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2012 calendar notes

Late Jan., early Feb. – Expect legislative budget hearings to be announced with short notice.

Thurs., Jan. 26 – Issue preview, 7 – 8:30 p.m., Monte Sano United Methodist Church; (256) 533-6083.

Tues., Feb. 7 – 2012 legislative session begins.

Thurs., March 15 – Arise Lobby Day at the State House.

Mon., May 21 – Last possible day of 2012 regular session.

Sat., Sept. 15 – Arise Annual Meeting, Montgomery.

Welcome, colleagues!

Arise welcomed two new staffers last month for our health care reform project:

M. J. Ellington, health policy analyst, has covered state government and health for several major Alabama newspapers. A University of Alabama graduate, she also was program administrator at the Montgomery Area Council on Aging and director of the Mental Health Association in Montgomery.

Health reform organizer **Dollie Hambrick** will coordinate our outreach on the Affordable Care Act. She has a B.A. from Jackson State University and an M.S.W. from Our Lady of the Lake University in San Antonio. Her broad social work experience includes 10 years as social work director at the Alabama Department of Public Health.

Report

This newsletter made possible by the members of Arise Citizens' Policy Project
Vol. 14, No. 8

December 15, 2011

Washington update

What kind of country will we be? *Deficit, tax debates could shape nation for decades to come*

By Chris Sanders, policy analyst

Congressional decisions on federal tax and budget policies through 2013 may affect poverty, income inequality and state budgets for decades. The central question in debates over the nation's long-term budget path will be whether to reduce the deficit mainly through domestic spending cuts or mitigate cuts with new revenues to ensure anti-poverty programs and other federal responsibilities have the resources they need to be effective.

Those debates will come on the heels of a year dominated by talk, not of persistently high unemployment, but of deficit reduction and spending cuts. The U.S. House in April adopted a budget bill that would have slashed low-income programs, repealed the Affordable Care Act and cut Medicaid almost in half by 2030. (The Senate refused to consider the plan.) Congress narrowly averted a federal default in August by imposing \$900 billion of cuts over the next decade to defense and domestic discretionary spending – more than a third of which is aid to states and localities for education and other programs. That deal also created a “super committee” to work toward more savings. The deal would trigger \$1.2 trillion of across-the-board spending cuts if the panel did not reach agreement.

The super committee's failure in November means those cuts will begin in 2013. Under current law, the cuts will be

divided evenly between defense and domestic spending. Payments to hospitals and other Medicare providers will be cut by 2 percent, but Medicare recipients' benefits will be protected. The law exempts Social Security from the cuts, as well as

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Claims deadline nears *in Black farmers lawsuit*

By Jim Carnes, communications director

Thousands of African American farmers – including many in Alabama – who experienced discrimination by the U.S. Department of Agriculture (USDA) in farm loans and other assistance over a 15-year period are a step closer to justice following a recent court order. The U.S. District Court for the District of Columbia on Oct. 27 extended the claims deadline in the so-called “Black Farmers Case” to May 11, 2012.

The original 1997 class action lawsuit *Pigford v. Glickman* alleged widespread racial discrimination by the USDA between 1981 and 1996. In the claims process that followed the 1999 consent decree, more than 13,000 Black farmers received cash awards totaling nearly \$1 billion – often cited as the largest civil rights settlement in U.S. history. Because another 70,000 potentially

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I want to recommend *The Crying Tree*, the best novel I've read this year. I started it after the author, Naseem Rakha, and her husband, Chuck Sheketoff of the Oregon Center for Public Policy, had dinner with us last year. I finished it because it drew me in, page after page, with its gritty, fascinating characters and their drive to deal with a murder 19 years before.

Yes, it's a book about the death penalty. Naseem, a broadcast journalist whose stories have been on NPR, was assigned in 1996 to cover Oregon's first execution in 30 years. She was intrigued by the stories of "people who had come to terms with the murder of a loved one and no longer felt it necessary to seek retribution." Now she has crafted a novel that explores the possibility of a journey to redemption. If this newsletter reaches you too late to buy the book as a gift, maybe you can give it to yourself!

