



P. O. Box 1188
Montgomery, AL 36101
Street address: 207 Montgomery St. #810
www.arisecitizens.org
Newsletter printed on recycled paper with 100%
post-consumer content

Arise Lobby Day!

Thursday, March 10,
State House

- 9:30 am – Registration,**
8th floor
- 10:00 am – Issue briefing,**
8th fl., Star Wars Room
- 11:30 am – Visit legislators**
in offices and invite to
reception
- 12:30 pm – Legislative lunch**
reception,
Capitol Tunnel
- 1:00 pm – Press conference,**
Capitol Tunnel
- 1:30 pm – Arise membership**
meeting,
State House (room TBA)
- 2:00 pm – Adjourn**

We need you in Montgomery on
March 10th!

TWO MOBILE EVENTS

Thu March 17th, 7:00 pm,
All Saints Episcopal Church,
1321 Dauphin St., legislative
workshop led by Kimble
Forrister.

Mon April 4th, 5:30 pm,
DePaul Center, Providence
Hospital, 1st floor, 6801 Airport
Blvd. Reception and panel
discussion, SW Ala legislators,
Kimble Forrister moderating.
Co-sponsored by The Quest for
Social Justice and Arise.

Report

This newsletter made possible by the members of Arise Citizens' Policy Project
Vol. 8, No. 2

February 25, 2005

Funding shift raises concerns

Governor throws budget curve

By Mary Weidler, senior policy analyst

When Governor Riley released his proposed General Fund budget on February 1, it was as though the previous month's Joint Legislative Budget Hearings had never happened. At those hearings, General Fund agencies used the Governor's new SMART Budgeting process to justify their requests for budget increases totalling \$594 million. When House budget committee chair John Knight pressed agency representatives to assess the minimum costs for maintaining current services – and staying out of court – the projected increase fell to \$353 million, including \$129.1 million for Medicaid. Yet the Governor proposed an increase of only \$7.6 million over this year's budget. The disparity between these two numbers highlights the gulf between demonstrated needs and political realities in today's Alabama.

The day before the Governor released his budget, Medicaid Commissioner Carol Herrmann warned Arise not to “have a heart attack” when we saw the appropriation recommended for Medicaid, which was \$65 million in new dollars, half of what Herrmann originally requested. The Commissioner later explained that a smaller increase in prescription drug costs and a new “smoke and mirrors” enhanced payment scheme would enable further reductions to the projected 2006 budget. A number of less convincing maneuvers helped the Governor balance his low-growth budget.

In what has proved to be the most controversial proposal thus far, he transferred about \$70 million in General Fund expenses to the Education Trust Fund (ETF). Among those programs he moved to the ETF was the Children's Health Insurance Program (CHIP), to the tune of \$23 million. The Governor defends this move with the appealing argument that healthy children are better able

[Turn to Page 2]

Arise takes new approach to landlord-tenant law

By Ron Gilbert, policy analyst

Once again, Arise's efforts to reach a compromise with the Alabama Association of Realtors over a landlord-tenant bill have come to a standstill. But this time, instead of pressing ahead with a bill of our own, we're adopting a different strategy. We're teaming up with other advocacy groups – Alabama Watch, the Southern Poverty Law

[Turn to Page 2]

Action: Landlord-tenant bill

Contact your state senator by March 9 and urge him or her to support SB274 as a fair effort at protecting both landlords and tenants. Also ask him or her to *reject* SB172 as a bill that further protects landlords at the expense of Alabama tenants.

A few words from Kimble —

What a conference! We drew twice as many people as we expected, filling our Birmingham-Southern space to the max. A stunning 160 students participated. We could almost feel our horizons expanding.

Now our challenge is follow-through. People left with the image of that widow banging on the door, demanding justice. Arise offers one effective channel for such persistent energy, and directing people to our channel requires legwork – slow, unrelenting legwork.

About the current circus in Montgomery – Remember, when the elephants do battle, the little ones get trampled. I'm glad the governor won't let the teachers' union have whatever it wants, but I also don't want to see the union crippled. Each has a legitimate role to play. It's frustrating to see two sides leaping into battle when we all know that when the dust settles, teachers will get a raise somewhere between the two extremes. Let's hope the teachers get a reasonable raise that's small enough to sustain next year. And to achieve sustainability, we also need to restore the money borrowed from the rainy day fund, now that times are better.

