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HB 1 by the numbers

The close of the 2010 legislative session – and the failure of the grocery tax bill – doesn't mean our work on “untaxing groceries” is over for the year. The bill's supporters, and the lone member who abstained, deserve our gratitude, and those who voted No need to hear how disappointed we are. Confirm your lawmaker's vote below and drop him or her an e-mail.

These 54 representatives voted in favor of debating HB 1: L. Baker, Bandy, Basley, Beech, Black, Boothe, Boyd, Buskey, Coleman, Collier, Curtis, Dukes, England, Fields, Gordon, Graham, Grantland, Guin, Hall, Hammett, Hilliard, Holmes, Howard, Hurst, Irons, Jackson, Knight, Laird, Letson, Lindsey, McAdory, McCampbell, McClammy, McDaniel, McLaughlin, Millican, Mitchell, M. Moore, Morrow, C. Newton, D. Newton, Page, J. Robinson, O. Robinson, Rogers, Salaam, Scott, Sherer, Spicer, Taylor, Thigpen, Todd, Warren, White.

These 42 representatives voted against: Allen, A. Baker, Ball, Barton, Bentley, Bridges, Brown, Canfield, Clouse, Davis, DeMarco, Drake, Fincher, Galliher, Gaston, Gipson, Greeson, Grimes, Hammon, Hill, Hubbard, Ison, Johnson, Lewis, Love, Mask, McClendon, McClurkin, McCutcheon, McMillan, P. Moore, Oden, Payne, Sanderford, Shiver, E. Thomas, Treadaway, Ward, J. Williams, P. Williams, Wood, Wren.

These seven representatives were absent or did not vote: Faust, Ford, Harper, Hinshaw, Kennedy, J. Thomas, Vance.

One representative abstained: Martin.

Report

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April 26, 2010

Tight year for state budgets

Session ends; grocery tax remains

By Chris Sanders, policy analyst

The 2010 Alabama legislative session ended Thursday with tight budgets for state services and with no end to the state grocery tax. Measures to create an Affordable Housing Trust Fund and allow a vote on a constitutional convention also did not pass during a year dominated by debate over electronic bingo and the state's Prepaid Affordable College Tuition (PACT) program.

Most House members voted April 8 to debate a bill to remove Alabama's state sales tax on groceries and over-the-counter medicines, but the majority was short of the 60 percent needed to continue debate. The vote on debating HB 1, sponsored by Rep. John Knight, D-Montgomery, was 54-42. The Yes votes came from 53 Democrats and one Republican, Rep. Spencer Collier, R-Irvington. The No votes came from 42 Republicans. Rep. Jimmy Martin, D-Clanton, abstained, and seven members were absent or did not vote.

The plan would have cut taxes for 96 percent of Alabamians without reducing education funding, according to the Legislative Fiscal Office. To replace revenue lost to the grocery tax cut, HB 1 would have limited the deduction for federal income taxes for couples making above \$200,000 a year and singles making above \$100,000 a year. Knight said the bill will return next year. Alabama and Mississippi remain the only states with no tax break on groceries.

Next year's Education Trust Fund (ETF) budget will protect all state-funded teacher jobs, legislators said.

But state Superintendent Joe Morton said local school systems may have to lay off about 2,800 employees. The budget offers no state classroom supply funds and includes only enough textbook money to pay for younger students' workbooks. The fiscal year (FY) 2011 ETF budget includes \$5.5 billion in state money, 18.2 percent less than 2008 state spending. The budget also contains about \$500 million from the American Recovery and Reinvestment Act (ARRA), which will be gone after 2011.

The FY 2011 General Fund budget leans on one-time federal funds to avoid deep cuts to Alabama's non-education services. ALL Kids eligibility and Medicaid prescription drug benefits will not change under the budget, which will spend \$1.57 billion in state funds next year. The budget also allocates the roughly \$150 million of ARRA money remaining for General Fund agencies and assumes the state will get another \$200 million in federal money for public health agencies under legislation pending in Congress. Neither funding source will remain for FY 2012.

Both budgets will come on the heels of consecutive years of cuts forced by falling revenues. This year's ETF budget faces 7.5 percent proration, and Gov. Bob Riley is expected soon to tap rainy day money by ordering 12 percent proration

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A few words from Kimble —

I was stunned. We had entered the House gallery with high hopes for the grocery tax bill. Within moments, our hearts sank. *What happened?*

It had been a far different debate in 2009. A Black Caucus filibuster on the grocery tax dominated the session. In four House floor votes, 61 Democrats and two Republicans voted Yes at different times, but we never got all 63 on the floor at once. That version of the bill would have cut taxes for couples making less than \$125,000. We went back to the drawing board.

