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### Upcoming events

**Aug. 28** – Listening session, Mabra Community Center, Talladega, 4 p.m. to 5:30 p.m.

**Nov. 2-3** – Interfaith Mission Service hosts the Exploring Faith Intersections Conference, Trinity United Methodist Church, Huntsville. Jim Wallis of *Sojourners* magazine will be a featured speaker.

### The staff corner

By Brenda Boman, development director



With 11 prospective issues to fill just five slots in the 2015 legislative agenda, this year's annual meeting promises to be a lively event!

Individuals whose membership is current 30 days before the annual meeting will be on the approved voting list and will be eligible to cast five votes for next year's issue priorities (unless you're already voting as a representative of a member group).

Make sure your ACPP membership is up-to-date with a financial contribution between Aug. 28, 2013, and Aug. 28, 2014. To confirm your eligibility, call me at 334-832-9060 or send me an email at [brenda@alarise.org](mailto:brenda@alarise.org).

Our annual meeting is a great opportunity to introduce others to our work and to the issues affecting low-income Alabamians. Please attend, and bring your friends!

# Report

Vol. 17, No. 8

August 15, 2014

## 11 issues vie for 5 slots at annual meeting Members to pick 2015 priorities

By Chris Sanders, communications director

We expect a full, vibrant house when ACPP members gather Sept. 27 in Montgomery to select our 2015 agenda at our annual meeting. (See details and voting rules at right.) Six new proposals will compete with five existing priorities for the five available slots on ACPP's issue roster next year. Two other issues on the annual agenda are permanent priorities: tax reform and adequate state budgets.

This newsletter is designed to equip members to choose the 2015 agenda. Inside you'll find proponents' summaries of their new proposals, as well as our policy staff's overviews of the current issue priorities. We hope to see everyone Sept. 27 as we select next year's priorities and continue our work toward a better Alabama for everyone!

### Annual meeting: What you need to know

**When:** Saturday, Sept. 27, 2014, 10 a.m. to 3 p.m. Registration will begin at 9:30 a.m.

**Where:** St. John's A.M.E. Church, 807 Madison Ave., Montgomery

**Voting rules:** *Member groups* get up to 42 votes: 7 votes each for up to 6 representatives. *Individual members* get 5 votes each. A person can vote as an individual or as a member group's representative, but not both. To vote as an individual, a donor must have given in the 12-month period ending 30 days before the meeting. (This year, that's Aug. 28.)

## 250+ at Tuscaloosa payday reform event



More than 250 people gathered at Tuscaloosa's Calvary Baptist Church on Aug. 11 to hear more about the statewide effort to cap interest rates on payday and auto title loans in Alabama. ACPP policy analyst Stephen Stetson spoke at the event, sponsored by Tuscaloosa Citizens Against Predatory Practices.



## A few words from Kimble

By Kimble Forrister,  
executive director

**We're starting our year with a stronger base of support.** As our fiscal year ended in June, we broke records again for the number of donors (up 6.7 percent), the amount given (up 5.9 percent), the number of "likes" for Arise's Facebook page (up 30 percent) and the number of subscribers to the Daily News Digest (up 25 percent). This also may be the year we outgrow our meeting space for the annual meeting. Our members have learned the value of turnout!

**The 2013 annual meeting was packed as we tried out new voting rules.** Member groups now can cast as many as 42 votes for issue priorities. If your group is current on its member dues, you can bring as many as six representatives to the annual meeting, and they can cast seven votes each.

**Individual members also play a key role.** Donors who gave in the 12 months ending Aug. 28 get five votes each, as long as they not only gave, but also engaged in advocacy. Your carload of four could cast 20 votes! Because we're member-driven, our policy analysts and organizers count on you to set priorities. Then they do their best to equip you with skills and information for effective advocacy.

**As you read the issue proposals, try to weigh the factors that make a balanced slate of issues:** practical improvement in low-income people's lives; a mix of short-term and long-term issues; winnability; continuity of issues over the years; whether we can play a unique role on the issue; and opportunities to collaborate. We depend on your wisdom in these decisions. Don't miss the chance to cast your vote!

