Dear Editor:

A recent Platte Institute Policy Study, “Where Did the Money Go?,” analyzed Nebraska’s revenue and spending tendencies compared with those of her bordering states.

The researchers found that Nebraska was a bit of a “mixed bag,” performing somewhere in the regional median on numerous measures. This means that Nebraska is neither hemorrhaging citizens’ tax dollars nor keeping a completely tight and trim ship as compared to other regional states.

The latest evidence that substantiates the researchers’ concerns is the announcement that the projected state budget shortfall for the next two years will be $986 million, down from the recently announced figure of $1.4 billion, but still an increase from the previously anticipated $751 million shortfall.

Regardless, each estimate reveals an astonishing discrepancy considering that just one year ago a shortfall of only $334 million prompted an emergency session of the legislature to close the gap.

Naturally, panic is by no means the proper reaction to any challenge, but a shortfall nearly three times the amount considered a crisis only one year ago cannot be discounted as insignificant with any sincere sense of proportion.

The solution last November was not to raise taxes, but to curtail new spending and reduce old, ultimately removing nearly seven percent almost completely across the board.

The present predicament, in the opinion of the Platte Institute, calls for a similar approach, especially from those Senators who, though officially non-partisan, ran on fiscally conservative tickets.

The typical allegation that those who oppose new taxes and increases in spending have no workable alternatives, frequent criticism of the Tea Party movement, clearly does not apply here because the authors of the Platte Institute's study not only summarize Nebraska's troubling trends in spending and revenue, but also suggest 10 budget reforms to address the state's "budget crunch."

These recommendations–some seen in Nebraska before, and others that are new–attempt to reconcile increases in state expenditures previously made possible by a booming economy with unexpectedly low revenues compromised by a period of economic turbulence.

The first and maybe most familiar reform is the adoption of an effective state spending/revenue limit such as Colorado's Taxpayer Bill of Rights (TABOR), which is extensively discussed in the policy study.

In 2006, Nebraska flirted with its own similar fiscal control known as the Nebraska Stop Overspending Initiative or Proposition 423.

The proposition was handily defeated after a variety of special interests poured $2.5 million into overwhelming the amendment. This reaction was certainly in part because of worries that with its passage future public sector expansion would necessarily need to come from internal efficiency rather than government largesse.

A suggestion presented by the Platte Institute's Policy Study new to the discussion in Nebraska is the establishment of a State Privatization and Efficiency Council.

One such council in Florida resulted in an estimated $550 million in cost savings under the tenure of Governor Jeb Bush. Privatization is a tried and true option that could potentially benefit Nebraskans immensely. Further refinement of the idea and its potential application to Nebraska appears to be a worthwhile endeavor.

In all, there are alternative options to tax increases for solving Nebraska's budget woes, and when the legislature next comes into session, hopefully these alternatives enter the debate and prevail.

By Alex West

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