

General Fund budget dies in Alabama Legislature



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(Photo: Albert Cesare / Advertiser)

The budget that nobody liked narrowly escaped the Senate on Monday, only to be crushed in the House.

Despite a lack of approval from members, the Alabama Senate voted 19-15 to pass a \$1.65 billion General Fund budget with major cuts to state agencies, ranging from Medicaid to law enforcement to the state's judicial system. The dire budget earned a no vote from Senate Finance and Taxation General Fund Chairman Arthur Orr, R-Decatur, who framed it.

"I don't believe this budget adequately funds state government," Orr said after the vote. "Can we stand some more cuts in some places? Absolutely. But it's going to cripple some state agencies. When you're talking in some places an 18 percent cut, I don't think state agencies can handle it."

About three hours later, the Alabama House of Representatives — which sent a budget to the Senate with a \$156 million cut to the state's Medicaid program last week — rejected the Senate proposal 92 to 2. The margin was so large that there were seven more representatives not voting on the measure than there were yes votes. House Speaker Pro Tem Victor Gaston, R-Mobile, and House Ways and Means General Fund chairman Steve Clouse, R-Ozark, were the only affirmative ones on the column.

Clouse, who moved to concur in the Senate budget "unenthusiastically," jokingly asked for budget co-sponsors following the vote.

Budgetary limbo

The diverging results Monday all but closed the door on a tense special session, dominated by divisions between the chambers and among Senate Republicans over the proper way to address a \$200 million shortfall in the General Fund, which pays for most noneducation programs in the state. House and Senate members threw sharp elbows at each other over failures to pass revenue bills. Each chamber managed to pass a budget the other hated.

House and Senate members fired volleys at Gov. Robert Bentley, saying he called them back too soon after the conclusion of the regular session in June to come to an agreement.

"We weren't ready to come back," House Speaker Mike Hubbard, R-Auburn, said after the vote Monday. "Obviously we had not completed our work, and we did not have an opportunity to go through all of the different committees and things we put together."

Bentley called the Legislature into special session on July 13. The governor said at the time he believed he had the votes to pass revenues in both chambers. Bentley also suggested he wanted to fight an effort to use gambling as a budget solution.

The governor's office said Bentley would not have a comment Monday evening.

Whether more time would have allowed the House and Senate to overcome their differences is another question. Senate President Pro Tem Del Marsh, R-Anniston, maintains there is no will in the Senate for tax increases. Both Bentley and House leaders' budget plans had at least some revenue components to them.

But the House's budget fix lost momentum on Aug. 4, after the House Ways and Means General Fund committee narrowly rejected a 25 cent increase on the tax paid on cigarettes, estimated to bring in about \$66 million.

"The appetite is not there in my opinion in the Senate to raise taxes, and quite honestly it must not be in the House," Marsh said Monday. "The House did not move a single revenue measure."

House members, in turn, criticized a Senate committee killing two bills last week. One would have established an oversight committee on government spending. The second, in its final form, would have removed earmarks from about \$488 million in revenue for different state agencies.

The Senate Finance and Taxation General Fund committee moved to carry the unearmarking bill over after an official from the Alabama Department of Conservation and Natural Resources said he was uncertain of the effect the bill would have on federal matching funds.

"I've got three words for the Senate: shame on you," said Rep. Will Ainsworth, R-Guntersville, on the House floor.

'We're talking about people's lives'

The \$1.65 billion General Fund budget was very similar to the one passed by the Legislature in June and vetoed by Bentley. The major difference was the addition of \$16 million for prison reform, and a rollback of a Medicaid cut approved by the House from \$156 million to about \$34.2 million.

Hubbard and other Republicans in the House said they never expected the \$156 million cut to become law. The goal, they said, was to start a conversation about Medicaid's importance to the state's health care system. Over 1 million Alabamians qualify for Medicaid; more than half are children. The program is vital to the state's hospitals, nursing homes and pediatric practices.

But senators sharply criticized the proposal. Sen. Gerald Dial, R-Lineville, was particularly outspoken, saying the cuts would devastate Alabama.

"When a hospital closes, everyone loses," Dial said. "They're not just for treating indigent patients, they're treating everybody in that community."

The reduced cut in the Senate version would still have been devastating to Medicaid, as Dial and other senators noted. The Senate budget also extended the pain throughout state government. Had it become law, the budget could have gutted law enforcement, mental health and child care services, among other programs. The funding drop could have led to lawsuits.

"This is not a game," said Rep. Allen Farley, R-McCalla. "We're talking about people's lives. We're talking about children. We're talking about hospitals. We're talking about law enforcement."

Bentley and his office called both the House and Senate versions of the General Fund unworkable last week. Legislators expected him to veto either version.

Special session II

The fiscal year begins Oct. 1. Another special session will take place before then. Rep. John Knight, D-Montgomery, a former General Fund budget chair, said breathing room would enhance results of that session.

"We need time to analyze legislation, put together a package and decide what our goals are for the budget," he said.

Marsh said Monday that Bentley should not call a special session before September.

Republicans have also said they haven't heard an outcry from their constituents about the state of the General Fund. That, they say, makes it harder to take action.

"You heard very little in the way of people contacting their legislators over the past two months," Orr said. "I would predict we will be back here with this very same result, until this dynamic changes, (and) people realize the impact of the cuts on their daily lives."

But House members said they did hear that outcry, particularly on Medicaid. Sen. Vivian Davis Figures, D-Mobile, criticized that attitude on the floor of the Senate Monday.

"Why do we need to get calls from people from home to do the jobs we were elected to do?" she said.

Some Republicans indicated an openness to revenue. Sen. Clyde Chambliss, R-Prattville, said he could not see how economic development could take place under the budget, particularly with cuts to Medicaid that could devastate rural hospitals in the state.

"I'm willing to raise my hand on things I don't want to, whether a cigarette tax or a FICA reduction," he said.

Besides Chambliss and Orr, Republicans Paul Bussman of Cullman; Gerald Dial of Lineville; Jimmy Holley of Elba and Tom Whatley of Auburn voted no. The chambers eight Democrats all voted no, as did independent Harri Anne Smith of Slocomb.

During the Senate debate, Bussman, saying he had seen "games" played over the budget, suggested creating a video game called "Budget Crisis" in which the player could play any character.

"I suggest you do not play as the budget chairman," Orr said.

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