservative rhetoric thrown around by Nevada politicians during election years, Carson City consistently caves to the political special interests peddling big-government schemes – knowing that taxpayers will ultimately be compelled to bail out the overspending.

As Rep. Keith Ellison (D-Minnesota) once explained, "The bottom line is [government is] not broke, there's plenty of money – it's just the government doesn't have it yet."

Ellison was enunciating the basic conflict of interest between politicians and taxpayers: Politicians in government will spend all the revenue they receive, and more, because sooner or later, until a country is completely looted, they can simply hike taxes on society's productive members.

Clearly, the problem here is citizens' lack of information – and thus lack of control over their government.

So, what better way to deal with government's uncanny ability to burn through tax dollars than by alerting citizens to some of the latest, specific examples of the abuse they're suffering? The phenomenon, after all, is increasingly omnipresent: A government incapable of setting rational limits on the cost of a bike path around Lake Tahoe is an example of the same mindset that's incapable of imposing limits on something as critical as public-employee retirement pensions.

Therefore, the Nevada Policy Research Institute now presents the 2016 edition of The Nevada Piggy Book – an anthology of public-sector waste and abuse, illustrating the penchant of Silver State government entities for egregious overspending.

Of course, The Nevada Piggy Book is by no means a comprehensive catalog of government-level waste. There's simply not enough paper available to print such a publication.

Instead, The Nevada Piggy Book is designed to give a glimpse into the fiscal insanity inherent in government finance through a small number of specific examples.

Just remember, as you read the following pages, that it's your money government so effortlessly throws away.

Nevada DOW: Government agency and ... car collector?

Longtime late-night talk show host Jay Leno is widely known for his love of cars. Media reports often reference his 130-car garage, perpetually filled to capacity with Ferraris, Lamborghinis, etc., demonstrating that he is not only an automobile enthusiast but also a collector.

However, to "social justice warriors" who are interested in further redistributing private wealth toward big-government interventions, Leno's collection of cars is proof-positive that he has "too much" money.

So how would these same advocates for ever-larger government feel about Nevada's Department of Wildlife?

A recent audit[4] conducted by the Nevada Department of Administration revealed that the DOW has a stockpile of unused vehicles almost as numerous as Leno's.

The examination, by DOA's division of internal audits, highlighted the DOW's strange obsession with purchasing – and then never using – a huge collection of vehicles.

"Reducing fleet size could result in annual savings of up to $244,000 and a one-time savings of up to $163,000 from disposal of excess vehicles," explained the audit.[5]

As a percentage of the DOW's annual operations budget (around $16.5 million), this potential savings amounts to approximately 2.47 percent on an initial-year basis.[6]

Why the staggering amount of waste in the DOW's automobile fleet?

Well, in this case – as government auditors frequently find – the department failed to abide by its own published policies. As recorded in the State Administrative Manual ("SAM"), existing policies demand that agency vehicles be "assigned to specific utilization groups," such as pooled administrative use, and individually assigned administrators. SAM policies further require that the pooled and individually assigned vehicles be driven at least 8,400 and 4,800 miles per year, respectively.[7]

Of the department's 118 total pooled vehicles, however, over half – 64 – had been driven less than the required 8,400 miles during 2013.

And that wasn't simply an "off" year. In 2012, 12 vehicles registered fewer than 1,000 miles.

Four vehicles had no recorded mileage at all, according to the audit.

Sure, private collectors such as Jay Leno will explain that keeping mileage low is common practice among automobile enthusiasts. But that's advice for individual collectors of rare automobiles, not government agencies.

So, what's the Nevada Department of Wildlife's excuse for spending taxpayer dollars on cars it never intends to utilize?

It doesn't seem to have one.

As the audit concluded, "[t]he low mileage of these vehicles suggests the department should reduce its fleet size."[8]

Not a bad suggestion – but the fact that it took an audit to develop such an obvious plan is disturbing.

Clearly, the department has dozens more vehicles than it will ever have reason to use. But the problem is deeper: The DOW maintains and regularly replaces its massive fleet at the expense of the Nevadan taxpayer, with no regard for fiscal discipline.

