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Bulletin Board

Did you catch it?

Syndicated columnist and Montgomery native Rheta Grimsley Johnson chronicled her recent visit to the Arise office in a column that appeared in several state newspapers. If you missed her column, read it at arisecitizens.org. Pull down the "Media Room" tab and click on "ACPP in the News."

June 30 at ASU Leadership Summit

Arise is one of 24 organizations co-sponsoring a daylong grassroots leadership summit at Alabama State University on Saturday, June 30, from 9 a.m. to 3 p.m. Admission is free. The event is a follow-up to a November 2011 gathering that drew more than 300 people to ASU.

Under the theme "Unite to Fight, Move Forward," the "Save Ourselves Summit" will feature panel discussions and breakout sessions on a range of topics, including diminished voting rights, the Tea Party agenda and recent anti-worker legislation.

For more information or to register, contact Shelley Fearson at (334) 262-0932 or statecoordinator@aol.com.

Report

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Housing Trust Fund bill enacted

A new day for affordable housing

By *Chris Sanders, policy analyst*

Gov. Robert Bentley last week signed into law a statewide Housing Trust Fund (HTF), capping a multi-year effort by ACPP and other supporters. Bentley's move came after overwhelming support from the House (82-0) and Senate (24-2). HB 110 created the trust fund but did not appropriate money for it. The bill's sponsor, Rep. Patricia Todd, D-Birmingham, said she will seek state funding in the future when Alabama's budget picture is rosier. In the meantime, the fund could receive federal money and other grants.

The HTF will expand rental and homeownership opportunities for low-income Alabamians by promoting construction and renovation of low-income housing and by funding related support services. Nonprofit developers, cities, counties and public housing authorities can receive HTF funds through a competitive process. Housing units will

be available to working families, seniors, veterans, people with disabilities and other Alabama households with incomes at or below 60 percent of their area's median family income. At least half of the HTF funds must serve people at or below 30 percent of that threshold.

Advocates say the HTF will reduce Alabama's shortage of affordable low-income housing and address housing needs in rural areas and places hit by natural disasters like the April 2011 tornadoes. The state lacks more than 90,000 affordable homes for people with extremely low incomes, according to the Low Income Housing Coalition of Alabama. "Existing programs have not met the needs of rural counties, homeless people and the lowest-income Alabamians," ACPP executive director Kimble Forrister said. "The Housing Trust Fund will allow the state to tailor specific solutions for their specific needs."

Tweaks leave worst parts of HB 56 in place

By *Stephen Stetson, policy analyst*

After briefly expressing two concerns about HB 658, Gov. Robert Bentley signed the bill on May 18, finalizing a series of minor modifications to Alabama's anti-immigration law, known as HB 56. Since passing last year, HB 56 has garnered global headlines, thrusting Alabama into the center of a controversy over whether

(and how) states can regulate immigration. Critics say the law has caused an expensive and humiliating civil rights crisis, and most contend that HB 658 is inadequate to address HB 56's flaws. This year's bill, sponsored by Rep. Micky Hammon, R-Decatur, was debated for most of the session, becoming known as the "tweak

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Faced with tough decisions, our legislators chose an irresponsible path. For 15 weeks, they careened from one perilous option to another. First they rejected Gov. Robert Bentley's proposal to call Medicaid for schoolchildren an education expense. Then a divided House passed a General Fund budget with a \$400 million line item for Medicaid, flouting warnings that it could not pass federal muster at that level. A House budget committee heard a spirited case for a cigarette tax to fill the gap, but refused to act on it.

Then the Senate crafted a plan to raid our children's piggy bank. It's a shell game: Senators claimed they weren't raiding the Alabama Trust Fund, but they essentially propose to have the Education Trust Fund pay \$145.8 million a year to the General Fund for three years instead of paying the ATF back for its rainy day fund debt. Gov. Fob James 30 years ago proposed the ATF as a way to invest the earnings of oil wells that would have a productive life of 40 years. Thus a non-renewable resource could benefit future generations.

Will our generation break into our children's piggy bank rather than paying our own bills? Both Democrats and Republicans shake their heads and say, "I know we need to raise taxes, but that just can't pass." Thus the long-awaited moment arrives: We're pushed into a corner that was supposed to force us to raise taxes; instead, we eye the piggy bank. Now Arise must face its own hard question: If Alabamians vote against raiding the ATF, will that provoke a tobacco tax hike or draconian cuts to Medicaid and corrections? We have until Sept. 18 to decide.

