

Nevada budget deficit highest in nation

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Nevada currently leads the US in unemployment, bankruptcies and foreclosures, and now has a budget deficit that stands at 54 percent of the total state budget, the highest percentage in the nation. This inevitably points in the direction of draconian attacks by state politicians on social services, education, as well as workers' pay, benefits and working conditions in the coming weeks and months.

Brian Sandoval, Nevada's newly inaugurated Republican governor, has proposed a budget of \$5.8 billion for the next two years, which would reduce the budget to the 2007-2008 level, while the Democrats have countered with a proposal of close to \$7 billion, but which is not entirely funded. Under either proposal, major cuts would take place.

The governor's budget proposal has sparked a phony debate among Nevada state politicians over the cuts he has set out. While state Democrats agree the budget needs to be cut, they quibble over Sandoval's numbers. The Democrats say the governor's proposal does not take into account the enormity of the deficit and that new taxes would have to be raised as well.

In sum, workers in Nevada are about to be battered from every side as social services will be cut to the bone, along with education and public employees' salaries and benefits. At the same time, the Democrats will push to increase taxes and user fees. Nevada's Republicans have already raised a whole host of reactionary proposals, including making changes to government pensions and health benefits, as well as laws governing prevailing wages and collective bargaining in the state.

Sandoval—who has been labeled “the benevolent butcher” by Nevada Democrats to deflect attention away from the fact that they essentially support the cuts he has outlined—has proposed to cut K-12 education by \$270 a student and a total of \$162 million from higher education.

The cut to higher education has sparked calls from all official quarters to limit or even do away with faculty tenure. State Senator Greg Brower, Republican from Reno, commented on the tenure issue, “We need to put it on the table and take a good hard look at it.”

Chancellor Dan Klaich of the Nevada System of Higher Education has stated that to address Sandoval's \$162 million cut with only layoffs would involve the elimination of 1,850 faculty and staff jobs; to cover it by tuition increases would mean increasing a typical University of Nevada, Las Vegas (UNLV) student's fees from \$6,574 to \$10,744, a jump of more than 60 percent.

The \$162 million in proposed cuts is equal to the entire combined annual state support for Nevada State College, Great Basin College, Western Nevada College, UNLV's law school, UNLV's dental school, and almost all of the University of Nevada, Reno, including its medical school. In the offing are the elimination of programs and entire departments, and there is talk of shutting down some community colleges.

One means of cutting education spending that officials are considering is the declaration of “financial exigency” (akin to bankruptcy), which would lower credit ratings and generally wreak havoc with the state's higher education system, but would allow colleges and universities to rip up contracts and terminate faculty and staff at will. The legal and financial issues involved, as well as the obvious damper this would put on the ability to recruit faculty, have so far hindered such a declaration.

Significant cuts have already been made to higher education in Nevada. The budget at the University of Nevada, Reno has been slashed by \$44 million, or 20 percent, since 2009, resulting in the laying off of more than 100 faculty and staff and the permanent elimination of 400 positions. Twenty-three degree programs at the Reno campus have been closed down, and tuition has already increased by 28 percent. With the new budget proposal, the theatre and dance programs are to be eliminated, as well as the degree program in French; there will also be a significant reduction in funding for the University of Nevada School of Medicine, along with cuts and closures of other departments.

At the University of Nevada, Las Vegas, there has been discussion of doing away with a number of degree programs, as well as entire departments. So far, the talk has centered on cutting those programs that are not profitable, or those with

small enrollment numbers, which would include many of the liberal arts programs.

As for K-12 education, with property values continuing to decline in Nevada, all three major rating agencies took negative actions on the area's school districts over the last two months, according to Bond Buyer reports. That occurred just as the Clark County School District (which includes Las Vegas) was getting ready to sell \$100 million in refunding bonds. The district is the nation's fifth largest and is already more than \$4 billion in debt. Governor Sandoval has made clear his intention of raiding the district's bond reserve to the tune of \$300 million to alleviate the state's funding responsibility.

Nevada's public schools are already considered amongst the worst performing in the nation. A teacher from Judith D. Steele Elementary School in Las Vegas compared conditions in her school to those in the "Third World." She stated that classrooms in her school were littered with broken chairs and schoolbooks were held together by tape.

Nevada state Republicans are also proposing to attack workers' collective bargaining rights. State Senator Brower, for example, has stated, "I frankly question whether collective bargaining for any government employee makes sense. Some people in our state seem to think it's a right. It's not. It's a privilege."

Tray Abney, the government relations director of the Reno-Sparks Chamber of Commerce, commented to the media, "The chamber's official position is [Nevada Revised Statute] 288 [which covers public employees' collective bargaining] should not exist.... It doesn't make sense that the people we elect have to go on hands and knees and beg unions for concessions." This turns reality on its head. Far from holding the state to ransom, Nevada's unions have helped implement round after round of wage and benefit cuts.

In response to the Republican proposals, union officials in Nevada have resorted to the usual demagoguery. Danny Thompson, the executive secretary treasurer of the Nevada AFL-CIO, said, "There will be a revolt in this state if they trade out collective bargaining for a tax increase.... We're talking about taking this fight to the street." This is so much hot air, considering the unions' dread of mobilizing any serious opposition.

Other than attacking collective bargaining rights and "reforming" public employee benefits, state Republicans have been silent on the rest of the reactionary measures they wish to push through the legislature.

Sandoval, however, has been vocal on one matter: that he

refuses to raise taxes, which was for all intents and purposes the platform he campaigned on last year. With no new taxes, and declining revenues from property taxes, sales taxes and user fees, the ruling elite in Nevada intends to balance the budget on the backs of the working class, as is the case across the nation.

Sandoval is calling on state workers to accept a 5 percent pay cut to replace the furlough days they have been taking since 2009, as well as appealing to public employees to contribute more to retirement and medical benefits. The governor also proclaimed in his first State of the State address at the end of January that what is needed is "shared sacrifice."

In the face of Nevada's economic meltdown, the product of rampant free market policies and criminality and greed at the highest levels, Sandoval made clear that the state government would not take any action to help alleviate the current social misery. He stated, "Some believe government is the only solution to our current plight, I disagree.... The cure is not more government spending, but helping businesses create jobs. The key is to get Nevada working again."

With education funding being decimated, and attacks on workers' rights to follow, this translates into turning Nevada into a haven for low-wage labor. How and where the wealthy share in this sacrifice, of course, is never divulged.

At a rally in Carson City, Nevada's capital, Tracy Dupree, who works in the Department of Employment, Training and Rehabilitation, noted the cuts have been going on for far too long. "Ever since I started, somebody has said you've got to do more with less."

One retired worker from the private sector stated, "It wasn't state workers, teachers, or firefighters who caused this. It was the big corporations and the banks."

The budget deficit in Nevada has repeatedly brought workers and students onto the streets to protest the attacks on their standard of living. Since March, there have been almost daily protests in front of the Nevada legislature, but protests alone will not defend workers' rights or living conditions, as both parties of big business are working together both in Nevada and nationally to make sure the economic crisis is resolved on the backs of the workers.



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