Underlying the department's reflexive and expensive additions to its fleet of vehicles is the department's failure to standardize and maintain its recordkeeping processes.

As the audit explained, "tracking mileage ensures effective management of vehicle operations and compliance with state vehicle usage requirements... Discussions with the department disclosed vehicles mileage reports were not consistently reviewed by fiscal services for proper vehicle usage."[9]

Beyond the obvious inefficiencies that characterize the department's current operations, its failure to follow its own announced policies exposes the department, and thus taxpayers, to potential lawsuits stemming from accidents involving these vehicles. Absent proper record-keeping, the purpose and usage of such vehicles creates logistical and liability nightmares, should the department be required to account for each vehicle's history.

Ultimately, recommends the audit, as many as 64 existing fleet vehicles should be immediately sold for cash. For each sold vehicle, the agency will pocket thousands as well as save some $312 in annual insurance costs – plus thousands in annual vehicle maintenance savings and replacement costs.[10]

An auctioneer ought to be able to get good prices for them. After all, many are in near-mint collector condition.

The Original Gold-Dipped Road!

Handcrafted from real state and federal dollars casually selected by bureaucrats at the peak of apathy preserved in a durable lacquer shell that forever preserves institutional myopia. Dipped and plated with a rich 24K Gold finish, this road is a breathtaking masterpiece of life-time taxpayer pauperization.

Biking around Lake Tahoe on a path paved with gold

At a cost of $12 million, it better be the nicest three-mile stretch of bike path in the United States.

"Keep Tahoe Blue" is the official slogan for the League to Save Lake Tahoe, a Tahoe-based nonprofit advocacy group.[11]

For residents, the meaning behind the slogan is well understood, and its apparent ubiquity within the Tahoe basin – on bumper stickers, hanging from storefront windows, etc. – shows locals' commitment to preserving the region's raw natural beauty.

There's no doubt that the natural beauty of the area has been greatly benefited by this attention to preservation. Sometimes, however, the costs of various public-works projects weigh needlessly heavy on the local tax base. "Environmentally friendly" construction methods offer opportunities for rent-seeking that inflate otherwise necessary costs.

By and large, local residents seem willing to suffer such higher public spending in exchange for such environmentally conscious public works projects.

However, while visitors and locals alike benefit from efforts which seek to reduce the environmental impact of further Tahoe development – thereby keeping Tahoe "blue" – the price tag of one current proposal has even the most "blue" Tahoe residents reeling from a case of sticker shock.

How about $12-million-plus for a three-mile bike path? To many, that price tag – even for a region habituated to inflated costs for public projects – seems excessive.

Moreover, what is designated as the "North Demonstration Project" – being administered by the Tahoe Transportation District – is just one minor section of a greater plan: construction of "America's Most Beautiful Bikeway."

According to District Manager Carl Hasty, TTD is a unique, bi-state special district "authorized to implement transit and transportation system service needs for the Lake Tahoe Region." On the TTD's website, the purpose of the bikeway project is described as follows:

> To complete a premier separated Bikeway circling Lake Tahoe that connects communities, enhances recreational opportunities, expands transportation choices, and promotes the enjoyment of the Tahoe Basin.[12]

The Highway Safety Research Center, housed within North Carolina's UNC-Chapel Hill complex, estimates that constructing a bike path can cost anywhere from $5,000 to $500,000 per mile.[13] The Center notes that "costs for pedestrian and bicycle safety infrastructure often vary greatly from city to city and state to state" based on a variety of factors, and that its cost guidelines should be viewed with that variability in mind.[14]

That rhetoric, however, is unlikely to satisfy project critics, who question how a bike path can cost so many multiples more than even the top echelon of standard estimates for similar paths on a per-mile basis.

At a total projected cost of $12.1 million, the North Demonstration Project will cost over $4 million per mile for the three-mile bikeway installment.

