Responding to the COVID-19 Crisis

Our Goal: Protect the health, safety, and economic opportunity of all Nebraskans.

Our Approach: Address short-term emergency needs for COVID-19 in ways that do not hamper a long-term recovery when socialization restrictions are eased, allowing a faster recovery.

Actions State Government SHOULD Take

Extend State Income Tax Filing Deadline to Match Federal: 2019 federal income tax filing and payment deadlines have been extended to July 15. Because federal taxes are used to calculate state taxes, Nebraskans should be given the same amount of time by the state.

Separate COVID-19 Items From Other Supplemental Appropriations: Any supplemental appropriations necessary for COVID-19 response should be in separate bills from the general appropriations or other supplemental appropriations bills. This will clarify that these are emergency or temporary appropriations, and not to be intermingled or assumed to be ongoing spending.

Deposit Excess Revenues in the Cash Reserve and Use Reserves for One-Time Emergency Funds: This crisis is an example of a “rainy day” for which the Cash Reserve Fund exists, and we may need more in reserves in the coming months as our state faces a sudden disruption to all tax receipts, especially to income taxes. However, the fund must be maintained throughout the crisis and not be relied on for additional general fund spending.

Therefore...

Cut Non-Essential Spending Now: The Governor and Legislature need to work together and immediately and substantially cut the 2020 budget that isn’t connected to COVID-19. With one voice, they should call on state agencies to complete two tasks within the next 30 days:

1. Identify a set percentage of their 2020 budgets that can be rescinded effective May 1 for the remainder of the current fiscal year, and
2. Be prepared to submit their 2021 budget requests at a reduced percentage of their 2020 appropriated levels. Exemptions from reduction should be granted to programs directly involved in COVID-19 response.
**More Actions State Government SHOULD Take**

**Cut Red Tape in Job Licensing:** In Massachusetts and elsewhere, states are recognizing medical licensing laws from other states and reducing their mandates.

**Extend Regulatory Deadlines:** In Maryland, Gov. Larry Hogan issued an executive order “providing that all renewals of expiring licenses, permits, registrations and the like — including driver’s, business, and other licenses, not only occupational — would be extended to until 30 days after the state of emergency ends.” This suspension should include continuing education requirements for professional licensure.

**Recognize that Many Nebraskans Will Be Facing Significant Financial Hardship:** Raises should be closely scrutinized during this period of economic uncertainty.

**Actions State Government SHOULD NOT Take**

**Suspend Government Transparency Requirements:** Especially when state and local governments are aggressively exerting emergency powers, open records and public meetings are essential to preserving the public’s confidence and trust in government.

**Create Ongoing Financial Obligations with One-Time Funds:** New government programs require ongoing sources of revenue. Any one-time funds received from the federal government in a stimulus package should be used first to address any state revenue shortfall, and then for discrete projects (i.e., immediate-term infrastructure) or short-term measures that expire once the federal funds do.

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