



P. O. Box 1188
Montgomery, AL 36101
Street address: 207 Montgomery St. #900
(800) 832-9060; www.arisecitizens.org
Newsletter printed on recycled paper with 100%
post-consumer content

Calendar notes

ARISE LOBBY DAY

Montgomery, ***This Thursday!***
Feb. 4, Capitol Auditorium

9:30 a.m. – Registration

10:00 a.m. – Issue briefing

11:00 a.m. – Lobbying at the
State House, 5th-7th floors

Noon – Membership meeting,
Capitol Auditorium

1:00 p.m. – News conference,
Capitol Auditorium

1:30 p.m. – Adjourn

LOCAL MEETINGS

Auburn Tues., Feb. 2, 8 p.m.
“Charity vs. Justice” workshop,
Auburn University Wesley
Foundation, 131 S. Gay St.,
(334) 887-3101.

Mobile Mon., Feb. 15, 11 a.m. to
1 p.m. Strategy meeting for
homeless Katrina victims. *Lunch
provided.* Bay Area Women
Coalition, 1700 Jessie St.,
(251) 457-6867.

Tuskegee Tues., Feb. 16,
8 p.m. “Charity vs. Justice” work-
shop, Tuskegee University
Wesley Foundation, TU Chapel,
julius.wardley@yahoo.com.

Auburn Thurs., Feb. 18, Noon
to 1 p.m. Cluster meeting,
Auburn UU Busch Center.

Montgomery Sun., Feb. 28,
9 to 11 a.m. Mission Awareness
Sunday, First United Methodist
Church, 2416 West Cloverdale
Park. For more info, call Andrea
McCain, (334) 834-8990.

Report

This newsletter made possible by the members of Arise Citizens' Policy Project
Vol. 13, No. 1

January 27, 2010

Legislators have full plate for 2010

Budgets, grocery tax among key issues

By *Chris Sanders, policy analyst*

How do you keep a state government afloat with flat or falling revenues during a tough economy?

That question will hover over the Alabama Legislature's 2010 regular session, which began in mid-January. But state lawmakers will have no shortage of other matters to consider, including issues like grocery tax removal and unemployment insurance changes. ACPD will monitor these debates and others throughout this legislative session.

State budgets

What happens in Washington will play a big role in what happens in Montgomery this year. Gov. Bob Riley's budgets for fiscal year (FY) 2011 rely on about \$550 million from a proposed federal jobs bill to balance the state's books. The budgets assume the Jobs for Main Street Act, which the U.S. House passed in December, will become law. Riley said that legislation would provide \$345 million for the state's education budget and another \$200 million for Medicaid, easing the General Fund's burden.

The U.S. Senate has yet to approve the jobs bill. If Congress does not extend financial assistance to states, sizable budget cuts and layoffs are real possibilities. With slumping tax collections and without federal help, Alabama lawmakers would have to decide whether to increase revenues, cut public services or do both, as they did during the last recession.

Riley's proposed FY 2011 education budget is about \$6.1 billion, including

both anticipated money from the jobs bill and stimulus money already on hand from the American Recovery and Reinvestment Act (ARRA). That would be up slightly from this year's total of \$6 billion before proration. Riley's proposed FY 2011 General Fund budget, including ARRA and jobs bill money, is about \$1.9 billion. That would be down from this year's total of about \$2.1 billion, including state spending and ARRA money.

General Fund budget cuts could result in fewer state employees. A state hiring freeze should reduce the number of state workers by about 2,000 between now and September 2011, acting state Finance Director Bill Newton said. And state Chief Justice Sue Bell Cobb told legislators in late January that Riley's budget proposal would force courts to lay off 500 to 600 employees.

[Turn to Page 2]



CLOSE TO HOME – Kathryn Corey (right) of the Community Foundation of Greater Birmingham presented a check for \$30,000 to the ACPD Board of Directors on Jan. 23. Shown here are board president Tom Duley (left), vice president Alice Paris and board member Mary Jones (seated), and executive director Kimble Forrester. For more details, and information about a recent gift from the Community Foundation of South Alabama, see “A note from Brenda” on Page 2.

