

Budget Cuts Hurt Real Alabamians

Facing a shortfall of more than \$250 million for Fiscal Year 2006, Alabama's leaders have once again failed to address the long-standing problems in the state's General Fund. The Governor has proposed a budget only \$7.6 million larger than this year's patched-together, one-year solution.

Neither the Governor nor the Legislature appears willing to look at fair, broad-based taxes. In fact, the Governor's finance director said on March 9, "The Governor is against raising any new revenue." The Administration's budget relies on cuts for some programs, level funding for others, debt service transfers to the Capital Improvement Trust Fund, and \$70 million of General Fund expenses transferred to the Education Budget. This last item is generating the most controversy. Agencies affected by the proposed transfer are Mental Health, Public Health, Rehabilitation Services, Youth Services, Human Resources, and CHIP. In the Governor's budget, only Medicaid was funded at its full request.

If the proposed cuts happen, who will be hurt?

- Hemophilia patients who lose state-subsidized clotting agents
- HIV/AIDS patients who lose state-subsidized medications
- Disabled children who lose state funding for incontinence supplies
- 599 substance abusers waiting for residential treatment services
- 1,193 people on a waiting list for Medicaid waiver home- and community-based mental retardation services
- 50 court-committed people waiting for beds in psychiatric hospitals
- At-risk newborns whose regional high-risk follow-up clinic is closed
- Agencies that must absorb the cost of benefit increases and last year's 27th pay period

On March 9, the House Government Finance and Appropriation Committee introduced a substitute General Fund budget (HB247). It takes only \$15 million from the Education Fund; transfers \$126 million from the Capital Improvement Trust Fund to pay for 2005 and 2006 agency debt service; spends \$42 million of tobacco settlement reserve funds; and transfers \$10 million from Department of Transportation gas taxes to the Unified Judicial System to support the cost of traffic cases. This budget would help restore AIDS drugs, cover agency benefit cost increases and the 27th pay period, and keep programs from losing so much ground.

We cannot cut our way to a balanced budget. Real people with real needs depend upon state services. Agencies forced to pick up extra costs will have to cut services. Lawmakers and budget-writers must provide stability for the General Fund. The substitute budget is just another band-aid, with a lot of one-time money, but it may be the best we can do this year without new taxes. We must provide minimal protections for critical programs: Medicaid and the Children's Health Insurance Program (CHIP).