With peace,

# Proposed new 2015 issue priorities

## Dedicated revenue for the Alabama Housing Trust Fund

By Ashley Kerr, Low Income Housing Coalition of Alabama (LIHCA)

LIHCA would like to thank ACP and its members for supporting the Housing Trust Fund in 2012. Our combined efforts resulted in the establishment of the Alabama Housing Trust Fund (AHTF)! We are here to ask for your continued support of the AHTF and your help in securing dedicated revenue for the fund in 2015.

Hard-working Alabamians should be able to pay rent and still be able to put food on the table. Unfortunately for many Alabamians, finding a safe and affordable home is only a dream. Alabama lacks nearly 90,000 rental homes for folks surviving on minimum wage and fixed incomes. Folks making minimum wage have to work 72 hours a week to afford a market-rate, two-bedroom apartment. By doing so, they miss out on family suppers and Little League, because there simply aren't enough hours in the day. All children deserve a safe place to call home and a chance to have those who love them help with homework and read bedtime stories.

The AHTF created a fund to construct, rehabilitate and maintain homes for low-income households. Though we were successful in enacting the law, it was enabling legislation that did not come with funding. That means we can't create new housing, rehabilitate any existing homes or address housing problems related to natural disasters. That is why LIHCA will seek dedicated revenue for the AHTF in 2015.

The bill, sponsored by Rep. Patricia Todd, D-Birmingham, will increase the mortgage record tax from the current 15 cents to 30 cents for every \$100 of a mortgage. This will put approximately \$20 million per year in the AHTF, with the remainder of the new revenue going

to the probate courts, counties and the General Fund, which will receive approximately \$14 million. This type of revenue is a common funding source for housing trust funds across the country. In Alabama, this tax has not increased since it was enacted in 1935.

2015 will be the first year of the quadrennium, and history tells us this is the best time to seek revenue in the Alabama Legislature. Additionally, we know that two-thirds of Alabamians (67 percent) see the lack of affordable housing as a problem in our state and that a strong majority (63 percent) of Alabamians are ready for the state to act when it comes to increasing housing opportunities for households priced out of the market. We are seeking bipartisan co-sponsors and endorsements from influential groups throughout the state.

With the creation of new affordable homes in Alabama, families will begin to achieve economic stability, communities will reduce blight, and the state will see an economic impact of more than \$1 billion. The revenue bill supports ACP's values by investing in Alabama communities and helping low-income households access safe and affordable homes. The bill will provide \$20 million per year to create and rehabilitate homes for those in need.

We were successful in 2012 with ACP's support. Let's work together to finish what we started!

## Improve and expand public transportation in Alabama

By Lawton Higgs, Birmingham Bus Riders

Public transportation is a priority for low-income Alabamians. The American Public Transportation Association prepared a study titled "A Profile of Public Transportation Passenger Demographics" that reports household income for public transportation riders.

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## Issue proposals

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According to the study, 65.7 percent of public transportation riders have household incomes of less than \$50,000. Our experience in Birmingham and Alabama reflects the same reality: Public transportation is a low-income issue.

The need to replace worn-out vehicles used in many rural and urban public transportation agencies is at crisis levels. Ann Dawson-August, executive director of MAX, reports the condition of some vehicles used in public transportation in Alabama is at critical levels. This issue can quickly become a public safety hazard, and can become the basis for the loss of accessibility to essential services, which limits economic viability and development.

Regina Dotson, an advocate in Birmingham for Virginia College students who ride public transit, reports that 10 percent of the 1,100 students in Virginia College are removed from class each quarter due to tardiness and absenteeism. Half of these students reported a lack of punctuality as a result of unreliable public transportation. Government regulations for Pell Grants require students to lose all academic credit for the whole quarter when removed from class for tardiness or absenteeism. This can cost students \$4,500 to \$5,600 in lost tuition that they continue to hold in student debt.