A few words from Kimble —

I always look forward to Bob Greenstein's annual speech in D.C. Bob is the founding director of the Center on Budget and Policy Priorities, which offers a fall conference for state tax and budget groups. After Bob's speech, I always feel I have a good sense of what's coming, be it welfare reform or climate change legislation.

Bob said health care reform may be the single biggest policy advance in our careers. (Its \$196 billion per year in subsidies would be more than the federal government spends on the EITC, Head Start, aid to single mothers and their children, and food stamps combined.) If health care reform passes, we'll have to work hard to design good state programs and protect them from budget cuts. Even then, we expect Republicans to run on a repeal platform in the November elections, as they did in 1936 after Social Security passed.

This year Bob also bragged on ARRA, the American Recovery and Reinvestment Act. He credits the state tax and budget groups for compiling the data to build the case for Congress to give budget relief to the states. After the last recession, it took two years to win relief funds. This time, they were on the front burner for the new Congress, and they were far better targeted to the people who need them most. After previous recessions, the aid came so late that unemployment rates were already improving. This time, it helped prevent layoffs of teachers and health care workers. If Congress moves again soon, it will bail out state budgets again.

We need to praise how ARRA has done what it was supposed to do, but, as Bob says, "There are wrenching choices coming." We need to keep our advocacy muscles strong so we can protect the gains we've made for low-income people.

Yours in peace and hope,

Key issues

[Continued from Page 1]

Health-related budget cuts are possible next year as well. The state Medicaid agency plans to save about \$50 million by limiting adult enrollees' prescription drugs and renegotiating with suppliers, Newton said. Riley's budgets also recommend no new funds for state employees' health insurance, which could lead to benefit cuts or higher premiums and co-pays.

Alabama lawmakers will draft budgets for FY 2011 on the heels of consecutive years of budget cuts. In FY 2009, Riley ordered 10 percent cuts for most General Fund agencies and 11 percent proration of the Education Trust Fund (ETF). He also emptied the ETF rainy day account to avoid even deeper education cuts. For FY 2010, which began in October 2009, Riley ordered 7.5 percent ETF proration and 12 percent cuts for all General Fund agencies except Medicaid and prisons.

Budgets usually pass late in the legislative session, and this year likely will be no different. Many lawmakers say they want to delay budgets as long as possible to monitor the economy and the jobs bill debate in Congress.

Grocery tax removal

The economy understandably has lawmakers in a gloomy mood, but one action they could take to help working families without tapping the budget is to lower the grocery tax. A bill to end the state sales tax on groceries is back in the Alabama House and is ACPP's top legislative priority this year. HB 1, sponsored by Rep. John Knight, D-Montgomery, would remove the 4 percent state grocery tax and cap the deduction for federal income taxes for the state's highest earners. Most taxpayers would keep their full deduction.

The bill would cut taxes for the vast majority of Alabamians and protect school funding. It also would bring the state's tax system more in line with those of its neighbors. Mississippi is the only other state that offers no tax break on groceries, and Iowa and Louisiana are the only other states that allow a full state deduction for federal income taxes. The plan would require voter approval this November and take effect in January 2011.

Unemployment insurance

Alabama so far has declined \$100 million of ARRA money for its **unemployment insurance fund**, even as the state's unemployment rate climbed to 11 percent in December 2009. To receive the federal "unemployment modernization" funds, Alabama would need to consider more recent employment in determining benefits eligibility and extend benefits to groups such as part-time workers or people who leave their jobs to flee domestic violence.

A Senate committee has approved legislation to meet these requirements and accept the money. The bill, sponsored by Sen. Rodger Smitherman, D-Birmingham, awaits consideration by the full Senate.

A note from Brenda

We appreciate our community partners who have stepped up their support for 2010!

A \$30,000 gift from the Community Foundation of Greater Birmingham (CFGB) (*see photo, Page 1*) serves as local match for grants from the Ford Foundation and the Charles Stewart Mott Foundation. Additional gifts totaling more than \$10,000 came through CFGB from the Matthew 6:2 Advised Fund and the Catherine and Edward Friend Fund, and from the K & S Advised Fund in honor of Stan and Gracie Johnson and Mary Johnson-Butterworth. Visit CFGB online at foundationbirmingham.org.