That amount translates into 750 percent of the $536,000 per-mile estimates used to mark the upper-bound of similar projects' costs. While conceding the great expense involved, District Manager Hasty asserts that "most of the terrain in Nevada and what is now left in California is in steep or environmentally challenging areas, which cost more to construct."[15]

At $4 million per mile, the path should not only be environmentally friendly – but, as some wags suggest, should also be painted in gold.

If there's a consolation for Nevada residents, it's that millions in Federal Lands Access Program (FLAP) funds have been allocated towards the project. So Nevada residents will only pay part of the excessive cost, and federal taxpayers all across the country will, unknowingly, bear the brunt.

Notwithstanding federal funding for the North Demonstration Project, however, future additions to the bike path are set to depend more upon state and local funding. Thus, if the North Demonstration Project is indicative of future maintenance costs, Tahoe residents may see their tax revenues earmarked for this project for decades to come.

Few Americans and Nevadans begrudge paying to preserve our regions' natural beauty. But all costs are ultimately tradeoffs – other values foregone because of the expense of those purchased. Fiscal responsibility means making such selections intelligently and consciously.

If keeping these three miles of Lake Tahoe "blue" really costs a minimum of $12 million, one has to ask: "how badly do we actually need this bike path around the entire lake?"

Public Employee Retirement System

When we're talking about government waste, it's not all car collections and bike paths.

Unlike private sector businesses that must actually turn a profit or go under – and therefore carefully monitor and reduce costs – government, being politicized, has great difficulty even controlling what it spends on something as simple as employee compensation.

Last year, Bertral Washington collected $308,452 in pay and benefits for working full-time as fire chief of Pasadena, California.[16]

So why is he in a book about Nevada government waste?

Well, despite being only 44 years old and working full-time, Washington also collected a $105,000 annual retirement check from the Nevada Public Employees' Retirement System (NVPERS) – a payment made possible, in part, due to the generous support of Nevada taxpayers.[17]

He should be writing us all thank-you letters.

Washington retired from the Clark County Fire Department in 2014. Because of immensely favorable rules governing such pensions for Nevada police and fire workers, Washington was able to immediately begin drawing a 25-year pension after only 20 years of service by "purchasing" an additional five-year entitlement.[18]

How could this be? Under Nevada law, the purpose of

the NVPERS system is to "provide a reasonable base income" to those whose "earning capacity has been removed or has been substantially reduced by age."[19]

Clearly, pensions exceeding $100,000 annually far surpass what most working Nevadans would define as a "reasonable base income." Moreover, the very idea of collecting a fat retirement income while working a full-time job or being in your late 30s or early 40s clearly violates the original purpose of the state retirement system.

Compare this with the facts that private-sector workers aren't even able to collect their modest Social Security payouts until age 62, and that most private pension plans require similar patience.

As revealed in the Nevada Policy Research Institute's recent pension study, *Footprints,* police and fire unions bullied state lawmakers – leading one committee chairman to complain of having received threatening phone calls at his home – into passing enhancements that inappropriately enriched NVPERS' benefits at future taxpayers' expense and paved the ways for additional abuses.[20]

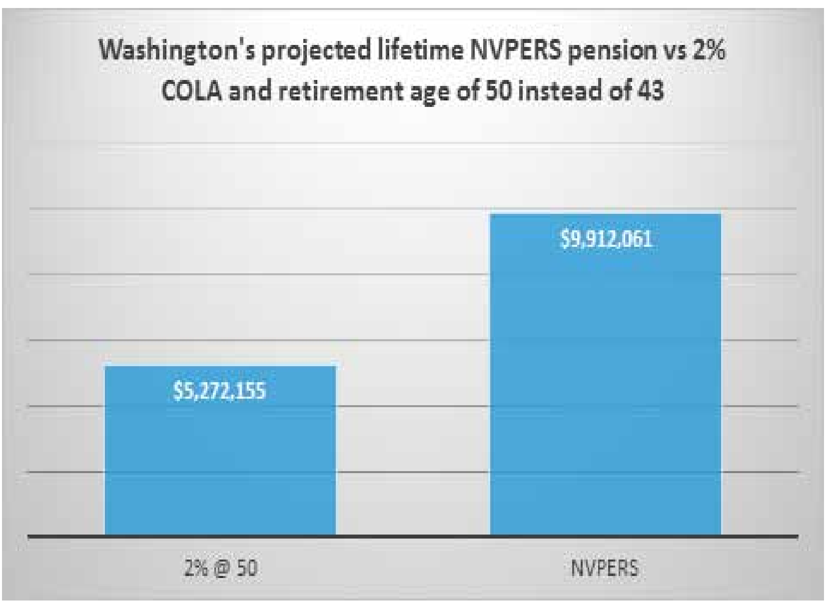
On top of the so-called "retirement" benefits to people working full-time and in their 40s are the NVPERS cost-of-living (COLA) shenanigans.

