

Governor Jim Gibbons



For Immediate Release: March 31, 2008

GOVERNOR OUTLINES NEW REVENUE PROJECTIONS

(Carson City, NV) – Continuing declines in many of the revenue sources that build the state’s General Fund have prompted Nevada Governor Jim Gibbons and his fiscal staff to revise their revenue projections for the current biennium, the Governor announced Monday.

The Governor now projects a budget shortfall for the current biennium totaling \$898 million. After taking into account initial spending reductions from December, this new projection will require additional budget cuts for Fiscal Year 2009 of about \$333 million.

“These are difficult economic times, for not just state government, but for the people of Nevada,” Gov. Jim Gibbons said. “Nevadans are paying more for milk, gasoline, healthcare, heating fuels and just about everything else, so I cannot see asking them to pay more for government, as well. I believe that just like every person in Nevada, the government needs to live within its means, and we will.”

The Governor and his staff have been working closely with a bipartisan group of Legislative leaders while revising the revenue projections. Now that revenue projections are finalized, the Governor and Legislative leaders will continue working to craft a solution that best serves the people of Nevada.

“My meetings with Legislators have been very productive and I’m optimistic that we can reach a consensus on how the state should deal with its budget shortfall,” the Governor said. “We have all expressed an interest in avoiding cuts to operating expenses for K-12 education, public safety and health and human services. I’m hopeful we can have a plan outlined within the next few weeks.”

In December, the Governor announced an across-the-board, 4.5 percent spending reduction that cut state expenditures by about \$560 million. Lower-than-expected revenue, coupled with an unanticipated Medicaid caseload and higher-than-expected school support is demanding this second series of spending reductions.

- ### -