A \$10,000 grant from the Community Economic Development Initiative of the Community Foundation of South Alabama (CFSA) provides matching funds to support ACPP's work with the Working Poor Families Project, a national initiative on state workforce development. (Our 2008 publication *Bridging the Gap* was a product of this partnership.) To learn more about the Community Foundation of South Alabama, visit communityendowment.com.

Brenda Boman
Development Director

Your support makes a difference!

Arise Citizens' Policy Project thanks the following donors for their generous gifts received between Nov. 26, 2009, and Jan. 15, 2010:

The Gratitude Foundation, Birmingham
Anzalone Liszt Research, Inc.,
Montgomery
Melinda Adkins, Henagar
Connie Arnwine, Bessemer
Ann Askew, Birmingham
Dot Baker, Birmingham
Jere & Sara Beasley, Montgomery
Robert Becker, Prattville
Jeannette R. Bell, Birmingham
Lynne Berry, Huntsville
Mark Berte, Mobile
Laura Binger, Huntsville
James & Mary Blacksher, Birmingham
Brenda & Jerry Boman, Notasulga
Mary Boone, Montgomery
Nancy Brennan, Montgomery
Paul Britner, Montgomery
Joel Brouwer, Tuscaloosa
Robert & Linda Bynum, Oneonta
Jim Carnes & Erin Kellen, Montgomery
Susan Carroll, Birmingham
Sally Cauthen, Duxbury, Mass.
John Chambers, Birmingham
Joyce M. Church, Birmingham
John Cleverdon, Point Clear
Anne Cody, Anniston
Carolyn Coker, Auburn
Joan Colburn, Auburn
Joyce Cole, Moulton
Billy & Betty Copeland, Birmingham
Paula Copeland, Birmingham
Emily Cosby, West Point, Ga.
Robert Cowan, Montevallo
Saradell Crawford, San Antonio, Texas
Malcolm & Ruth Crocker, Auburn
Rev. Jay Croft, Montgomery
William Z. Cullen, Birmingham
Gabriele Darch, Auburn
Edith Davis, Montgomery
Joseph & Carol Dean, Birmingham
Jane DeLung, Princeton, N.J.
Philip & Kathleen Dotts, Huntsville
Lynn Douglas, Birmingham
Marva Douglas, Birmingham
Tom & Doreen Duley, Birmingham
Gary & Nancy Dunavant, Birmingham
Dan & Kathleen Dunne, Birmingham
Harriet Edwards, Florence
Kaydee Erdreich Breman, Birmingham
Thomas Fanning, Tuscaloosa
Virgene & Roland Ficken, Tuscaloosa
Elaine Fuller, Montgomery
William Giardini, Brownsboro
Ron Gilbert, Douglasville, Ga.
Betty Glasscock, Birmingham
Bob & Barbara Glaze, Birmingham
Greg & Tammy Glover, Birmingham
Mike Goetzman, Dora

John & Patricia Goff, Northport
John Gordon, Mobile
Barbara Grant, Montgomery
Joyce Greathouse, Birmingham
Paul E. Grisham, Opelika
Carol Gundlach, Shorter
Susan Hamill, Tuscaloosa
Judith Hand, Birmingham
Louise Hardin, Meridianville
Presdelane Harris, Montgomery
Martha Hastings, Birmingham
Dale & Alan Head, Birmingham
JoEllen Held, Florence
Bob & Aleta Henderson, Phenix City
Michael & Lisa Higginbotham,
Birmingham
Nancy Higgs, Bessemer
Lida Hill, Birmingham
Robert H. Hill, Birmingham
Laurel Hitchcock, Birmingham
Arthur Holmgren, Huntsville
Mary S. Hopkins, Birmingham
Peter Horn, Birmingham
Darryl & Kristin Hunt, Birmingham
Martha Jo Hurley, Birmingham
Jerry Ingram, Montgomery
Thomas Ivers, Loachapoka
Pat Ivie & Robert Varley, Montgomery
Roberta Jackel & Christopher Newland,
Auburn
Hardy Jackson, Jacksonville
Rebecca Jackson, Montgomery
Stewart A. Jackson, Birmingham
Judy Johnson, Montgomery
Stan & Gracie Johnson, Birmingham
Mary Jolley, Tuscaloosa
Calvin Jones, Cary, N.C.
Rebecca Harbor Jones, Madison
Carol Kendrick, Montgomery
Sr. Deborah Kennedy, RSM, Mobile
M. Javed Khan, Auburn
Kathy King, Montevallo
Ralph & April Lane, Northport
Mike Laus, Tuscaloosa
Sandra Lawler, Birmingham
Hattie Belle Lester, Birmingham
Gary Orlando Lewis, Gadsden
George & Betty Likis, Birmingham
Kathleen Liles, Birmingham
Gary Limmroth, Tuscaloosa
Emily Livant, Auburn
Cindy Lowry, Birmingham
Samye Luquire, Tuscaloosa
R.G. Lyons, Birmingham
Cameron & Susanne MacGuire,
Montgomery
Ron Manning, Brierfield
Grace Marquez, Birmingham
Marjorie Masterson, Huntsville
Roger McCullough & Bobby Cardwell,
Columbiana
Emily & Travis McGowin, Birmingham
Rabbi Jonathan A. Miller, Birmingham