Riley is in a predicament, and so are we all. Each year the vise squeezes tighter on the General Fund, and as our last newsletter explained, people are hurting. Riley argues that no one has the stomach for new taxes, but by looking for a patch "to get us through one more year," he sets us up for an even worse predicament next year – an election year. Instead of warring with each other, both the Governor and Dr. Hubbert could be statesmen if they sat down to craft a long-term solution like income tax reform.

With peace,

Governor's budget

[Continued from Page 1]

to learn. But that reasoning raises more questions than it answers. For example, if CHIP belongs in the ETF, then why shouldn't Medicaid spending on deliveries and children's health services – 22 percent of the Medicaid budget or approximately \$600 million – also be covered under education?

Other General Fund expenses that the Governor is proposing to transfer include nearly \$17 million for Mental Health and smaller amounts to several other agencies. Teacher lobbyists quickly yelled foul, and education finance committee heads Lindsey (House) and Sanders (Senate) held a news conference to oppose all but \$5.7 million of the proposed diversions.

Landlord-tenant

[Continued from Page 1]

Center and the Alabama Appleseed Center for Law and Justice – to support a model bill that has passed in similar form in 20 other states.

A committee of Alabama legal experts drafted the Uniform Residential Landlord and Tenant Act under the guidance of the Alabama Law Institute. The comprehensive legislation offers a number of tenant protections that currently do not exist under Alabama law. For example, the bill provides that:

- The obligations of landlord and tenant in a lease agreement are *interdependent* rather than *independent*. (In the negotiations that failed earlier this year, the Realtors asserted a common-law principle called "independence of the covenant," which says that a tenant's obligation to pay rent is independent of the landlord's compliance with his obligations in the rental agreement.)
- The tenant has the right to make repairs and withhold the cost of such repairs, up to one half of a month's rent, if the landlord fails to make repairs after seven days' writ-

ten notice. (Also in this year's discussions, the Realtors rejected Arise's insistence on a "repair-and-deduct" provision.)

- Security deposits are limited to one month's rent in most cases.
- The landlord cannot modify the rules and regulations of the lease agreement during its term.
- Eviction processes must follow the time lines allowed under the Alabama Rules of Civil Procedure.

The Governor also proposes moving \$24.7 million in debt service for this fiscal year to the Capital Improvement Trust Fund (CITF). Last year when the Legislature proposed transferring costs to the CITF, the Gov. screamed it would kill his economic development money. What a difference a year makes!

Chairman Knight has put out a "draft scenario" in which only Medicaid is

[Turn to Page 4]

The bill has been introduced as House Bill 313 by Rep. Jeff McLaughlin, co-sponsored by Rep. Laura Hall and Rep. Merika Coleman. It is assigned to the House Commerce Committee. The companion Senate Bill 274 has been introduced by Sen. Myron Penn and is in the Senate Judiciary Committee.

The Realtors have also introduced a landlord-tenant bill. Under their proposal, Alabama would become the only state in the nation to codify the "independence of the covenant to pay rent" without restriction.

Full texts of the Arise and Realtors' bills are available at the Alabama Legislature's website – follow the Resource Links from www.arisecitizens.org.

Washington update

President's five-year budget would cost Alabama \$1 billion

Alabama stands to lose an estimated \$1.05 billion in federal spending from selected programs, according to an analysis of President Bush's budget proposal by the Center on Budget and Policy Priorities (CBPP), a nonprofit budget watchdog group in Washington, D.C. The President is calling for \$214 billion in cuts to domestic "discretionary" programs between 2006 and 2010. Education, environmental protection and assistance to low-income families are among the areas facing big reductions.

