



Budget cuts would reduce Alabama child care, mental health services

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(Julie Bennett/jbennett@al.com)

Mike Cason | mcason@al.com By **Mike Cason** | mcason@al.com

Email the author | **Follow on Twitter**

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The Alabama Department of Human Resources would have to eliminate subsidized child care services for almost 17,000 low-income children if its General Fund appropriation was cut 15 percent.

That's according to a letter from DHR Commissioner Nancy Buckner to state Sen. Arthur Orr.

Orr, chairman of the Senate's General Fund committee, asked agencies that depend on the General Fund to submit plans for how they would deal with budget cuts of 15 percent and 30 percent.

The letters show the compounding effect of state funding cuts for agencies that use that money to match federal dollars. The loss of a state dollar can reduce the bottom line by three dollars or more.

Orr, chairman of the Senate's General Fund committee, wanted to know about potential impacts if the Legislature fails to approve any tax increases to close a projected shortfall in the state General Fund.

Last week, he and House Budget Chairman Steve Clouse **circulated draft budgets that assumed no new revenues** and that cut most agencies by 11.5 percent.

The drafts also assumed the shifting of some revenues and expenses from the Education Trust Fund, moves that would result in a net gain for the General Fund.

If those moves aren't approved, agencies that depend on the General Fund would face cuts of 16 percent, Clouse and Orr said.

Buckner's letter, dated April 1, says that a 15 percent cut would reduce DHR's General Fund appropriation from \$59.1 million to \$50.3 million.

Under DHR's budget reduction plan, it would cut \$12 million from the Child Care Subsidy Program, which draws another \$25.4 million in federal funds.

DHR would have to terminate child care for 16,902 needy children, according to Buckner's letter. That would leave 11,098 children in the subsidized program.

DHR says it would also have to eliminate the \$2.3 million adult day care program. That would place 404 needy adults in danger of being placed in nursing homes on Medicaid, the letter says.

Like DHR, the Department of Mental Health depends heavily on federal dollars.

A 15 percent cut in Mental Health's General Fund appropriation, a reduction of \$15.8 million, would reduce the agency's state and federal funding by \$52.7 million, according to the letter to Orr from Mental Health Commissioner Jim Reddoch, dated April 1.

That would result in, among other cutbacks, the elimination of community-based services to 583 people with intellectual disabilities, Reddoch wrote.

The letter says that would force those people to return to institutional care. But the state has closed its developmental centers, leaving few institutional options available.

Alabama and other states have shifted to community based care, partly because of a 1999 U.S. Supreme Court ruling that people with disabilities must be served in the least restrictive setting possible.

According to Reddoch's letter, the loss of community-based services would be a civil rights violation under the Americans with Disabilities Act.

Mental Health has already reduced its budgeted positions by 54 percent, to 1,372 jobs, since 2011. It has laid off 545 employees during that time.

Budget hearings on the General Fund will begin Wednesday.

The Alabama Medicaid Agency, Department of Corrections and Mental Health will outline their budget needs to lawmakers at the State House.

On April 15, the Alabama Law Enforcement Agency, state court system and DHR will present their budget outlooks.

Gov. Robert Bentley has proposed \$541 million in tax increases to shore up the General Fund.

None of the eight bills have come up for a vote in the House or Senate.

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