

House General Fund budget level funds most state agencies

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It has no money for a state employee pay raise. It provides less to the Alabama Medicaid Agency.



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Rep. Steve Clouse on the house floor in the Alabama Statehouse in Montgomery, Ala. on Tuesday February 14, 2017. (Photo: Mickey Welsh / Advertiser)

But in many other respects, the General Fund budget approved by a House committee Wednesday afternoon was what Gov. Robert Bentley proposed to the Legislature back in February.

The \$1.843 billion budget moved out the House Ways and Means General Fund committee on a voice vote. It now goes to the full House, and committee chairman Steve Clouse, R-Ozark, said he hoped to see the chamber vote before legislators go on spring break later this month.

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But with uncertainty over federal funding for Medicaid, a keystone of the state's health care system, and the looming loss of \$105 million in BP settlement money going to the program, the General Fund includes about \$97 million for rollover, either to address federal changes or to make up for Medicaid losses in 2019.

"I think we could very well be in special session later in the year, based on what comes out of Washington," Clouse said after the meeting. "If we do, I would like to have \$90 million in the bank rather than zero to deal with those problems."

The House version of the budget — which will likely go through further changes in Senate — is about \$4.75 million less than the current year's budget and about \$61 million less than what Bentley presented. The major reductions come from about \$42.2 million fewer state dollars for Medicaid than the governor's proposal, and the cut of [a 4 percent raise for state employees \(/story/news/politics/southunionstreet/2017/02/08/bentleys-budgets-would-good-state-workers/97651820/\)](#), which cost about \$19 million.

State employees have not received a cost-of-living increase since 2008, but legislators have resisted COLAs, citing their concerns about adding a recurring cost to a troubled budget. Rep. John Knight, D-Montgomery, offered an amendment in committee that tried to rescue the raise in the form of a one-time, \$1,600 bonus for each state employee. Knight praised the workforce for "representing all of us."

"Their attitude when they handle business reflects on state government and the Legislature," he said. "They do a tremendous job."

Clouse, who tabled the amendment, said he appreciated what state employees do, but wanted to ensure the state government had leeway to address any shortfalls that might be coming.

"It's my desire, and I hope the desire of the majority of the Legislature, to hold back as much money as possible to deal with shortages next year when we lose BP money and deal with the unknown," he said.

Clouse did note that the budget fully funds the state employee's insurance program's request. Mac McArthur, executive director of the Alabama State Employees Association, said that was a separate issue, and said he hoped to see something happen on the floor for state employees.

"It's very disappointing that with employees having to do more and more, that you saw this not happen," he said.

Alabama Medicaid said in a statement Wednesday evening that Medicaid could likely get by on the money if flat trends in enrollment seen over the past 18 months continue, but warned that more money would be needed if they reverse. It was also unclear how the budget would impact the implementation of regional care organizations (RCOs), an attempt to move Medicaid from a fee-for-service model to one that rewards outcomes, in the hopes of reducing program costs.

"Assuming no unforeseen changes from the federal government, it is likely that we can maintain our current Medicaid program through the 2018 Fiscal Year," spokeswoman Robin Rawls said in a statement. "However, we will need to evaluate any impact of this budget on our planned implementation of Regional Care Organizations."

The House version of the budget also provides \$3.3 million to the Alabama Law Enforcement Agency to hire 30 more state troopers, and \$500,000 to the court system for the juvenile probation program. The Alabama Department of Environmental Management, [nearly zeroed out of the budget two years ago \(/story/news/politics/southunionstreet/2015/09/20/state-agencies-looking-severe-cuts/72512046/\)](#), would see a \$175,000 boost under the proposed budget. The Forestry Commission would see an additional \$800,000.

In other respects, though, the budget, like Bentley's, level-funds most state agencies, including Corrections, Mental Health, and Human Resources.