If tardiness or absenteeism from unreliable public transportation is experienced in two quarters, the student loses access to any future Pell Grant. Unreliable buses can cost many low-income students access to future higher education. This reflects hundreds of thousands of dollars of no-value student loan debt for low-income students in Birmingham. Imagine this number statewide in Alabama.

New federal funding is available to replace vehicles and expand public transportation in rural and urban areas with a federal-state match of 80 percent

to 20 percent. The Federal Transit Administration is making available approximately \$100 million in the New Ladders of Opportunity Initiative. An emerging coalition of Alabama transportation agencies is committed to identifying legislators to write and co-sponsor legislation for this initiative.

Birmingham Bus Riders is committed to providing lobbying support with ACPP and the emerging coalition of Alabama transportation agencies to support the passage of legislation to provide matching funds for federal grants, when available, for capital and infrastructure needs. We are developing new bus rider organizations across Alabama, adding political support for improving and expanding public transportation. This will expand ACPP's reach. We urge ACPP to adopt improvement and expansion of public transportation as a legislative priority for 2015.

### Repeal the Alabama Accountability Act

*By Bob Dyck, Unitarian Universalist Church of Birmingham; Toni McGriff, Progressive Women of Northeast Alabama; and Chuck Vedane, Interfaith Mission Service*

The Alabama Accountability Act (AAA) should be repealed, for constitutional and equity reasons. It has caused the loss of \$40 million from the Education Trust Fund (ETF) by reducing ETF spending and by diverting income tax money that otherwise would have been earmarked for public education to private schools. Donors to foundations offering scholarships to private schools can claim a credit for their donations on their state income taxes, resulting in a simple diversion of taxes from public to private schools. Individual families are also able to claim an income tax credit if they send their child to a "non-failing" private or public school.

Montgomery County Circuit Judge Gene Reese ruled in late May 2014 that the AAA is unconstitutional because its passage violated several procedural rules, and because it repeals an earmark

of state sales tax dollars to public education. The judge ruled the amendment to repeal the earmark altered the legislation's original purpose, which amendments are not permitted to do under the state constitution. The legislation was originally called the "School Flexibility Bill."

State and family lawyers have asked Judge Reese to stay his order blocking the AAA, and the case will be appealed to the Alabama Supreme Court. However, the most effective way to prevent implementation of the AAA, and its exacerbation of poverty, is to repeal it.

The AAA cannot help students in poor counties, where there may be no non-failing county schools to which students may transfer, and where transportation costs to private or public schools outside the county are prohibitive. Despite zero benefit to such poor counties, they must pay their share of the AAA's \$40 million cost.

The AAA should be repealed because it inequitably benefits the state's more socially and economically advantaged citizens. Public schools, once a bastion of equal access to education, are losing funding support and students to private schools, thus disadvantaging low-income students in both urban and rural areas.

Repeal of the AAA would eliminate the tax credit that has the result of diverting revenue from the ETF to the scholarship organizations. If we eliminate the tax credit, ETF funding automatically would revert to "normal" (if there is such a thing anymore) because those income tax dollars would again be designated for teacher salaries, as the state constitution requires.

Repeal of the legislation will build membership from all groups adversely affected by the AAA, and all those concerned with fair and equitable distribution of scarce educational

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# Overviews of current ACPD issue priorities

## Permanent issues:

### **Tax reform**

Alabama's upside-down tax system requires low- and middle-income households to pay twice the share of income in state and local taxes that the top 1 percent pay. Tax breaks at the top starve public services of hundreds of millions of dollars a year and force low-income Alabamians to shoulder more of those services' costs.

ACPD long has pushed to bring this regressive tax system closer to balance by removing the state sales tax on groceries and ending the state's income tax deduction for federal income tax payments, a tax break that primarily benefits high-income people. Alabama is one of only four states with no tax break on groceries.

The Legislature could tackle the need for new revenue in 2015, which may give ACPD a chance to push for fairer, more progressive taxes. Lawmakers may seek to remove some earmarks or end some exemptions or deductions.

