

June 12, 2020

Interim Finance Committee
June 12, 2020 Meeting

RE: CCEA Public Comment Agenda Item B.

Members of the IFC Committee:

We understand and appreciate the decisions that you are all about to be making regarding our economic situation in the state and the revenue shortfalls that will cause adjustments to the State's budget. We know those decisions will weigh heavy on you and understand you do not take lightly making cuts without understanding the human impact those cuts will make. CCEA would like raise the following six (6) points for your thinking as your proceed today, in a special legislative session and the upcoming 2021 Legislative Session.

1. Cuts without a discussion of revenue will not advance Nevada's quality of life for the public nor improve and build a new economy. That old playbook should not be the only measure you should be considering. We need bold and visionary leadership that tackles tough and unpopular policy issues like taxes.
2. What our economy is going through is manufactured unemployment and economic downturn. This is not a structural downturn. Before COVID-19, the Economic forum had predicted flat growth going into 2021- hardly an economic collapse.
3. We do not think it is like 2008 in terms of a long recovery. There will be a V curve of recovery. That means because the current hole is so deep there will be significant gains of recovery right away when the economy opens. We are not suggesting that we will see pre-COVID-19 levels, but we will see recovery and revenue increases on a scale that may mitigate the need to make large budget cuts. The V curve will show accelerated growth.
4. The biennium model doesn't work in this context. In other words, we need a different approach to manage our current situation. We need a surgical and in real time a budget adjustment process. What does that mean? Incremental budget adjustments should be in shorter time frames i.e. having multiple special leg sessions around revenue projections could be productive and efficient. However, we want to stress budget adjustments should have discussions of revenue at all the times.
5. It is time to think about rebuilding a new Nevada economy. We cannot continue to be dependent on two industries and two revenue streams. We understand that GOED is working on a new 5 year economic plan. We hope that means restructuring revenue streams, growing different industries to attract jobs and

not simply default to expanding an entertainment/gaming/tourism industry. Additionally we hope that the leadership of GOED puts all revenue on the table including a mining tax reform.

6. Finally, I will state what I have stated before, policy not politics should be the guiding principle of your decisions. If there was ever a moment in Nevada's history for bi-partisan leadership it is now. The party in power must embrace the minority party as an important partner. And the minority party must recognize this historic moment, its role and be part of strategic solutions that move our state forward.

Thank you,

A handwritten signature in blue ink that reads "John Vellardita". The signature is fluid and cursive, with a large initial "J" and a stylized "V".

John Vellardita, Executive Director
Clark County Education Association (CCEA)