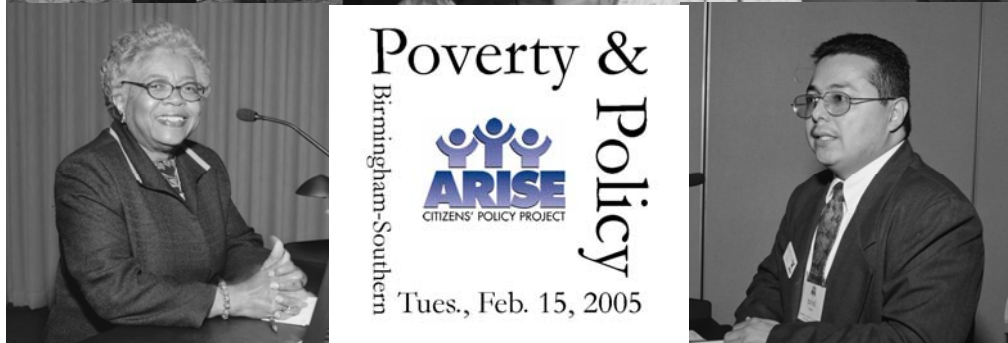
The President's proposal is the first since 1989 that provides budget details for only one year, instead of the usual five. CBPP, using the President's funding priorities for 2006 and unpublished documents the Administration gave Congress, has estimated the effects of the 2007-10 cuts on individual programs, state by state.

The CBPP analysis finds that the President's five-year budget would cost Alabama:

- \$274 million in K-12 and vocational education funds;
- some 5,400 subsidized child care slots;
- \$10.5 million in funding for the Women, Infants and Children (WIC) program;
- about 5,200 housing vouchers for low-income families;
- \$124.6 million in Community Service and Community Development Block Grants.

"At a time when state lawmakers must close a \$250 million General Fund budget gap," said ACPP executive director Kimble Forrister, "Alabama is in no position to pick up programs that should be funded out of our federal tax dollars."

Arise conference draws 480 people!



ACPP's first-ever statewide Poverty & Policy Conference drew more than 480 participants to Birmingham-Southern College on February 15. Presenters at the event's 24 workshop sessions included Odessa Woolfolk of the Birmingham Civil Rights Institute (center left) and Javier Morales of Project Aprende, Oneonta (center right). BSC president David Pollick (below center left) welcomed the overflow crowd, which included some 150 students. Photos courtesy of John Earl, Tuscaloosa.

We appreciate our contributors!

ACPP thanks the following individuals and organizations for their generous gifts received between Dec. 8, 2004, and Feb. 18, 2005:

Anne W. Amacher, Auburn
Beverly Andrews, Mobile
Connie Arnwine, Birmingham
Dot Baker, Birmingham
Sr. Patricia Bauch, Tuscaloosa
Alyce M. Beasley, Reform
Jere L. Beasley, Montgomery
Neal & Anne Berte, Birmingham
James Bielli, Scottsdale, Ariz.
Mary Blankson, Birmingham
Ann Bogardus, Santa Rosa Beach, Fla.
Brenda Boman, Notasulga
Cathy Brechtelsbauer, Sioux Falls, S.D.
Albert P. Brewer, Birmingham
Charlie & Chip Busch, LaFayette
Hank Caddell, Mobile
Clarence C.J. Carrio, Mobile
Susan Carroll, Birmingham
Greta Clark, Birmingham
Sonja Cobb, Birmingham
Paula Copeland, Birmingham
Robert Cowan, Montevallo
Stephen Craft, Birmingham
Carolyn Crawford, Birmingham
Saradell Crawford, San Antonio, Tex.
Rev. Jay Croft, Birmingham
Gabriele Darch, Auburn
Rev. Emily R. Davis, Talladega
Carol Dean, Birmingham
Donald Deibert & Glad Tithings
Foundation, Asheville, N.C.
Jane DeLung, Lawrenceville, N.J.
Ton & Vaughn Devos, Birmingham
John & Zippy Doll, Theodore
Donald P. Domico, Selma
Lynn Douglas, Birmingham
Tom & Doreen Duley, Birmingham
Dan & Kathleen Dunne, Birmingham
John Earl, Tuscaloosa
Stan Easton, Jacksonville
Robert S. Edington, Mobile
Stephen Taylor &
Debbie Elliott-Taylor, Orange Beach
Carolyn Ellis, Auburn
Sarah & Charles Fechter, Trussville
Virgene & Roland Ficken, Tuscaloosa
Lois Field, Tuscaloosa
Carlos Finkley, Tuskegee
Kimble Forrister & Calli Patterson,
Montgomery
David Gary, Birmingham
Jim Gatling & Debbie Pendleton,
Montgomery
Jim & Helen Geesey, Montgomery
Dr. Brian F. Geiger, Birmingham