This year we concentrated on winning over half the opponents. We “perfected” the bill, ending the state sales tax on both food and over-the-counter medicines. Only 4 percent would have paid more. We re-branded the campaign with an “Untax Groceries” website and bumper stickers. We formed a coalition with the Alabama Grocers’ Association, AARP and others. We sent Tuesday e-mails to hundreds of supporters. Our staff organizers worked the districts of 22 moderate Republicans, and until the day of the vote, 20 were still undecided. Finally, a solid bloc of 42 Republicans voted No; the lone supporter has voted Yes repeatedly.

Re-crafting the bill and working hard on 22 moderates didn’t yield a single vote. As we engaged them in conversation, we said constantly, “In a year of tight budgets, HB 1 is your chance to help families make ends meet – without hurting funding for schools.” Instead, opponents said, “I’m for cutting taxes on food, but I don’t like how you’re paying for it.” Translation: “I’d rather protect the tax breaks of 4 percent than help the other 96 percent.” They knew what they were doing.

In 2011, something has to change – either the plan or the players.

Yours in hope,

Anniston Star editorial 4/12/10

House GOP let Alabama down

A select group of Republican members of the state House of Representatives owes Alabamians an answer to this question:

What is wrong with asking those who make more than \$100,000 a year to pay a little more in taxes so a majority of Alabamians can save some of their hard-earned cash at the grocery?

It is appalling that the state House this week rejected the latest proposal to remove the state’s 4 percent sales tax on groceries and over-the-counter medicines. At fault are GOP legislators who voted no. The bill fell four votes shy of what was needed to bring the proposed constitutional amendment up for full debate.

Four times last year a version of this bill failed in the state House. It’s not going to make it onto the ballot this year, either.

Yes, these legislators need to answer that question.

The bill’s author, Rep. John Knight, D-Montgomery, was too kind when he attributed the Republicans’ votes to unfortunate ignorance instead of party-line lunacy.

“I think many of the people voting against it have been misled to believe that the average taxpayer was going to be paying more, and that is just not true,” Knight told *The Birmingham News*.

That’s where Knight erred. Instead, the representative should have blasted his GOP colleagues for sticking so solidly to the plan of protecting the state’s well-to-do from having to fork over a little more during tax season. The argument that the bill would hamper limited liability corporations’ ability to hire workers pales when compared to the bill’s redeeming qualities.

Knight should have put it this way: House Republicans should be ashamed for the message they’ve sent to Alabamians, most of which will never make a six-figure salary or have a \$200,000 combined household income.

That message: We care more about party politics and business interests than we do about helping you make ends meet during these trying economic times.

The need to remove sales taxes from groceries is grounded in reality. Alabama is one of only two states that fully taxes food; Mississippi is the other. That’s a sad pairing.

Research conducted by Alabama Arise, a nonprofit advocate for low-income residents, paints a clear, nonpartisan case for removal. According to Arise, if the state would implement Knight’s plan, the average Alabama family of four would save more than \$450 a year. Additionally, 96 percent of Alabama taxpayers would have received a tax cut under this proposal.

But, alas, bringing those real-world advantages to Alabamians wasn’t enough for House Republicans to vote for this worthwhile bill.

On second thought, maybe these GOPers don’t need to answer that question after all.

Session wrap-up

[Continued from Page 1]

of this year’s General Fund. State workers’ health insurance costs also will increase under both budgets next year.

Affordable housing and constitutional reform bills did not clear legislative hurdles this year. The House voted 91-0 on April 13 to create an Affordable Housing Trust Fund in Alabama, but the Senate did not consider the bill. HB 512, sponsored by Rep. Patricia Todd, D-Birmingham, would have created a fund to promote construction and renovation of low-income housing, provide emergency rental aid and support other affordable housing services. The House in February voted 58-32 not to debate HJR 54, which would have allowed voters to decide whether to call a constitutional convention. The measures likely will return next year.

Health reform update

New law increases health security for women

By Anna Blair, policy analyst

Now that health care reform has been enacted, ACPP's advocacy on the issue continues with building public awareness of the new law's benefits for Alabamians. This article looks at how health care reform affects Alabama's 2.4 million girls and women.

While much of the debate on health care reform focused on coverage for the uninsured, people of low income and those with chronic conditions, the new law is a big win for women, regardless of income or health status. It will make women's health insurance more affordable and accessible. It will prohibit sex discrimination in health care. It will ensure coverage for many benefits women need. And the protections it offers to families will benefit women in their role as family caregivers.

The National Women's Law Center reports that up to 4.5 million women will be newly eligible for Medicaid with the expansion of income limits up to 133 percent of the federal poverty

level (FPL), or roughly \$29,000 a year for a family of four. In the new health insurance exchanges to be established by the states, women will be able to compare and choose coverage that best suits their needs. The center also estimates that 11 million women will receive subsidies to help them pay premiums and out-of-pocket costs for the exchange-based plans. (Subsidies will be available to families earning up to 400 percent FPL, or about \$88,000 a year for a family of four.)

