

# Cuts to General Fund likely next year

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**[Brian Lyman \(http://www.montgomeryadvertiser.com/staff/12375/brian-lyman/\)](http://www.montgomeryadvertiser.com/staff/12375/brian-lyman/), Montgomery Advertiser 2:01 p.m. CST December 16, 201**

The chairs of the Legislature's General Fund committees said Wednesday they expect further cuts to the budget next year.



**The legislature begins the special session at the Alabama Statehouse in Montgomery, Ala. on Tuesday September 8, 2015. (Photo: Mickey Welsh / Advertiser)**

Rep. Steve Clouse, R-Ozark and Sen. Trip Pittman, R-Montrose, said in phone interviews that the combination of rising costs and legislative resistance to new taxes or revenues would mean a “best-case” scenario of level-funding in the budget, which pays for most non-education services in the state.

“I would anticipate level-funding would be optimistic,” Clouse said.

That would follow a budget that cut many state agencies [5.5 percent or more \(/story/news/politics/southunionstreet/2015/09/20/state-agencies-looking-severe-cuts/72512046/\)](http://www.montgomeryadvertiser.com/story/news/politics/southunionstreet/2015/09/20/state-agencies-looking-severe-cuts/72512046/). That budget included [about \\$166 million in new revenue \(/story/news/2015/09/16/general-fund-budget-gets-final-legislative-approval/32536919/\)](http://www.montgomeryadvertiser.com/story/news/2015/09/16/general-fund-budget-gets-final-legislative-approval/32536919/) for the General Fund, and only after a contentious six months and three legislative sessions.

“We understand the challenge,” Pittman said. “The reality is nobody wanted to raise revenue. We went through a regular session and two specials. I don’t see any push for new revenue.”

Legislators shielded Medicaid, Corrections, Mental Health, Human Resources and Pardons and Paroles from cuts in the current budget and provided funding for an ongoing effort to address [the state’s prison overcrowding crisis. \(/story/news/politics/southunionstreet/2015/05](http://www.montgomeryadvertiser.com/story/news/politics/southunionstreet/2015/05)



The Legislature also moved \$80 million of the use tax from the education budget to the General Fund in the hopes of getting a growth revenue into a budget with almost endless troubles.

Clouse and Pittman said they expected prison reform funding to continue, “or we’re really going to be under threat of the feds coming in,” Clouse said. “We’re cutting off our nose to spite our face at that point.”

Cutting Medicaid would also be difficult. The federal government matches the state’s Medicaid spending at a two-to-one rate, and any reduction in state money would reduce federal funds. That would have major consequences for the 1 million Alabamians eligible for Medicaid, as well as primary care physicians and state hospitals that depend on the program to keep their doors open.

But both chairs said they did not expect legislators to support any new revenues or taxes in the coming session. Pittman said he didn’t think any agency would get protection from cuts.

“I don’t think there’s any selling to be done,” he said. “There was a lot of selling that happened last year. It wasn’t effective.”

The cuts last year led to [the closings or transfers of some state parks \(/story/news/politics/southunionstreet/2015/10/14/three-alabama-state-parks-may-avoid-closure/73946334/\)](/story/news/politics/southunionstreet/2015/10/14/three-alabama-state-parks-may-avoid-closure/73946334/) and led to the Alabama Law Enforcement Agency [moving to shut down 31 driver’s license bureaus \(/story/news/politics/southunionstreet/2015/10/11/impacts-savings-dl-office-moves-could-small/73678728/\)](/story/news/politics/southunionstreet/2015/10/11/impacts-savings-dl-office-moves-could-small/73678728/) in rural counties. That move led to nationwide criticism of the state by those who said it would make it harder for poor and rural voters to get identification required to vote under state law. Bentley announced in October the offices would open on a limited basis. The U.S. Department of Transportation [has opened an investigation \(/story/news/2015/12/09/transportation-officials-probe-possible-civil-rights-violations/77016324/\)](/story/news/2015/12/09/transportation-officials-probe-possible-civil-rights-violations/77016324/) into the closings.

The Legislature’s budget committees plan to hold budget hearings next month to examine the departments and bring legislators up to speed on the needs in each. “Maybe these hearings will help legislators understand the gravity of the issue,” Pittman said.

The senator suggested that some agencies could move toward increased fees. The Alabama Department of Environmental Management (ADEM) has lost 96 percent of its General Fund money since 2008, and relied more heavily on permit and license fees to make up the difference. ADEM officials [have protested transfers of money \(/story/news/politics/southunionstreet/2015/10/18/adem-protests-state-transfer-cleanup-funds/74076194/\)](/story/news/politics/southunionstreet/2015/10/18/adem-protests-state-transfer-cleanup-funds/74076194/) from agency-controlled funds to other parts of the budget.

Senate President Pro Tem Del Marsh, R-Anniston, said he had “great faith” in Pittman as chair of the General Fund committee, though he did not expect an across-the-board funding cut.

“I think he’s correct that we want to right-size government,” he said. “There’s not an appetite for an increase in taxes.”

Jennifer Ardis, a spokeswoman for Gov. Robert Bentley, said the governor had begun speaking with department heads about next year’s budget. The governor pushed for \$541 million in revenue for the General Fund this year. Ardis said he will not be doing that in 2016, but would work with the Legislature to develop an acceptable approach.

“We did make some gains this year to put growth revenue in the General Fund, but it is no secret revenue is needed for the General Fund,” she said.

The Legislature’s approach means that state employees will again miss out on a cost-of-living adjustment to their salaries. The last COLA approved by the state went into effect in 2008. Pittman said they “appreciated the hard work and dedication of state employees” but added that he didn’t think a COLA was likely.

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