Martha Morgan, Cottondale
Father Richard Myhalyk, Selma
Jane Nichols, Montgomery
Leslie O'Neil, Birmingham
Sr. Mary Robert Oliver, Birmingham
Cary Page, Huntsville
Lenora W. Pate, Birmingham
Tommy Patterson, Decatur, Ga.
John Pollock, Montgomery
Morgan & Peggy Ponder, Birmingham
Jackie Tipper Posey, Town Creek
Hiram J. Powell, Auburn
Mike & Mary Jim Quillen, Birmingham
John Raby, Fairhope
Marsha Raulerson, Brewton
Stephanie Renuart, Dadeville
Helen Rivas, Birmingham
Ted & Becky Romano, Orange Beach
Frank Romanowicz, Birmingham
Alfred Rose, Birmingham
Charles Rossi, Auburn
Judy Roy, Bessemer
Ava Rozelle, Lincoln
Nell Rush, Birmingham
James Rushton, Birmingham
Anne G. Rutledge, Huntsville
Dick Sales, Birmingham
Sonia Scherr, Montgomery
Bobby Segall, Montgomery
J. Wayne Sellers, Guntersville
Carolyn Seroka, Auburn
Ruthie Sherrill, Tuscaloosa
Dorothy & Samuel Shippen, Prattville
William E. Smith, Jr., Birmingham
Sr. Judy Smits, Mobile
Gwen Snyder, Fairhope
Ellsworth Steele, Auburn
Micki Beth Stiller, Montgomery
Carolyn Tamblyn, Auburn
Marilyn Tate, Fairhope
Sr. Magdala Thompson, Mobile
Sr. Bertha True, Cullman
Scott Turner, Birmingham
Rick & Nancy Turpen, Birmingham
Mamie Van Dyke, Birmingham
Don & Elaine Vancleave, Birmingham
Jim Vickrey, Montgomery
Paul & Kathy Vincent, Montgomery
Connie Wagnon, Birmingham
Mark & Anne Waldo, Montgomery
Carol Walker, Birmingham
Nancy Weaver, Huntsville
Penny & Kendal Weaver, Montgomery
Mary Weidler, Montgomery
Charles White, Mobile
Lorna Wiggins, Auburn
Ray & Freda Winegar, Opelika
Emmadene T. Winston, Montgomery
Carol & Ralph Womer, Auburn
William & Christina Wood, Opelika
James Woodson, Tuscaloosa
Carole B. Zugazaga, Auburn

Washington update

By Anna Blair, health policy analyst

“We’ve come too far to let this historic opportunity pass.” This is the message health care reform advocates across the country, including ACP, are sending to Congress as the Senate bill increasingly appears the most likely vehicle for reform this year – and perhaps for many years to come. As its title suggests, the Patient Protection and Affordable Care Act (H.R. 3590) would offer peace of mind to those who have health insurance and coverage to millions of people who now cannot afford it. The bill’s \$871 billion cost over 10 years would be fully offset by new savings, taxes and fees. And the Congressional Budget Office predicts the proposal would reduce the federal deficit by \$132 billion in its first decade.