In the area of sex discrimination, the new law bans gender rating for individuals and small businesses. That means insurers can no longer charge individual women and small employers who have a predominately female workforce more for coverage. *U.S. News* reported earlier this year that, in 60 percent of plans, a 40-year-old non-smoking female paid more for her coverage than a 40-year-old male smoker. Equally important, the law prohibits coverage denials and exclusions for women with such

“pre-existing conditions” as pregnancy, or the potential for it; having had a C-section, breast cancer or cervical cancer; or being a survivor of domestic or sexual violence.

The law requires that policies cover a broad range of health services women need. These include maternity care, prescription drugs (including contraceptive drugs and devices) and mental health services. Preventive care must be covered at no cost. That means no more co-pays for periodic, preventive mammograms and Pap smears.

States have new and immediate opportunities to expand Medicaid coverage for family planning to women and men at the same income eligibility now used for pregnancy. The new law treats abortion services differently from other health care services. Anyone who buys a health plan with abortion coverage through an exchange

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Breakthrough in death penalty moratorium debate

By Stephen Stetson, policy analyst

A death penalty moratorium bill sponsored by Rep. Merika Coleman, D-Birmingham, made a small but significant step forward this year. Introduced in the House Judiciary Committee late in the session, HB 280 sparked valuable debate. Project Hope to Abolish the Death Penalty presented a number of witnesses, including people freed from death row.

After committee discussion, the bill was referred to a subcommittee – often the kiss of death in the legislative process. In this case, the Criminal Justice Subcommittee held two additional meetings that resulted in an innovative

proposal. The subcommittee recommended that a House Joint Resolution (HJR) be offered calling for a formal review of the American Bar Association's capital punishment guidelines and the feasibility of establishing a statewide capital defender system. The HJR did not receive a vote this year, but the proposal offers a new rallying point for advocates next year.

The following is adapted from Stetson's testimony earlier this month in favor of HB 280:

After Rep. Coleman talked about people exonerated from death row, Rep. [Cam] Ward contended that this proves “the system worked.” I'm here to tell you that the system does *not* work. The fact that a couple of people win the lottery does not make it a sound investment plan.

If we can find errors in the system

and correct them, then why not vote for a bill like HB 280, which would give us more time to do so? It's very hard to fix a car while you're driving down the interstate. And it's very hard to fix our death penalty system while we're handing out the highest number of death sentences per capita in the entire nation.

The representative from the District Attorneys Association claimed that many appointed attorneys do a great job representing their clients charged with capital murder, as evidenced by the hundreds of thousands of dollars they have billed to the state for these services. The fact that a lawyer has found a way to juggle this many appointed cases is *not* evidence of quality lawyering and in fact may cut the *other* way. McDonald's serves a lot of customers, but it's not exactly quality cuisine.

Women's health update

[Continued from Page 3]

must make two separate premium payments: one for abortion coverage and another for the remainder of the premium.

Women are more likely than men to work for small businesses that don't offer health insurance. Now they all stand to benefit from the new tax credits to help small businesses provide coverage for their employees, as well as unprecedented access to affordable small group health insurance through the exchanges.

Young women, more likely to be uninsured than women in any other age group, will benefit from the new rule allowing young adults up to age 26 to remain on their parents' health insurance policy. Older women on Medicare will benefit from a provision that will begin to close the Medicare Part D "doughnut hole," which now requires seniors to spend considerably more out-of-pocket for prescription drugs. (In 2007, 64 percent of Medicare beneficiaries who found themselves in this "doughnut hole" were women.) All Medicare beneficiaries will benefit from new discounts on brand-name drugs.

A new national voluntary insurance program offers family caregivers, who are most often women, an opportunity to purchase community living assistance services and supports (CLASS). Nursing mothers and their babies will gain from a requirement that employers with more than 50 workers must provide a reasonable break time and place for mothers to express breast milk. Now all women will have "direct access" to obstetrical and gynecological services, without prior approval.

The specifics of these and other benefits under the new law will not be conclusive until the Department of Health and Human Services (HHS) issues the accompanying regulations, the step-by-step rules for implementing the changes. In the meantime, visit arisecitizens.org for continuing updates.

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A note from Brenda

Does democracy really work? Can the needs of ordinary people be heard over the wants of the privileged? Will the people of Alabama ever be able to purchase essential items like food and over-the-counter medicines without being taxed by the state, a concession offered by almost every other state in the country? These are questions I've been asking myself since April 8, when HB 1 failed to receive enough votes to open debate on the bill in the Alabama House.

While it's hard at times to hold on to hope, I have to believe that the answer to each of these questions is a resounding "Yes!" I have to believe this because I know that is the only way for conditions to change. People who care about fairness and justice must keep working together to educate the public until the people rise up and demand that their voices be heard.

Thank you, ACPP donors, for continuing to believe.

Brenda Boman
Development Director