

General Fund budget goes to Gov. Kay Ivey

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The Alabama House of Representatives on Thursday gave final approval to a \$1.8 billion General Fund budget that provides no raises for state workers and flat funding for most state agencies while reserving \$95 million to address an expected loss of money in the 2019 budget.



(Photo: Advertiser file)

The House approved changes made by the Senate last week on a 93 to 6 vote. It goes to Gov. Kay Ivey. The budget process proved less dramatic than in previous years, owing to the one-time injection of \$105 million from the state's share of the BP settlement over the 2010 Gulf oil spill.

"It was an anomaly," said House Ways and Means General Fund chairman Steve Clouse, R-Ozark. "It was an unusual year because of the \$105 million in BP money. We know we'll be looking for money next year."

The Senate [added only \\$4.1 million \(/story/news/politics/southunionstreet/2017/05/04/anger-erupts-during-senate-general-fund-debate/101313378/\)](/story/news/politics/southunionstreet/2017/05/04/anger-erupts-during-senate-general-fund-debate/101313378/) to the budget, perpetually troubled by flat growth in its three dozen revenue sources and increasing cost growth in programs like Medicaid and the Department of Corrections. Legislators are unwilling or unable to create new taxes or transfer existing ones to shore up the budget.

The budget provides a handful of increases, including \$3.3 million to the Alabama Law Enforcement Agency to hire 30 additional state troopers, and provides modest increases of \$800,000 to the Forestry Commission and \$175,000 to the Alabama Department of Environmental Management. The budget also includes language that would direct an expected 5 percent increase in the cost of liquor to provide \$8.2 million for the state's courts and district attorneys. The Alabama Alcohol Beverage Control (ABC) board has not yet given final approval to the proposal.

Elsewhere, though, legislators kept funding level. The Departments of Corrections, Mental Health and Human Resources, the biggest agencies in the budget, all saw increases in spending. SERVE Alabama, the Governor's Office of Faith-Based Initiatives, would be moved into the Alabama Department of Economic and Community Affairs. The budget also

eliminates funding for the lieutenant governor's office in the 2018 fiscal year; the office became vacant after Ivey became governor in April, and will not be filled again until January 2019.

The budget includes no raises for state workers, who have not seen a cost-of-living increase since 2008. But the document would increase the state's share of insurance from \$850 per employee per month to \$930 per employee per month.

The \$95 million held in reserve is intended to make up the loss of BP money next year. But legislators say that money could be used to shore up the Children's Health Insurance Program (CHIP) if Congress makes changes to how the federal government pays for it. That will likely lead to what is becoming an annual struggle to jury-rig funding to keep the General Fund going another year. The last major effort to add growth revenues to the General Fund collapsed in 2015 (</story/news/2015/09/16/general-fund-budget-gets-final-legislative-approval/32536919/>), and a lottery proposal pitched in a special session last August failed amid concerns [from legislators with dog tracks in their districts](#) (</story/news/politics/southunionstreet/2016/08/26/alabama-lottery-bill-stumbles-before-finish-line/89420346/>).

"We've got to find sustainable funding in the General Fund," Clouse said. "It's all flat revenue."

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