

Democratic Response to the State of the State

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Good evening and thank you for listening. I'd like to speak to you for a few minutes not solely as Majority Leader of the State Senate but as a Nevadan, a husband and father of three young children. We just heard from the Governor what WE know all too well. Our State, the nation, and indeed the world, have been facing enormous challenges. Many Nevadans have endured previously unimaginable hardships.

Every one of us, or someone close to us, has felt the impact of declining value in our homes. Some of our neighbors have lost their homes altogether. We all know someone who has lost a job, his or her life savings, and health insurance.

In the past two years, families across Nevada have had to make tough financial decisions and choices....

- Delaying medical care,
- Putting off going to college, and
- Choosing between buying fewer groceries, medications and paying utilities.

Painful, difficult but necessary choices.

And just like you and so many Nevada families, in the past two years, the State of Nevada - the place we call home - has also had to make tough financial decisions. When I consider the choices so many families all across Nevada are making in their homes, I think about what it really means. It means making sacrifices to give our children and our loved ones what they <u>need</u> and explaining why we can't give them what they want. It means prioritizing spending on the items that matter <u>most</u>, while scaling back on the non-essentials. It means not leaving things worse off for future generations to deal with.

93% of state government funds education, health and human services and public safety. The only difference between all of us and our state government is the choices made in state government don't affect just some children, or some families or a few businesses.

Those choices impact <u>all</u> of us as Nevadans. As state legislators, we take that responsibility very seriously.

Our State government's budget is approximately \$870 million short. And that's only part of the problem. Next year, we have close to a 50% shortfall to JUST maintain our schools, health care and public safety.

There is no magical formula or one simple solution to solve this problem.

Yes, the Governor has asked departments throughout the State to cut their budgets from 10 percent. The truth is, despite that plan, it won't be enough to balance the budget. And the effects of these recommended cuts could result in the closure of a state prison, reduction of services to the elderly, and would roll back decades of progress that has been made to improve mental health, K-12 and higher education, further jeopardizing the general welfare and safety of all of us.

Sadly, my fellow Nevadans, the parts of our budget I never imagined would be vulnerable to further cuts, like education, now are. And unless other solutions are identified, there is a real possibility that thousands of teachers and educational personnel could be laid off throughout Nevada. We know this is unacceptable. Just as unacceptable is the prospect of increasing class sizes in already overcrowded schools.

Here are some of the choices state government and school superintendents are working to decide:

- Moving construction funds to classroom needs today,
- Reducing the school year,
- And opening current teacher and administrator contracts for further wage reductions.

Unlike the Governor's ill-conceived proposal to initiate vouchers, which is unconstitutional and will further decimate funding of our public schools, we believe the morally right thing to do is guarantee a quality education for every child.

Some of the ideas we propose to scale back these massive cuts to education, include:

- Stopping state agency subsidies at the expense of our children's education,
- Enforcing the payment of uncollected taxes that are contributing to the state's shortfall, and
- Ensuring that mining and other industries pay their fair share of fees and are part of the solution.

In non-education areas:

- Reducing professional and service contracts, such as advertising, accounting and management contracts, by 5, 10 and 15 percent,
- · Operating some state services only four-days a week,
- Scaling back hours of operation in others; and
- Closing buildings and departments where we must.

This will directly impact <u>you</u> because services will be reduced, response times delayed and programs compromised.

Before I go on, I want to take a moment to thank the thousands of employees who work in all areas of state government. From the nurse who operates health clinics in rural Nevada to the corrections officer in our prisons; from teachers to groundskeepers and everything in between, we know these cuts impact you, your livelihood and your commitment to serve the public.

And like you, Senators and Assemblymen throughout Nevada,

Democrats and Republicans alike, are committed like never before to

work together, to reach out to the Governor, and to seek ideas from all corners of our State to get through this crisis.

And while many of us believe Nevada needs a broader, more stable and fair tax structure, <u>during this recession</u>, I will **not** support raising taxes. But like many of you, after the level of cuts proposed and because Nevada already ranks near the bottom of everything that matters, when we do recover from this economic recession, we must enact a broader, more stable and fair tax structure. Period.

So, while some level of cuts will occur now, as we move forward, we will enact revenue reform that is:

- fair, broad-based and equitable,
- ensure all businesses, banks and big corporations, pay their fair share,
- and protects small businesses and homeowners.

After two years of decline and facing a \$3 billion shortfall next year to fund important services, it is time for us to look ahead. We must invest in economic growth and expansion. And we must learn from the mistakes of the past so that we never return to this period of

time where we are forced to choose between meeting our basic obligations and investing in our future.

And while we manage the budget crisis at hand, we must continue to position our state for the opportunities that lie ahead. The national economy is changing and with it, Nevada is poised to attract new industries that could lead us out of these economic doldrums and help us reduce our reliance on gaming and tourism alone.

You elected us to make these decisions, and we will, but we want to hear your ideas and your thoughts and welcome your voice in the process.

Public budget hearings will be held in Las Vegas and Carson City throughout this week and this Saturday there will be town hall meetings in Reno and Las Vegas.

- We encourage your participation
- Are eager to hear your opinions and we will answer your questions openly and honestly.

In these difficult times it is more important than ever to respect each other's opinions and seek common solutions.

And finally my fellow Nevadans, I am convinced, together we will navigate through this crisis - there will be sacrifice and pain. But in the end, we will pull out of this ditch and put our State back on the road of prosperity and opportunity.

Every one of us goes through tough times in life. Sometimes it is the strength we show in the tough times that gives us the confidence and character to build a better tomorrow. Together, we can build a Nevada that has a more sound fiscal footing, a Nevada with a diversified economy producing quality careers for our people and a world-class education for our children. Working in partnership, we can remake our state into a place where everyone has a chance to succeed. The choices we make today and tomorrow will lay the foundation for the state we call home, a home where all its' citizens share in her success. Thank you and good night.