While many pension plans cap COLAs at around 2 percent, NVPERS COLAs can reach 5 percent after 14 years in retirement. While a 5 percent COLA would be less of a factor for those who retired at a normal retirement age of 60, a retirement age of 43 – or 38, in one case – means a 5 percent COLA can kick in at age 57, a full five years before private workers are even eligible for Social Security.

What results is yet another example of how compound interest may be the most powerful force in the world – and it's a lesson Nevada taxpayers may learn in spades if NVPERS is not substantially reformed in years to come.

Assume long-term increases in the CPI continue to trigger the maximum COLA increases. Then, Bertral Washington's initial $105,695 annual pension would, by his 84th birthday, have ballooned to $548,741. The sum total of the 40 years' worth of pension payments would be nearly $10 million.

This is nearly twice the amount Washington would collect if NVPERS simply had a minimum retirement age of 50 and a COLA of only 2 percent, as shown in the following chart:



As if the Nevada-taxpayer funded $10 million pension benefit wasn't enough, Washington is also eligible to receive a second pension from the California Public Employees'

Retirement System, once he finishes his career there. Consider this imaginary conversation:

"Any plans for your retirement?"

"Absolutely. I'm going to be working my butt off to build up my (*other*) retirement benefit."

Washington's example is not an isolated case.

Former Las Vegas Fire Chief John "Mike" Myers retired in 2013 at the age of 46 and began collecting a nearly $117,000 pension.[21] Almost immediately after departing Nevada public service, he took a job as fire chief in St. Charles, Missouri, where he worked for 15 months. Now, he serves as the new fire chief of Portland, Oregon, a job he started on June 30, 2016.[22]

How many Nevadans actually know that their tax dollars are funding six-digit "retirement" payments to young, able-bodied individuals with full-time jobs in other states?

But it gets worse. Retired Las Vegas Metro lieutenant Daniel Coe puts Washington and Myers both to shame.

Coe retired from Metro at the age of 38 with 25 years of service (five of which were purchased) and immediately began drawing an annual benefit of $110,000. Currently, Coe works for the federal government as an assistant federal public defender.[23]

Based on the inflation and life expectancy assumptions used by NVPERS, Coe will receive $13,216,000 in combined lifetime payout from Nevada taxpayers.

NVPERS certainly has engineered a strange definition of "reasonable base income" for its retirees.

More seriously, this situation goes well beyond the issue of the additional expenses to be borne by Nevada taxpayers.

Consider the profound unfairness of a State system that demands Nevadans – most of whom earn much less and receive far less in retirement income themselves – continue paying ever more in taxes and/or receive ever fewer services in order to finance such extraordinarily lavish "retirements."

These overly generous retirement benefits are a large part of the reason why Nevada taxpayers are on the hook for retirement contributions that have now risen to a staggering 40.5 percent of pay for police and fire officers. That's nearly 20 percent above the national average, according to data collected by the Public Plans Database.[24]

Nevadans' tax dollars should go to providing public services. They should not be funding million-dollar retirement benefits for people out to amass personal fortunes by exploiting the bad public-policy decisions of naïve, ignorant or tainted politicians.

