

# Rare 2nd special session looms for Legislature

By Mary Sell Montgomery Bureau | Posted: Sunday, August 9, 2015 12:15 am

MONTGOMERY — The Alabama Legislature’s special session appears to be ending the same way the regular session closed in June, with Republican leadership failing to agree on the 2016 General Fund budget.

This time, a rare second special looms.

Gov. Robert Bentley wants about \$300 million in new taxes. Senate President Pro Tem Del Marsh on Friday, like he did in June, said there isn’t an appetite in his chamber for new taxes. And somewhere in between is Speaker of the House Mike Hubbard.

“When you have a super-duper majority such as we have, you have splinter groups that form their own factions,” said Sen. Bill Holtzclaw, R-Madison. “You have groups that are willing to support this but not that. And there are certain issues that these groups aren’t willing to concede on, which leads us to the stalemate we’re in right now.”

Holtzclaw, a member of the Senate General Fund committee, promised in February, via an electronic billboard, not to support new taxes.

That position hasn’t changed, he said.

Bentley said Friday he was planning to call a second special session.

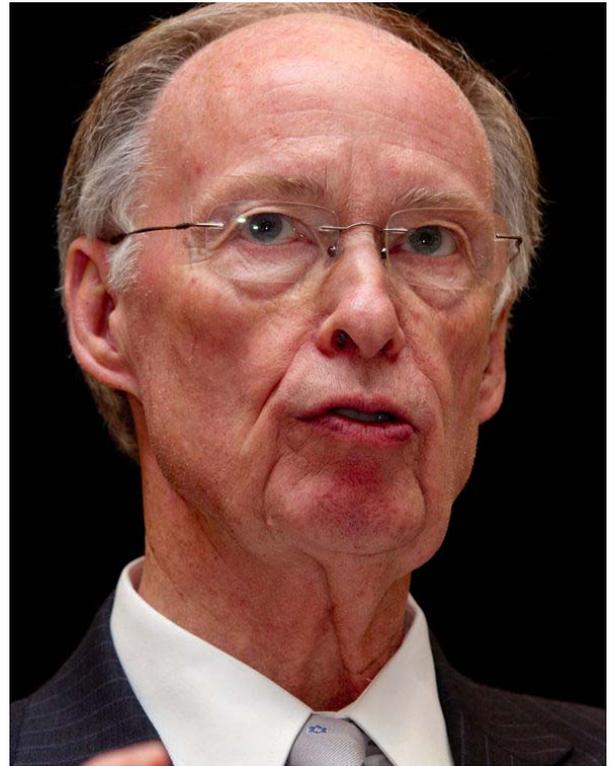
“We have to have some taxes, and we have to have some funding for the services people expect,” Bentley said.

The unity Republicans showed in 2010 is a distant memory now, said William Stewart, retired chairman of the political science department at the University of Alabama.

“They’re not any closer to an agreement than they were when they first started,” Stewart said. “They have any number of options, and they can’t agree on any of them.”

Those options have included a cigarette tax increase, rejected in the House committee last week, and a use tax transfer of about \$220 million from the Education Trust Fund to the General Fund.

The transfer is supported by Marsh, who got it out of a Senate committee but didn’t bring it to a vote on the floor, which indicates it doesn’t have the votes to pass.



Bentley

A use tax is an excise tax on personal property, machines, vehicles, motorboats, farm equipment and other equipment. It is paid on items purchased outside of Alabama for use inside the state.

The House last week approved a budget that cuts Medicaid by \$156 million, along with other cuts to agencies. A senate committee Friday substituted that budget for one that cuts state government by \$200 million. Bentley vetoed that budget in June and called lawmakers back for the special session.

Hubbard on Friday criticized Bentley for bringing lawmakers back too soon.

“I don’t think the preparation was put into this by the governor,” Hubbard said. “I don’t think he did what he needed to do and his staff needed to do to make sure there was a consensus before it was called, and I would just urge the governor if there is another special session, and hopefully there will be before Oct. 1, that he listens to the leadership and lets us make recommendations to him on when we’re ready to come in and get things done.”

Hubbard said a consensus is close in the House. He declined to give details but said his chamber would stop worrying about the Senate. A Senate committee Friday rejected the House bill to un earmark about \$500 million in the General Fund.

“We’ve been looking to the Senate and what they will pass before we send anything up,” he said. “And I think the overwhelming belief in our caucus, and the Democrat caucus, too, is we can’t worry about the Senate. We just have to do what we believe is in the best interest of the people of Alabama and let’s send it up there and put the pressure on them to do the right thing.”

Marsh said Friday “there have not been screams from our constituents” to raise taxes to support state government. He wants a statewide lottery and Vegas-style gaming as a moneymaker for the state.

“They’re just fine passing a tight budget and making the state live within its means,” Marsh said.

That’s not acceptable to Bentley.

“Living within our means means that we’re going to cause a tremendous amount of pain to the citizens of this state,” he said. “We’re dealing with real people and real peoples’ lives.”

He hopes citizens who fear cuts to services like Medicaid and state law enforcement, as well as the departments of human resources and mental health, will put pressure on lawmakers.

Bentley said if the state is going to have a budget on Oct. 1, another special session will be needed.

“But I’m not saying when,” he said.

## **Agencies wait**

In a normal year, Neal Morrison, director of the Alabama Department of Senior Services, would now be thinking about his 2017 budget proposal. Instead, he’s waiting to find out how much funding his agency will receive starting Oct. 1.

He said he’s told employees and providers to prepare for an 11 percent cut, “and hoping and praying that

it's a whole lot less.”

He said he's receiving calls from people concerned about the programs' futures, including one that helps keep seniors in their homes by providing in-home care — a much cheaper option for the state than Medicaid-paid nursing homes.

Morrison was concerned last week about the House's proposed cut to Medicaid. He said he doesn't think people understand the impact of the \$156 Medicaid cut, which is really millions more when the resulting loss in federal funding is included.

He compared the cut to Medicaid to Lawrence County losing International Paper: Hospitals will cut employees, and some rural ones would close. The ripple will be huge, he said.

“Forget about if it's the right thing to do in your heart,” Morrison said. “This is impacting the whole state economy.”