On another topic: My class at church just read a book on immigration. *Neighbor: Christian Encounters with "Illegal" Immigration* is a thoughtful attempt to develop "a faithful response to the immigration debate." Ben Daniel, a Presbyterian minister in California, tells stories of border ministries, explores the "immigrant spirituality" of the Bible and church history, and offers humane policy solutions to the immigration quandary.

Happy reading, and happy holidays!

With peace,

The State of Working Alabama 2011

A steeper climb to the American dream

By *Chris Sanders, policy analyst*

Is Alabama on the verge of leaving an entire generation behind? Persistently high poverty and high unemployment have left many young people afraid they will end up worse off than their parents, according to *The State of Working Alabama 2011*, ACP's annual comprehensive report on where Alabama stands on employment, income, poverty, education, taxes and other economic factors.

"Declining incomes and skyrocketing college costs have left many Americans unable to climb the economic ladder by working harder or getting more education," the report finds. Those problems are especially pronounced in Alabama, where unemployment and poverty are much higher than the national average, and where the median cost of a four-year undergraduate degree has more than tripled in the last two decades. After a Great Recession that left the nation with four times as many jobless workers as job openings, more Alabamians have found themselves out of work and without the employer-provided health insurance that once protected them from catastrophic medical bills.

The challenges are especially profound for Alabama's children and young adults. One in four of the state's children lived in poverty in 2009-10, the report found, an increase of almost one-fifth in the last decade. The share of uninsured Alabama children also increased sharply during the Great Recession. Meanwhile, the sluggish economy has left jobs hard to come by for the state's youngest workers. Almost a quarter of Alabamians between the ages of 16 and 24 were unemployed last year, an increase of more than 150 percent in just four years.

Job losses continued to pile up in Alabama last year, and median wages were no higher than they were a decade earlier despite steady growth in the state's gross domestic product (GDP). Income inequality has grown significantly in recent years in Alabama, where the increase in the income gap between the

top fifth and bottom fifth since the late 1990s has been the nation's second largest. Exacerbating the trend is a state tax system that requires low- and middle-income Alabamians to pay twice the share of their incomes in state and local taxes that the highest earners pay.

Strong investments in education, health care and transportation could help reverse these negative trends and give future generations of Alabamians a better chance to build better lives, the report concludes. To read the full report, visit www.arisecitizens.org.

Black farmers lawsuit

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eligible farmers missed the filing deadline and had their claims ignored, the 2008 Farm Bill allowed for further hearings. In December 2010, Congress more than doubled the original cash outlay for settlements under the so-called *Pigford II*.

This fall's court order opened a further claim submission period ending May 11, 2012. Eligible participants may include African American farmers who 1) experienced farm loan discrimination by the USDA between 1981 and 1996 and 2) submitted a request to participate in the *Pigford* case between Oct. 13, 1999, and June 18, 2008, but were denied a hearing because they missed the original deadline.

If you meet these criteria, or are the heir of a deceased person who did, call 877-810-8110 or use the contact link at www.BlackFarmerCase.com to learn more about the claims process and schedule an appointment for free assistance. Throughout the claim submission period, court-approved lawyers will hold meetings in Birmingham, Demopolis, Eufaula and Montgomery to help with claims preparation. You may be eligible for a substantial cash payment, USDA loan forgiveness or both. **The claims deadline is May 11, 2012**, and this is your final chance for payment.

Washington update

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many low-income assistance programs, including Medicaid, food stamps, child care and the Earned Income Tax Credit (EITC).

But other low-income programs are not safe from the chopping block. WIC and Head Start, for example, will be subject to the cuts beginning in 2013. And many in Congress, citing concerns over national security and job losses, are pushing to protect the Pentagon from the across-the-board cuts. A partial or complete exemption for defense spending could mean even deeper cuts to state education aid or an end to the protections for Medicaid and other low-income programs. That debate will occur around the same time as related ones over the Bush tax cuts, set to expire at the end of 2012, and the debt ceiling, which the nation will hit again in early 2013. Those matters may make next year's lame-duck session of Congress one of the most significant in decades.