### **Adequate state budgets**

Alabama has two major state budgets. The Education Trust Fund (ETF) funds public K-12 schools, colleges and universities, while the General Fund (GF) supports all other agencies. Nearly all "growth" tax revenues go to the ETF, while the GF increasingly relies on one-time monies. As costs for Medicaid and prisons grow, the GF will be unsustainable without new revenue. The GF must repay nearly \$600 million to its rainy day fund and the Alabama Trust Fund in coming years. Tobacco settlement money has helped prop up the GF but runs out in 2014. Alabama also faces lawsuits over prison conditions and a desperate need to expand Medicaid to cover more than 300,000 uninsured adults.

Alabamians with incomes between 100 percent and 400 percent of the

federal poverty level may qualify for federal tax breaks to help buy health coverage under the Affordable Care Act. But Alabama's poorest adults earn too little to qualify for those breaks. Without Medicaid expansion, most will stay trapped in this coverage gap.

The ETF faces its own challenges. State education funding will stay below its pre-recession level in 2015. Alabama will invest more in pre-K, but K-12 teachers will not get a raise. The 2015 ETF will carve out a little more money to hire more middle school teachers, but funding inequities between rich and poor districts persist. And 2014 expansions of tax credits under the Alabama Accountability Act may accelerate the rate at which ETF dollars are diverted to private schools.

## Issues proposed for renewal:

### **Utility rate issues**

Customers of Alabama Power and Alagasco pay some of the region's highest utility rates, recent studies have shown. High electricity and gas costs affect millions of Alabamians, but they disproportionately affect the budgets of low-income consumers.

Utility rates for Alagasco and Alabama Power are governed by the Public Service Commission, a three-person panel that has shown extreme reluctance to revisit how it sets rates or how transparent its deliberations are. ACPD is considering a variety of avenues for advocacy on this issue.

### **Debt collection exemptions**

When an Alabamian struggles to repay a debt, it's a problem. But it shouldn't be allowed to destroy the borrower's life. Alabama law allows debtors to shield some of their home's value from debt collectors, but the amount specified by this homestead exemption is so minuscule so as to be nearly useless. People facing even relatively small debt collections and judgments

risk being expelled from a family home they've owned free and clear for years.

Current Alabama law sets the homestead exemption at just \$5,000 for individuals and \$10,000 for couples. Those amounts are among the weakest debtor protections in the nation and cannot shield most homes from foreclosure in a debt collection case. Wages and personal property are similarly unprotected from seizure. A bill to bring Alabama's debt exemption laws more in line with those of its neighbors and to tie exemptions to inflation is expected to return in 2015.

### **Death penalty reform**

In Alabama murder trials, money and race often are factors in whether the defendant ends up on death row. Alabama's system has serious defects at every level: the quality of lawyers appointed to represent indigent defendants, the authority of elected judges to disregard a jury's sentencing recommendations, and the failure to guarantee legal assistance to those appealing convictions.

ACPD has sought a three-year halt to executions in Alabama to allow reviews of the system's handling of due process; indigent defense; and the risk of wrongful convictions. Several bills to constrain executions were filed in 2014, but none cleared committee. Moratorium bills likely will return in 2015 but are unlikely to pass. ACPD members voted last year to expand the moratorium issue to allow advocacy on other death penalty issues. ACPD supported a bill to curtail overrides of juries' sentencing recommendations and opposed bills to shorten the appeals process and to protect the secrecy of lethal injection protocols.

### **Payday and title lending reform**

Lending reform was one of ACPD's most active issues in 2014. ACPD

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## Current priorities

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pushed bills to cap (at 36 percent) the maximum annual interest rates on payday and auto title loans in Alabama. Payday lenders can charge up to 456 percent interest, and auto title lenders up to 300 percent. These high-interest loans trap too many borrowers in long-term debt. After the dismissal of a lawsuit against the plan in August 2014, the state Banking Department plans to create a statewide database to help enforce the existing \$500 limit on how many payday loans a borrower can take out at any one time.

