



Williams urges "no" vote on September 18 referendum

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By



HUNTSVILLE, Alabama -- State Representative Phil Williams told the Huntsville Association of Small Businesses in Advanced Technology (HASBAT) Thursday that he is opposed to a measure that would allow Alabama to borrow up to \$437 million over the next three years from the Alabama Trust Fund.

The Huntsville entrepreneur, who founded two Cummings Research Park-based research firms, praised the efforts of small business. "This is a vibrant community is vibrant and will hopefully pull us out of the problems we face."

Williams had a lot to say about Alabama's current fiscal crisis.

Alabama voters will decide on September 18 in a statewide referendum whether to approve borrowing the funds to fill what Williams called a "big hole" in the state General Fund budget. But Williams said borrowing the money represents bad public policy, terming it a "bandaid approach" to the state's fiscal problems.

Williams said he realizes "we have to find the money somewhere" in response to a budget shortfall of as much as \$100 million in the 2012-13 General Fund budget, which takes effect October 1. "Under law, we absolutely have to balance the budget," he said. "We don't have a printing press set up like (Federal Reserve Chairman) Ben Bernanke does."

If the amendment fails, he would prefer that Gov. Robert Bentley call a special session of the legislature to find other ways to balance the budget. He indicated one approach to balancing the budget would be to cut what he said is too much special interest spending in the current budget.

"I'll vote no," he said. "How can we take dollars from this fund when we still have so much pork in the budget?"

As examples of areas where cuts could be made, he said cuts could come from overturning a provision for the state to spend up to \$20 million per year to buy more public lands, or trimming back the state's economic development incentives.

Such incentives might, he said, be used to keep the large Goodyear complex in Gadsden rather than allow it cease operations in a tight global economy.

Williams stressed the importance of finding the money to fund the shortfall. One consequence, he said, would be Medicaid cuts that would be felt "by nearly everyone in the state" and cripple Alabama's ability to recruit doctors. "We need to keep our medical staff here," rather than have them move to other states with higher income potential.

"I hope we can be fiscally conservative instead of grabbing dollars from any place we can get it," he said.

The fund, which gets most of its revenues from drilling rights and royalties from oil and gas production in Alabama's coastal areas, was set up in 1982 under former Alabama governor Fob James as a "rainy day fund."

Under current law, 90% of the interest and dividend income each year from the ATF is transferred to the state's General Fund to support prisons, mental health care, elderly support, and Medicaid. The remaining 10% is paid into the Forever Wild Land Trust Fund.

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