The ongoing debate over extending the temporary payroll tax cut and emergency unemployment insurance (UI) benefits could indicate how the larger battles may play out. Democrats proposed a surtax on millionaires to pay for the measures, while Republicans suggest increasing Medicare premiums for upper-income beneficiaries, reducing the number of weeks for UI assistance and freezing both pay and new hiring for federal employees. The GOP's UI plan would cut up to 40 weeks of UI assistance for workers in many states, including Alabama, and allow states to impose GED and drug test requirements for UI recipients.

If emergency UI is not renewed, 24,700 Alabamians will face benefit cutoffs next month amid a national economy with four times as many job seekers as job openings, according to the National Employment Law Project. The fate of the payroll tax cut and emergency UI hinges on how lawmakers answer a question that will recur throughout the coming years: Should America deeply slash domestic spending or take a more balanced approach that includes new revenues to help protect the public structures on which we all depend?

Visit us at arisecitizens.org!

Behind the numbers

A closer look at HB 56 and unemployment

By *Stephen Stetson, policy analyst*

With their new anti-immigrant law under fire from all corners of the state and beyond, supporters of HB 56 were quick to credit the measure for the recent decline in Alabama's unemployment rate. Driving off undocumented immigrants, they claimed, had freed up jobs for Alabama workers. The timing was perfect, but the claim wasn't true.

From September to October, Alabama's unemployment rate fell from 9.8 percent to 9.3 percent, according to the Alabama Department of Industrial Relations. However, the small decline cannot be attributed to HB 56 – a fact state news outlets were quick to report when offered the truth by Arise Citizens' Policy Project.

The tiny uptick in unemployment numbers shows that only 3,578 more Alabamians were working in October than in September. But the unemployment rate doesn't count people who have given up on finding a job, dropping out of the labor force altogether. The recent data show that Alabama's "civilian labor force" actually dropped by 6,258 during the same period.

The decline in numbers of people looking for jobs can artificially decrease the unemployment rate – making bad news seem like good news. For example, the jobless rate in Baldwin County dropped from 8.7 percent to 8 percent. Rather than reflecting an increase in hiring, however, this change is attributable to a decrease in the number of job seekers. In September, the county lost 720 people from its potential labor force, either through relocation or withdrawal from the job market. That loss of workers was big enough to mask the net loss of 106

jobs during the same period and still make the unemployment rate fall. If the bottom line is whether more people are working, the answer is no.

The new statewide numbers also likely reflect the beginning of holiday seasonal hiring in the retail sector and lingering reconstruction projects from the spring tornadoes. Finally, the figures don't include the agricultural sector at all – one of the main sectors in which the immigrant population is employed.

Two other factors cloud the picture even further. First, large segments of HB 56 have been enjoined by the courts, meaning it's hard to gauge the effects of a partially enacted law that has driven off an unknown number of undocumented workers. And second, considering the big picture, the state's unemployment numbers are still significantly worse than they were a year ago at the same time – long before HB 56 was enacted.

Taken together, these factors show that HB 56 supporters jumped the gun in crediting the law for Alabama's rosier employment statistics. Not only will we not be able to see non-holiday jobs numbers until February, but the growing frustration of job seekers, leading them to quit searching for employment, is also a drag on the overall economy – even if the unemployment rate dips a bit from time to time.

A brighter unemployment report for the same month HB 56 went into effect is a reminder of the need for analysis that distinguishes coincidence from causation. Instead of false evidence of instant benefits, Alabamians deserve a serious estimate of the law's long-term costs.

For more on Alabama's new anti-immigrant law, see the enclosed fact sheet.

Your support makes a difference!

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A note from Brenda

What's on your grownup Christmas list? Our childhood lists included toys and treats. We'd fall asleep on Christmas Eve, hoping that through some miracle we'd find the toys we asked for under the tree.

As grownups, we know that many "miracles" occur because caring, compassionate people have taken action. Arise's Christmas wishes this year include policy changes that can transform the lives of low-income Alabamians. Here's our list:

- * No more state sales tax on groceries
- * Access to good health care, child care and education for all
- * A trust fund to help people obtain affordable housing
- * A moratorium on the death penalty
- * State funding for public transit
- * Repeal of HB 56
- * A new state constitution

It will take more than Santa to accomplish these goals, but they're doable if we work together to build understanding and make our wishes known.

Your gift to ACPP and your advocacy can help to make "miracles" come true.

*Brenda Boman
Development director*