Many states have capped rates on these loans, and Congress has capped them for the military. High-cost loans strip wealth from communities and prevent families from building assets. Many people also see the loans as the sort of usury forbidden by the Bible and other moral traditions. The Alliance for Responsible Lending in Alabama expects to push bipartisan rate cap legislation again in 2015.

### Lifting lifetime SNAP ban for people with drug convictions

Federal law forbids anyone with a prior felony drug conviction from ever receiving food stamps or welfare benefits, but states can waive that ban. Alabama is one of the only states that still has lifetime bans under both the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance for Needy Families (TANF) program. Ending the bans would help people reintegrate into society after leaving prison and help prevent hunger and homelessness among some of Alabama's most vulnerable families. The bans are especially harsh for women who must support children after leaving prison.

A bill to end the SNAP and TANF bans passed overwhelmingly in the Senate last year but came up just short in the House. The bill's sponsor, Sen. Linda Coleman, D-Birmingham, is expected to reintroduce it in 2015.

## Issue proposals

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resources, thus broadening ACPP's base of influence. ACPP members should not be divided by repeal of legislation that unfairly diverts already scarce public tax dollars to support private schools, at the expense of our less advantaged public school systems.

It is important to repeal this legislation as soon as possible, preferably in the 2015 legislative session, to protect vulnerable public school systems.

### Prison sentencing reform

*By Latasha McCrary, Southern Poverty Law Center; Lori Cormier, Birmingham Friends Meeting; and Rev. Nathan Attwood, Alabama-West Florida Conference of the United Methodist Church Board of Church and Society*

The conditions in Alabama's prisons have become so deplorable that, as one prisoner put it, "Only Jesus can help." Alabama's prisons are severely overcrowded and understaffed, resulting in conditions that make it one of the worst systems in the nation.

In a state that faces a significant budget crisis, overcrowded prisons absorb nearly \$450 million of the state budget. Yet despite reasonable and more fiscally responsible alternatives, legislators continue to resist much needed reform. The time for change is now!

Alabamians must consider legislation that limits prolonged sentences and advances prison alternatives such as meaningful probation and parole, community corrections, specialized courts, and shorter sentencing terms.

Alabama's Prison Task Force will propose a package of bills that promote sentencing reform in the 2015 legislative session. ACPP can influence reform by urging the task force to make strong legislative proposals that limit unnecessarily harsh sentences and increase efforts to adopt alternative

sentencing methods. Once proposals are made, ACPP can impact reform by persuading legislators to adopt policies that achieve actual, meaningful change.

Such legislation is consistent with ACPP's focus on obtaining adequate state budgets. Additionally, given a system that incarcerates many people with mental illness or drug addiction, the proposed alternatives are aligned with ACPP's focus on protecting "the least of these." Many Alabama prisoners come from the poorest families in our state, and many suffer from illnesses and addictions they couldn't afford to treat prior to incarceration.

Ultimately, the state needs change, and our citizens are crying out for help. Supporting treatment alternatives sends the message that we care. By advocating for sentencing reform, not only does ACPP uphold its priorities, but it also demonstrates to voiceless citizens its belief not only that Jesus can help, but that Alabamians concerned about the future and welfare of this state will, too!

### Raising the Alabama minimum wage

*By Chuck Vedane, Trinity United Methodist Church, Huntsville*

Every working Alabamian deserves to make a living wage. It is time to take the first step in ensuring citizens have the opportunity to obtain this goal. It is time for Alabama to raise the minimum wage toward creating a living wage for all.

The Legislature should enact a minimum wage hike that begins in early 2016, with higher increments through 2018, resulting in a \$10.10 minimum wage within the state. Alabama at present does not have a minimum wage, adopting the current federal minimum wage of \$7.25 an hour. At \$7.25 an hour, full-time workers make just \$15,080 a year. The 2013 federal poverty threshold for a family of two is \$15,510. A \$10.10 minimum wage would cost employers, in total, just one-third of a

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## Issue proposals

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penny for every dollar spent on wages, according to the Congressional Budget Office.

An Oxfam America study shows that hard-working citizens continue to fall behind, working at jobs that pay less than \$10 an hour, with few providing benefits of any kind. A minimum wage increase would help people get off assistance, which would lessen state monies diverted to those programs.