Nevada's average 2015 wage by occupation, adjusted for cost of living

Occupational Group	Rank among the 50 states
Police and Sheriff's Patrol Officers	4
Firefighters	4
Correctional Officers	4
All Occupations	46

Another kind of waste you don't see in the private sector: 'cost-free' retirement plans

As egregious as those last few examples are, one would hope they're isolated incidents.

They're not.

As a group, local government workers in Nevada have some of the nation's richest retirement benefits – and some get it all without contributing a single dollar to their own pension plan.

One of the more confusing elements of the Public Employees' Retirement System of Nevada (NVPERS) is the mandate in state law that all employees pay half of their retirement cost.

It's a concept that seems simple enough: Employees are supposed to share the cost of Nevada's gold-plated pension plans equally with taxpayers, by contributing half of the 40.5 percent contribution rate if they're police or fire, and 28 percent for all others.[25]

But that's not how it works out in practice. Local governments – that is: taxpayers – are actually paying the entire share for fire and police employees. They pretend they're doing it "in lieu of pay increases."

It's a laughable claim, because local employees in the Silver State are already among the nation's highest paid.

In a state where the average private citizen earns 11 percent below the national average income, Nevada's local government employees earn 20 percent more than the average worker.[26]

National pay data from the Bureau of Labor Statistics puts it into perspective:

According to the May 2015 BLS Occupational Employment and Wage Estimates report, the average Nevada citizen's annual wage was $42,800 – ranking 35th highest among the 50 states. Adjusting for cost-of-living differences between the states, using the Bureau of Economic Analysis's 2013 Regional Price Parity by State data, drops that ranking down to 46th.

Nevada police officers, however, earn annual wages 16 percent greater than the national average, ranking fifth among all police officers nationwide, and fourth after adjusting for cost-of-living.

And local governments claim they're paying the employee's 20.25 percent NVPERS contribution "in lieu of pay increases"?

If these wages were 20.25 percent higher, as the statements of equivalent salary reductions made by local governments suggest, Nevada's police officers, firefighters and corrections officers would all be the very highest-paid in the nation.[27]

Combined, this information casts serious doubts on the claim that local governments are genuinely paying the employee's share "in lieu of pay increases." Instead, it resembles a well-engineered political end-run around public transparency. Indeed, when you dive a little deeper, the "how" and "why" behind some of Nevada's most generous pension payouts suddenly starts to come into focus.

In addition to high salaries and cost-free retirement, local fire and safety employees also get an unseen boost to their pension payout, thanks to the way NVPERS calculates retirements.

Because local governments claim they are paying the employee share in lieu of pay increases, NVPERS actually adds that in lieu of sum back into these employees' salary when their pensions are calculated.

In other words, these employees then see a 25 percent boost to their official pay number before their pensions are calculated.

For example, a Metro officer with a final $79,750 salary would have his pension calculated on a salary of $100,000 – as that was what his salary would have been had he not been exposed to the alleged "in lieu of" salary reduction.

Consequently, the employee's future pension is roughly 25 percent higher than if it was based on the actual wages received.

It is not merely police and fire officers who benefit from this arrangement – nearly all of Nevada's local government workers are under the Employer-Pay plan, while most state government workers pay their half directly.

And local government workers are actually paid substantially more than their state-level colleagues to begin with – earning 8 percent more than Nevada's state government workers.

With such blatant waste taking place in NVPERS, it's not hard to see why the relatively mundane issue of public employee retirement pensions managed to make not one, but two, appearances in a book about government excess.

To local government employees, their retirement might seem "cost free." But to taxpayers who are footing the bill, such an arrangement certainly deserves mention in the 2016 Piggy book.

Lemming Law Legislation

When Nevada lawmakers in 2013 passed into law the Nevada New Markets Job Act,[28] they had little idea what they were actually doing.

All they knew, the record shows, was what they'd been told by the lobbyists for out-of-state corporations.

Those firms – eager to sell Nevada tax credits to insurance companies – had assured legislators that if the firms were given control over some $200 million of Silver State tax credits, the results would be great.[29]

Numerous new jobs would be created in the state's depressed neighborhoods, they said, and a resulting increase in state revenue would more than make up for the lost insurance-company taxes.[30]

Of course, those pledges were all merely verbal. No such commitments ever made it into the actual legislation drafted by the out-of-state firms.

