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**Arise Health Care
 Access Conference**

**Tues., Feb. 10, 2009,
 Birmingham-Southern College**

Join us for a day of workshops,
 panels and networking on health
 care challenges and reform.

Registration fee \$75 (includes
 lunch); students \$15. Capacity
 limited – register now! Deadline
 Jan. 28. See registration brochure
 at www.arisecitizens.org.

*Approved for 5 social work contact
 hours (also recognized by the Ala.
 Board of Nursing).*

Thank you, volunteers!
**The 2008 election drew mil-
 lions of Americans into the
 political process** for the first
 time. And it marked Arise's first
 effort at voter engagement. More
 than 75 Arise volunteers staffed
 phone banks to identify likely
 tax fairness supporters. They also
 called back to remind them to
 vote Nov. 4. All told, we dialed
 more than 6,000 numbers.
**Also new to Arise this year
 was our petition campaign** for
 removing the state sale tax on
 groceries. Petition signers who
 provided their email addresses
 receive monthly tax reform up-
 dates from Arise. Congratulations
 to Ruth Gynther of Auburn for
 collecting the most names by the
 Nov. 4 deadline!

Report

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 Vol. 11, No. 7

December 18, 2008

January action likely

Recovery package may aid states

By Chris Sanders, policy analyst

**How do you turn the American econ-
 omy around** with the country facing what
 may be its deepest downturn since the
 Great Depression? We will see a few of
 President-elect Obama's answers to that
 question when he unveils his economic
 recovery package in the coming weeks.

**Obama's plan likely will differ greatly
 from the economic stimulus that Con-
 gress passed earlier this year.** It will
 lean heavily on government spending to
 try to jumpstart the economy, unlike the
 2008 stimulus that focused on individual
 rebate checks and business tax cuts.

**Infrastructure spending is expected to
 be at the heart of Obama's recovery
 plan.** The president-elect has said he
 hopes his plan will create or preserve
 2.5 million jobs by pouring money into
 road and school construction, public
 housing, mass transit and other areas.
 Investments in "green" jobs to reduce the
 nation's dependence on fossil fuels also
 are likely to be in the mix.

**Calls for Obama's plan to provide fed-
 eral aid to state budgets are gaining
 momentum.** States, including Alabama,
 will face budget deficits totaling between
 \$200 billion and \$250 billion through
 mid-2011, according to the Center on
 Budget and Policy Priorities. Low-income
 advocates are pushing for Obama's plan
 to include at least \$100 billion in state
 fiscal relief. That money would allow for
 temporary increases in food stamp
 benefits and prevent deep cuts to educa-
 tion, Medicaid and other social services.

**Other ideas could work their way into
 Obama's plan, too.** Among the possibili-
 ties are low-income tax credits, a renewal
 of the State Children's Health Insurance
 Program and industry-specific relief funds.

**As the economy has worsened in
 recent months, the Obama plan's
 projected size has grown.** Many Wash-
 ington insiders now expect the package to
 be well above \$500 billion, compared to
 \$152 billion for the 2008 stimulus
 measure. We should know the plan's final
 size and shape soon: Obama has asked
 congressional leaders to have a bill ready
 for him to sign soon after he takes office
 on Jan. 20.

PBS program on Alabama tax system wins Emmy

An in-depth look at Alabama's unfair tax
 system has received a prestigious Emmy
 Award from the Academy for Television
 Arts and Sciences. The program "Taxing
 the Poor" was first broadcast last April
 on the newsmagazine NOW on PBS.
 Producer Na Eng worked with Arise
 Citizens' Policy Project to develop inter-
 views and site visits for the report.

"Taxing the Poor" profiles three very
 different families to investigate Ala-
 bama's out-of-balance tax policies,
 which hurt low- and middle-income
 families. The winning show can be
 viewed for free and in its entirety online
 at www.arisecitizens.org.

A few words from Kimble —

Boy, do we have some adjusting to do in the Obama environment.

Just months ago we were losing the argument that a stimulus package should include a temporary tweaking of the Medicaid match rate so that states wouldn't have to cut health services in a time of need. Rep. Artur Davis sent a "Dear Colleague" letter seeking allies on the issue. Now we expect the stimulus package to include Medicaid and food stamp increases – funds that will quickly be spent to jumpstart the economy, not sit in well-cushioned bank accounts.

There's a similar argument in favor of Rep. John Knight's grocery tax plan, which would end the Alabama anomaly of the \$600 million loophole for high earners – the state deduction for federal income tax. If we use that \$600 million to structure a more balanced tax system, one with a lower grocery tax and a fairer income tax, middle- and low-income taxpayers will spend that money on Main Street.

We need to adjust our thinking in other ways. Just as sympathetic leaders take office, the economy lowers the revenue available to meet the needs of suffering families. Just as Arise and our allies are pacing ourselves for a marathon effort to expand health care in Alabama, health care reform might become a sprint in Washington. Just as our grocery tax plan gains widespread support, renewed partisanship threatens gridlock.

Let's remain nimble, independent and dedicated. As we listen and learn about health care, let's prepare to advocate with our congressional delegation as well as state leaders. On tax reform, let's not assume that state senators' party affiliations translate to their being entirely on board nor beyond persuading. And let's remember that economic hardship calls for both generous giving to direct services and vigorous advocacy for the common good.

Wishing you peace and hope for the new year,

We're grateful for your support!

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