Rep. Dario Melton, D-Selma, proposes a more modest raise to \$9.80. He says the current minimum wage “keeps people stuck in poverty and dependent upon government safety net programs. The \$7.25 is not enough to keep up with the increased cost of living, even in a comparatively low-cost state like Alabama.” He emphatically states, “It’s not a living wage.”

Some businesses say raising the minimum wage would be an economic disaster. However, many small businesses support this action. Businesses rely on consumer spending, and consumer spending depends heavily on wages. Businesses need customers who can afford what they are selling. Many argue that raising the minimum wage will pour more money into the economy.

“Maybe a higher minimum wage isn’t so bad for job growth after all,” a recent Associated Press article began. It noted that the 13 states that raised their minimum wage this year have seen stronger job growth than those that did not. “It raises serious questions about the claims that a raise in the minimum wage is a jobs disaster,” an economist said.

ACPP’s diverse membership is dedicated to promoting solutions concerning poverty and its effects on Alabamians’ lives. Living wages, with a decent minimum wage, are vital to allow people in poverty to move into

self-sufficiency. The issue might be potentially divisive for members, but it needs to be discussed and acted upon.

It will probably take several sessions for this legislation even to come out of committee. But it is time for Alabama to look to itself to provide higher wages for its citizens and, in turn, create more opportunity and job growth. The suggested \$10.10 an hour is the latest number for the proposed increase in the federal minimum wage. It would be a remarkable feat if Alabama were to reach that goal *before* federal requirements!

### Safe harbor for child victims of human trafficking

By *Debbie Esslinger, Interfaith Mission Service*

Human trafficking is a relatively new term, with many people not knowing what it is. This speaks volumes about the hidden nature of these crimes. Traffickers gain control of their victims and force them into labor, service or the commercial sex trade. They maintain control through coercion, force, violence, lies, deception, and psychological abuse and manipulation. Anywhere there are poor, displaced, vulnerable people, traffickers will be there to prey on them. Alabama is no exception.

2013 saw establishment of an Alabama Task Force on Human Trafficking. The task force’s goal is to combat all aspects of human trafficking, including sex trafficking and labor trafficking, by pursuing a comprehensive response to the crimes, coordinating strategies to help victims, focusing prevention efforts to end demand for trafficking, raising awareness of the problem, and developing legislation.

One key area is to provide a safe harbor provision for children within any and all such legislation introduced. We propose that safe harbor for child victims of human trafficking be an ACPP legislative priority for 2015.

Trafficking hot spots can appear anywhere. They can appear if a lot of interstates are coming in and out, if many new businesses are forming in a city, or if large concerts or sporting events are being held. Interstate 65 is considered a major trafficking pipeline. Interstate 20 is America’s No. 1 road for human sex trafficking, according to a film released by the WellHouse, a nonprofit shelter for rescued victims.

The young victims of human trafficking are male or female; U.S. citizens or foreign nationals; runaways, abandoned or homeless; often victims of prior abuse or neglect; and of diverse social, ethnic and economic backgrounds. The average age of victims is 12 to 17. Too often, victims of sex trafficking are treated as criminals, charged with prostitution.

Legislation should protect minors from being charged with a crime and treated as a criminal for being the victim of sex trafficking predators. All due diligence should be mandated to view the minor as a victim, rather than being arrested. Other requirements should include 72 hours of protective custody and the offer of assistance during the transition to safety.

This legislation is needed to protect children while stronger legislation is developed to lessen the demand for and the supply of minors in the sex trade. The legislation would benefit not only the minors being abused, but everyone in the state. Alabama needs to provide shelter and care for these minor victims. ACPP is a champion of those most vulnerable in the state, and these children are both vulnerable and abused. The issue might have minor divisiveness among membership, but should prove to be something most can support.

Similar bills were introduced in 2014, and we hope next year will see such legislation enacted. Law enforcement costs probably would go down, with social service costs going up, but the swap would be well worth it!