Nevertheless, lawmakers of both parties overwhelmingly voted to pass the legislation. Only one legislator – Washoe Democrat Skip Daly – voted no.[31]

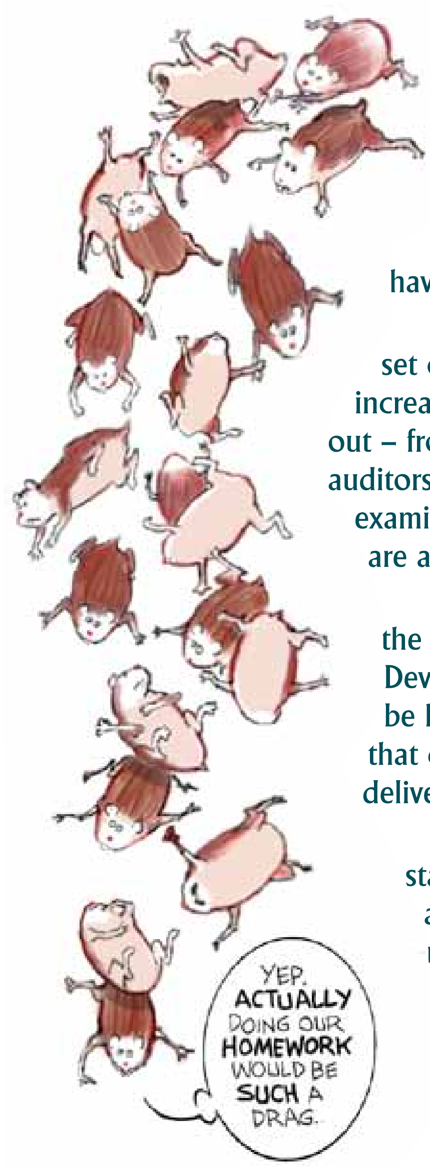
He later explained to *Nevada Journal* that he'd previously learned to be wary of presentations full of big promises, and believed he knew too little about the complex proposal to support it.

Remarkably, if Nevada legislators had done their homework before giving away the $200 million in tax credits, they'd have learned two important things.

One is that the promoters of this set of tax-credit schemes have become increasingly notorious as word has gotten out – from independent economists, state auditors, comptrollers and others who've examined the record – that the programs are a waste of taxpayer dollars.[32]

In the words of the head of the Colorado Office of Economic Development, "I think this state would be hard pressed to design a program that cost the taxpayers more and delivered less."

The other important point is that states that have done their research and still want to use taxpayer money in an attempt to spur economic development, reject the road that Nevada legislators and the state's governor went down.



Tennessee is a good example. In 2009, four years before Nevada lawmakers passed into law the New Markets Job Act, the Volunteer State rejected a similar proposal from the same advocates – until the legislation had been extensively modified to provide much better rewards for Tennessee taxpayers,[33] as well as improved state oversight.

Thus, while the Nevada legislation forces state taxpayers to bear all of the risk and see none of the direct proceeds, the Tennessee legislation ensures that Tennessee taxpayers receive at least half of the proceeds.

Nevada's legislation also presumed – erroneously – that state oversight was not needed, since participant firms had been limited by bill drafters to firms also participating in a federal program that differs substantially, but also has the words "New Markets" in its name.

The presumption that the State of Nevada did not need to closely monitor and audit the use of the tax-credit moneys had been fostered by R&R Partners General Counsel Morgan Baumgartner, according to a legislative hearing transcript. Testifying for SB 357 before lawmakers, she said:

> The bill is designed to enhance the federal [New Markets] program allocations in Nevada. *Therefore, no infrastructure will need to be created*. The CDEs are qualified through a rigorous blind, triple-blind scoring application process through the Treasury. *The federal agency does all the work*. The GOED receives the application and ensures it is complete. *The federal guidelines and regulations guide the remaining process. It is a lean program for Nevada*.[34] (Emphasis added.)

