

# Alabama's budget blues

By Mary Sell Montgomery Bureau | Posted: Saturday, November 15, 2014 10:49 pm

MONTGOMERY — State Superintendent of Education Tommy Bice is suggesting a three-year plan to get state education funding to where he said it needs to be.

Bice said there needs to be an open and candid conversation with lawmakers "about where we are financially," and that some things in the education budget don't belong there.

State school board members and Bice said last week there are millions of dollars' worth of line items in the education budget that have been shifted from the state's General Fund budget. They're not true education expenses, board members contend, and they'd like them shifted back to the General Fund — and that funding left in the education budget.

"I don't think anyone disputes those (line items)" in the education budget, Bice said. "It's just that, if you move them, where is the funding source going to come from" to make up for the deficit in the General Fund?

Alabama is one of two states with separate budgets for education and non-education agencies. The education budget's revenues are more profitable than those of the General Fund. The General Fund is expected to have a shortfall of about \$200 million in fiscal 2016, and that's before state agencies request additional dollars.

This year, *The Decatur Daily* reported the department had identified about \$150 million in the current budget that it didn't consider essential educational expenditures.

The largest is about \$53 million for the Department of Commerce, including industrial training and workforce development programs. About 20 other items are on the list, including funding for state mental health, law enforcement and the Alabama Civil Air Patrol.

The current education fund is nearly \$6 billion, but education officials said millions matter when there isn't enough money to properly fund school buses or libraries.

Jennifer Ardis, a spokeswoman for Gov. Robert Bentley, said last week the governor hasn't had any conversations about transferring items back to the General Fund.

"Gov. Bentley is considering all options as it relates to the budget. However, no final decisions have been made at this time," Ardis said.

Board member Mary Scott Hunter, R-Huntsville, called the transfers a diversion on education funds.

"It's not that these programs aren't important ... it's not that they shouldn't be funded, but they're not proper Education Trust Fund," she said.

Bentley has said he and his finance team are looking at every option available to generate more revenue

for the General Fund, short of raising taxes.

A state lottery and a compact with the Poarch Band of Creek Indians to allow them to expand their gaming operations have been listed as possibilities, though Bentley is opposed to gambling.

Sen. Arthur Orr, R-Decatur, chairman of the Senate General Fund budget, has said an exhaustive look at the state's revenue, expenditures and tax code is underway. He's particularly interested in looking for loopholes and tax exemptions that are losing money for the state.

Education leaders see this as a time to discuss their budget, but Hunter said "it's not us against them; it's not the Education Trust Fund against the General Fund."

"As long as we're talking about new sources of funding, then we need to talk about some of these items that are sucking up a lot of the Education Trust Fund and need to be dealt with," Hunter said. "As long as we're talking about it, let's talk about all of it."

Board members also are concerned that if fixes for the General Fund aren't found, more money will be diverted from the education budget.

"Sooner or later, we need to make sure that the General Fund is adequately funded," said board member Charles Elliott, R-Decatur. "It is woefully underfunded."

Rep. Lynn Greer, R-Rogersville, is on the House's General Fund committee. He said he understands the concerns, but now is not the time to try to put more demands on the General Fund.

"I don't know what in the world we'd do," he said about funding prisons and other state agencies. "We're going to have to work on some things and face some realities, but it just isn't a good time to be pushing money around."

Like some other Republicans, Greer said Alabama should have one operating budget, instead of two. The idea has been kicked around in the past, but never gained traction.

"It may come up again this year," Greer said. "It may have more support than it ever has. It's like with a husband and a wife in a home: You don't give one one budget and the other another budget. It just doesn't work."

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