Ron Gilbert, Douglasville, Ga.
Walter H. Goodhue, Huntsville
Barbara Grant, Montgomery
Mary J. Gray, Evansville, Ind.
Paul E. Grisham, Opelika
Laura Hargrave, Montgomery
Presdelane Harris, Montgomery
Benga Harrison, Birmingham
Dale Head, Birmingham
Curtis T. Henson, Auburn
Lawton Higgs Sr., Bessemer
Rev. Peter Horn, Birmingham
Gloria Hubbard, Birmingham
Harriette Huggins, Auburn
Pat Ivie, Montgomery
Nancy Jackson, Blountsville
Stewart A. Jackson, Birmingham
Frank & Jothany James, Birmingham
Arzula C. Johnson, Pine Apple
Stan & Gracie Johnson, Birmingham
Rebecca Harbor Jones, Madison
Amanda Kay, Huntsville
Marty Keller, Birmingham
Sr. Deborah Kennedy, R.S.M.,
Ft. Payne
M. Javed Khan, Auburn
Kathy King, Montevallo
Paul & Jarcia Kosinski, Huntsville
Richard R. Krause, Birmingham
Elizabeth Lambertson, Birmingham
Jo Anne Laughlin, Auburn
Jennifer Lee, Montgomery
Kit Lively, Charlotte, N.C.
Fran MacDougall, Birmingham
Hiram Maddox, Mobile
Ron Manning, Brierfield
Dorcas Mansell, Birmingham
John & Patricia Martinez,
Baton Rouge, La.
Anna McIlwain, Talladega
Brad Moody, Montgomery
Martha Morgan, Tuscaloosa
Jean Gay Mussleman, Florence
Merlin Newton, Montgomery
Jane Nichols, Montgomery
Leslie D. O'Neil, Birmingham
Cary Page, Birmingham
Bob Parker, Birmingham
Sylvia Pierce, Evergreen
Ashley J. Reynolds, Decatur
Frank Romanowicz, Birmingham
Alfred Rose, Birmingham
Anne G. Rutledge, Huntsville
Dick Sales, Birmingham
John Schweinsberg, Huntsville
James & Amy Sedlis, Birmingham
Bobby Segall, Montgomery
Frederick Shepherd &
Lorin Etka-Shepherd, Birmingham

Carol Jean Smith, Montgomery
James Opp Smith, Montgomery
Henry A. Spears Sr., Montgomery
John & Emily Spinks, Birmingham
H. E. Steele, Auburn
Judd & Libba Stinson, Montgomery
Paul Stuart, Northport
Dalton & Edwina Styes, Birmingham
Kathleen Tajeu, Auburn
Susan Vaughn, Montevallo
Paul & Kathy Vincent, Montgomery
Connie Wagnon, Birmingham
Ken & Phyllis Wallace, Fairhope
Joanna F. Ware, Birmingham
Gerald & Carol Wheelock, Huntsville,
Virginia Willard, Gadsden
Don C. Williams, Hope Hull
Teri Wright, Birmingham
Eldon Zimmerman, Birmingham

Consolata Missionary Sisters, Eutaw
Edmundite Southern Missions, Selma
Fairhope Friends Meeting
Fairhope Unitarian Fellowship
Project Hope to Abolish the
Death Penalty, Lanett
Prudential Foundation
Matching Gifts, Princeton, N.J.

Governor's budget

[Continued from Page 2]

granted its full request of \$65 million in new money; DHR, Mental Health, Public Health and Senior Services are essentially level-funded (which means an actual loss in services); and all other agencies are cut by at least 10 percent. Like the Governor's proposal, the Knight scenario requires agencies to absorb the costs of last year's "rolled over" 27th pay period and all increases in employee benefits.

Arise applauded this year's budget hearings for daring to address the adequacy question. Already, this breakthrough has gotten lost in the political dust storm. But the SMART Budget process put tangible General Fund program needs on the table – and on the record. Executive and legislative leadership must come together to devise a long-range plan for meeting those needs. Arise's income tax plan is a fair and responsible first step.