In actual fact, when NPRI recently spoke to the U.S. Treasury Department, its Community Development Financial Institutions division repeatedly denied it provides *any* oversight over state-legislated "New Markets" programs.

"We have no interactions with state NMTC programs whatsoever," said a specialist responding for the CDFI director's office.

So lawmakers didn't do their homework, and taxpayers in Nevada are now paying the price.

Promised job creation was also central to how Advantage Capital Partners' roving national lobbyist, Ryan Brennan, sold the scheme to lawmakers in 2013. An ACP director, Brennan also told Senators that the company's practice was to "open an office and immediately staff it with full-time lenders *in the communities in which we want to invest.*"[35] By law, those communities must be low income or minority.

However, the one state location reported by ACP is a palatial $17 million, Lakeshore Blvd mansion on the ritzy north shore of Lake Tahoe. It is one of the residences, around the country, of ACP President Steven Stull.[36]

Brennan also assured lawmakers that taxes generated by the legislation would easily offset any cost to the state.

Yet, while millions of transferable tax credits have been doled out under the program, those promises net revenue gain havn't materialized. Incremental tax revenue generated in 2015 was less than 2 percent of that years' tax credits.[37]

So much for the tax credits "paying for themselves." More than $100 million later, Nevadans are realizing their lawmakers didn't really have any idea what they were saying "yes" to in 2013.

Conclusion

A certain amount of waste is always to be expected from government spending. After all, when a bunch of politicians and bureaucrats are spending other people's money, financial restraint simply doesn't top the priority list.

And as government grows, so too does the waste.

Government coffers in Nevada are not starving for revenue. Despite the anemic recovery since the recession of 2008, the growth of state spending has outpaced the increase in income for private families and businesses.

With the largest tax in Nevada history being passed in 2015, abuse and waste in state spending are only going to increase. Higher taxes, larger operating budgets and ambitious new spending priorities won't alleviate the waste inherent in government – it will only exacerbate it.

Yes, it's true: Government isn't running on the skinny, and much of its revenue is spent with little discipline.

Most alarming, however, is that many people in government consider it virtually incomprehensible to rein in spending.

This kneejerk reaction among government elites to oppose substantive budget cuts explains why Nevada passed a $1.4 billion tax increase in 2015 – despite having more than enough opportunities to free up existing revenue through budget cuts. The Nevada Policy Research Institute even prepared an alternative budget in 2015 that actually reduced government spending in Nevada by $1.5 billion.

But increasing revenue and preserving the status quo was easier for lawmakers to accept.

It's a trend that isn't unique to the Silver State.

During the federal budget battle of 2013, Nancy Pelosi (D-California) illustrated just how averse many folks in government are to addressing government's habit of overspending.

When asked why President Obama wouldn't agree to a handful of budget cuts in exchange for raising the debt ceiling, the California congresswoman made an almost unbelievable comment on the state of government spending:

"The cupboard is bare," she exclaimed. "There are no more [spending] cuts to make."

Her comments, to this day, are almost comical given the government-funded extravagance of Congressional budgets.

Moreover, her comments demonstrate the dangerous mentality that voters face when trying to hold our elected representatives accountable: Many people in government essentially believe fiscal restraint is a hateful, “extremist” cause.

Based upon the fact that lawmakers in Nevada banded together to impose broad new taxes on taxpayers in 2015, it’s pretty obvious that Pelosi’s mentality has spread far beyond self-declared liberal politicians from California.

A consequence of this tax-and-spend mentality becoming the New Normal among so many elected officials – both nationally and locally – is that common people across the country increasingly identify their own elected politicians as untrustworthy adversaries.

For the interest groups that have covertly taken up residence within the public trough, trimming government is manifestly verboten. They have come to believe that – regardless of the waste, fraud and abuse that routinely takes place – they can always squeeze a few more billion dollars from the naïve, hard-working taxpayers.

And why not? As Evel Knievel might have said, halfway across the Grand Canyon: “So far, it’s working.”

Endnotes

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