Yours in peace and hope,

GF budget unsettled until at least Sept. 18

Funding cuts hammer public services

By Chris Sanders, policy analyst

Alabama will slash funding for Medicaid, mental health care, prisons and other public services next year, but the size of those cuts will remain unclear until at least September. About 10 percent of the General Fund (GF) spending that state lawmakers approved for fiscal year (FY) 2013, which starts Oct. 1, hinges on voter approval of a proposed constitutional amendment Sept. 18. The Legislature finalized the GF and Education Trust Fund (ETF) budgets late on May 16, the regular session's last day. Gov. Robert Bentley signed them into law this week.

Even if voters approve the amendment, GF spending next year will be more than 15 percent below its inflation-adjusted FY 2008 level. The \$1.67 billion GF budget would be 3.9 percent less than this year's spending after mid-year cuts known as proration. But if voters reject the amendment, the GF shortfall will balloon by another \$145.8 million just two weeks before FY 2013 begins. A "no" vote likely would force the Legislature to return for a September special session to realign the cuts or raise new revenues.

The amendment would allow the transfer of \$145.8 million annually for the next three years from the Alabama Trust Fund (ATF) to the GF. The measure essentially would redirect money now scheduled to repay the ETF rainy day account, which borrows funds from the ATF. The ATF receives state oil and gas royalties, and its interest payments and investment earnings help fund the GF.

Medicaid will receive \$603.1 million in GF money next year if voters approve the amendment. That would be just above the \$602 million in state funds that State Health Officer Don Williamson said the program must have to avoid the risk of falling below minimum federal standards and losing all federal money. Even then, Medicaid will have to slash payments to doctors and other providers, reduce adult prescription drug coverage, and end adult eyeglass coverage, Williamson said.

Other human services will get slightly more state money next year if the amendment is approved. But those increases would not come close to offsetting years of funding losses amid the Great Recession. The Departments of Human Resources and Mental Health would get about 4.9 percent and 1.8 percent more, respectively, in total ETF and GF funding. The Department of Corrections, meanwhile, would see a 4.2 percent GF cut.

K-12 class sizes will not increase next year, but ETF funding will decrease for all levels of education in Alabama. The \$5.4 billion ETF budget will be about 25 percent below its inflation-adjusted FY 2008 level and 3.7 percent less than this year. Funding for the K-12 foundation program, which provides most state K-12 money, will decline by 3 percent next year. Two-year colleges and four-year universities will receive 2.4 percent and 3.5 percent less, respectively.

Lawmakers shuffled agencies and revenue sources to keep the budgets afloat. A bill to shift 25 percent of Alabama's use tax revenues from the ETF to the GF passed in a special session this week, and the governor signed it. The measure will pump about \$67 million into the cash-strapped GF to help it absorb \$37 million of new obligations for the

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Meanwhile . . .

Three ACPP priority issues – death penalty reform, public transportation and constitutional reform – saw little legislative action in 2012. The most notable development was the passage of three banking- and corporation-related bills produced by the Constitution Revision Commission that the Legislature established in 2011. For updates on these and all other legislative proposals we tracked this year, visit arisecitizens.org and click on "Bills of interest" in the left column.

Immigration law

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bill” because it proposed numerous changes to HB 56 without repealing any of the law’s sections.

Many provisions of the 2011 law remain enjoined while lawsuits against it are being decided. The U.S. Supreme Court’s ruling on Arizona’s anti-immigration law, expected in June, is unlikely to resolve the legal challenges to HB 56. Though Alabama’s law is somewhat modeled on Arizona’s, it goes much further in many areas, cementing Alabama’s claim to having the “toughest immigration law in the nation.”

Efforts to tweak the tweak bill itself largely failed. The final version removed nearly all of the amendments and improvements made to HB 658 as it worked its way through the legislative process. The final bill was a stripped-down substitute offered by Sen. Scott Beason, R-Gardendale. Beason and Hammon were driving forces behind last year’s law, which bears their names.

HB 658 leaves intact the most controversial provisions of HB 56, including the requirement that K-12 public schools determine the immigration status of enrolling students, and the “cop stop” provisions, which critics say expose citizens and legal immigrants to racial profiling and discrimination.

HB 658 marginally modifies the “harboring, transporting and shielding” provisions by adding an exemption for immigrant missionaries. Where HB 56 made it a felony to conceal, harbor or transport 10 or more undocumented immigrants (or to encourage or induce them to come to Alabama), the new law lowers that number to five. It also retains the provision that forbids entering knowingly into a rental agreement with an undocumented immigrant.