On the protection side, the bill sets basic health insurance benefits standards. Additional benefits will be available, but the standards will eliminate the “underinsured” trap that many people find themselves in when needs arise. Another major insurance industry reform would be the prohibition against denying coverage because of pre-existing conditions. The bill also would forbid insurance companies from setting annual or lifetime benefit limits and from cancelling coverage because of serious illness or accident.

Under the Senate plan, the income limit for Medicaid eligibility would rise to 133 percent of the federal poverty level (\$2,029 a month for a family of three). This coverage includes, for the first time in Alabama, childless adults below age 65. A streamlined application process for Medicaid, SCHIP (called ALL Kids in Alabama) and the health insurance exchange (a marketplace for the uninsured) would make coverage more timely and prevent applicants from falling through the cracks because of eligibility differences. Good news for ALL Kids is the requirement that states must maintain current income eligibility levels (300 percent of FPL in Alabama) for SCHIP, with extended federal funding through 2015.

Affordability measures in the Senate bill are weaker than those in the House version, but lawmakers could strengthen the Senate provisions after the bill passes the House, through a process called reconciliation. For example, the House and Senate could find a middle ground on premium credits and cost-sharing subsidies.

Political concerns have prompted talk of scaling back the legislation to focus mainly on popular insurance market reforms. ACP opposes this partial approach, which would encourage healthy individuals to postpone coverage, sending costs even higher. Despite their shortcomings, the comprehensive reforms in the Senate bill represent the biggest stride forward for America’s working families in decades.

Health Information Exchange Commission **ACPP offers consumer voice**

As part of the federal recovery package, Alabama expects to receive major funding to promote the adoption and effective use of health information technology. The Alabama Health Information Exchange Advisory Commission, recently appointed by Gov. Bob Riley, will develop the technical and policy framework for a Health Information Exchange (HIE) to improve the quality, efficiency and continuity of health care across the state.

The commission faces a tight timeline for its recommendations to the governor, who must submit the final design to the National Coordinator for Health Information Technology (HIT) in April. Commission members, led by Alabama Medicaid Commissioner Carol

Steckel, represent 23 health care stakeholder groups. They range from State Health Officer Dr. Don Williamson; to the CEO of UAB Hospital, Dr. Michael Waldrum; to ACP’s own Anna Blair, the sole consumer representative. Margaret McKenzie will serve as the state’s interim HIT coordinator.

“Alabama is uniquely positioned for this opportunity,” said Kim Davis-Allen, who is coordinating the HIE funding proposal for Alabama Medicaid. “In the last five years, we’ve become a national model for using information technology to improve the quality and efficiency of health care delivery in public programs. It’s time to broaden the reach of these innovations.”

Support the grocery tax bill

Ten things you can do

- 1. Speak out.** Call your state senator and representative and urge him or her to *untax groceries* by supporting HB 1.
- 2. Reach out.** Ask a friend to call his or her lawmakers. Will that friend ask a friend, too? Do you belong to a group that could make calls? Can you post a Facebook status update?
- 3. Take it to the streets.** E-mail frontdesk@alarise.org to request an *untax groceries* bumper sticker for your car.
- 4. Stand and deliver.** Order extra stickers for your friends or people who inquire when they see yours.
- 5. Do the math.** Keep your grocery receipts for a typical week. Multiply the total pre-tax amount by 4 percent (or .04) to estimate your weekly savings.
- 6. Make it real.** Send your receipts to your lawmakers. Write to them about HB 1 and clip a week’s worth to each letter. Start saving now and send a month’s worth of receipts each month until the bill passes.
- 7. Find allies.** What organizations and businesses in your area might be willing to distribute bumper stickers or contact lawmakers about HB 1? Churches, food banks and independent grocery stores are good places to start.
- 8. Make a list.** Help us collect names of people who support the grocery tax bill. At arisecitizens.org, go to “Untax groceries!” and click on the “Use this sheet” link.
- 9. Table it.** Does your community have an arts fair, trade day or similar event? Arise needs volunteers to host information tables and collect signatures.
- 10. Come lobby with Melissa.** Arise’s legislative coordinator, Melissa Oliver, loves to help people “break the ice” and practice citizen advocacy at the State House. Contact brenda@alarise.org to set up a time. And bring those grocery receipts!