

Tulane economists join state's budget crisis panel

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Tulane University economics professors Steven M. Sheffrin and James Alm are racking up miles between New Orleans and Baton Rouge, Louisiana, traveling once each week for a three-hour meeting to develop solutions to Louisiana's [budget crisis](#).

They are members of the new [Task Force on Structural Changes in Budget and Tax Policy](#), a statewide legislative task force established to target structural tax and budget reforms.

Both professors bring strong credentials to the 13-person task force. [Sheffrin](#), executive director of the Murphy Institute at Tulane, was appointed to the panel by John Alario Jr., president of the Louisiana Senate, while [Alm](#), chair of the economics department, got his appointment from Taylor Barras, speaker of the house.

It won't be an easy job. By June 30 the state has to close a \$750 million deficit for the 2016-17 budget year. A combination of tax hikes approved by the governor and Legislature after a special fiscal session earlier this year solved some of the problems, but legislators had many disagreements and difficulties remain.

"Part of the job is to recognize that we can't go on with this system. We have to chart a path forward," Sheffrin says. "I have a good idea in my mind what I'd like to see, and I hope to offer constructive suggestions to move things along. I hope the group can agree on a revenue target and a modest list of reforms — indicate a few directions, then the legislature can write the bills."

The task force is charged with recommending changes to the state's tax laws, to look at long-term budgeting changes and to report to the Legislature by Sept. 1, 2016, but Sheffrin hopes the panel will move more quickly.

"Everyone on the committee knows, if we reach consensus now, that could impact the next special session" of the Legislature to deal with fiscal issues, Sheffrin says. The governor is expected to convene that session in coming weeks.

“There’s an obvious problem to be solved,” Sheffrin says. “Maybe a group that doesn’t have any legislators can get something accomplished.”

“Some representatives seem to think there’s some kind of magic bullet ... one trigger they could pull to fix everything, but that’s really not the case.”

Steven M. Sheffrin, Murphy Institute