The tweaks make it easier for the state to defend the section of the law banning undocumented

Exchange bill runs aground in Senate

By M.J. Ellington, health policy analyst

The Alabama Legislature was one step away from passing legislation to establish an Alabama Health Insurance Exchange, a requirement of the federal Affordable Care Act, when the 2012 regular session ended May 16. HB 245, sponsored by Rep. Greg Wren, R-Montgomery, cleared the House and a Senate committee but died waiting for a full Senate vote. Support for HB 245 waned after Gov. Robert Bentley threatened to veto the measure, saying he preferred to wait until the U.S. Supreme Court issues a ruling expected in late June on legal challenges to the ACA.

The federal health reform law requires every state to have a health insurance exchange in operation by January 2014. The state exchange would offer uninsured individuals and small businesses a choice of affordable health plans that meet minimum quality standards. Bentley said he will call a special session if necessary to set up an exchange if the ACA survives.

Wren’s bill outlined the framework for an Alabama Health Insurance Marketplace. Alabama Arise and other advocacy groups, including Alabama Appleseed, pushed for a consumer-friendly exchange with two consumer advocates on the industry-heavy governing board. Advocates also sought a requirement that exchange meetings be open to the public. The version of Wren’s bill that died in the Senate added both.

Action stalled on one proposal designed to circumvent the ACA but moved forward on another. Companion bills SB 258, sponsored by Sen. Greg Reed, R-Jasper, and HB 43, sponsored by Rep. Mike Ball, R-Madison, would have sought permission from Congress to set up a multi-state Health Care Compact to receive and administer all federal health care dollars coming to the states through a block grant that would include Medicare and Medicaid. The proposals passed in committee but did

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immigrants from attending postsecondary educational institutions. They also slightly weaken penalties for businesses that employ undocumented immigrants.

HB 658 leaves in place provisions prohibiting “unauthorized aliens” from applying for work, soliciting work in a public or private place, or performing work in Alabama. It also leaves in place the criminalization of soliciting work in a roadway.

In perhaps the biggest improvement to current law, the tweak bill eliminates the requirement that those arrested for driving without a license be taken in and presented before a magistrate. However, the new law provides that when people are found to be driving without a license, “a reasonable effort shall be made as soon as possible, but not later than within 48 hours,” to verify their immigration status. The statute is silent on whether law enforcement officials

must detain the person during this process (which seems likely), and it lengthens the time someone can be held from 24 hours to 48.

HB 658 also requires courts to submit quarterly reports to the Department of Homeland Security (DHS) “summarizing the number of cases in which an unlawfully present person was detained by law enforcement and appeared in court for any violation of state law.” The reports must include names, charges, the presiding judge and final disposition of each case. DHS must publish this information on its website, making it searchable by county and presiding judge. This requirement, known informally as the “scarlet letter provision,” is one of the two (along with the K-12 provision) to which Bentley briefly objected before signing the bill into law.

Funding cuts

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Department of Youth Services and ALL Kids, which provides affordable health insurance for children whose low- and moderate-income families do not qualify for Medicaid.

Despite massive funding shortfalls, proposals to increase revenues for Alabama's public services faced an uphill battle in a year when lawmakers added or expanded numerous business tax breaks. Legislators approved fee increases on court filings and bail bonds to provide more than \$40 million for the state's courts and district attorneys. But a proposed cigarette tax increase to fund GF services never escaped committee. Neither did a plan to eliminate the state sales tax on groceries and raise \$160 million for education by ending Alabama's income tax deduction for federal income taxes.

Some lawmakers say Alabama soon will have little choice but to raise more money to sustain education, Medicaid and other public services. "It's extremely important to look at the bottom-line amount we need to run effective government," Rep. Patricia Todd, D-Birmingham, said last week.

Exchange bill

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not move forward. Lawmakers did approve, and the governor signed into law, a way for members of certain organizations to opt out of ACA insurance requirements. HB 343, sponsored by Rep. Mac Buttram, R-Cullman, exempts so-called medical sharing ministries from state Insurance Department oversight. The ministries match members who have medical expenses with others of like-minded religious faith who agree to help pay the bills. Both health compacts and sharing ministries are being promoted across the country by the American Legislative Exchange Council (ALEC), a national conservative organization financed by numerous billion-dollar corporations.

We appreciate our supporters!

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Looking ahead: Mark your calendars now to attend the Arise annual meeting Sat., Sept. 15, where individual members and group reps will set the agenda for 2013. You must be present to vote. Eligibility requirements for individuals are two-fold: Take an advocacy action and make a financial contribution during the previous fiscal year. FY 2012 ends June 30, so you still have time to make the voter list. To learn more, call Brenda Boman at (800) 832-9060.