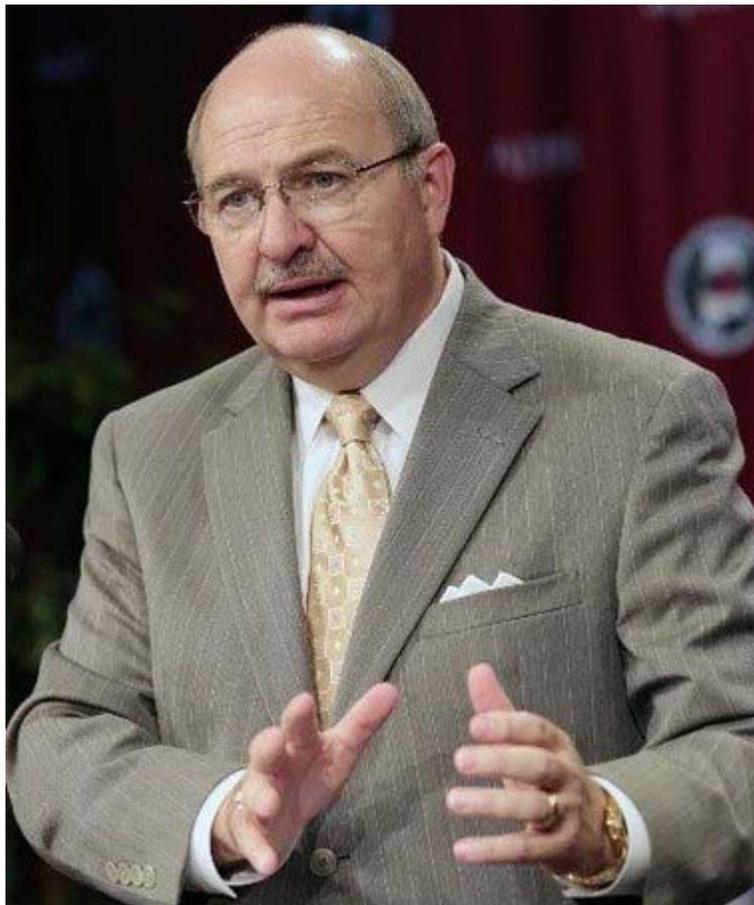




OUR VIEW: Gov. Robert Bentley, Legislature have given voters little choice but to agree to transfer of millions from Alabama's savings account to the General Fund

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N By **Birmingham News editorial board**



State Health Officer Don Williamson says Medicaid faces a minimum \$100 million shortfall if the amendment fails. (The Associated Press)

When a family faces challenging financial times, there is little choice but to dip into the savings account to help make ends meet. When times are better, the savings account can be paid back.

It's clear the state's General Fund, which pays for most noneducation services such as prisons, public safety, child welfare, public health and Medicaid, is facing challenging financial times. The Legislature wants Alabama voters to endorse tapping into one of the state's savings accounts to keep the fund solvent.

On Sept. 18, voters will be asked to approve a constitutional amendment to transfer \$145 million a year for three years from the Alabama Trust Fund to the General Fund. The Alabama Trust Fund gets its money from the state's royalties from offshore natural gas drilling leases in Alabama waters. A portion of the trust fund's interest also goes into the General Fund, but this will be a direct withdrawal of the fund's corpus, or principal.

That, in turn, will reduce the fund's interest, which will affect General Fund receipts in the future.

Should voters turn down the transfer, the results could be devastating to state services. Though Gov. Robert Bentley and lawmakers talk about how the state must live within its means, they budgeted far above current means (though below current spending), then refused to provide a new revenue stream -- other than tapping into the Alabama Trust Fund.

If the Sept. 18 amendment fails, state agencies would have \$197.8 million less than was budgeted, which means deep spending cuts to Medicaid, corrections, child welfare -- all of the agencies funded by the General Fund.

State Health Officer Don Williamson has said if the amendment fails, Medicaid will have a minimum \$100 million shortfall, what he calls an "uncontrolled train wreck." Officials have said prison inmates will be released, nursing homes closed, state troopers taken off the state's highways, and fewer social workers to protect abused and neglected children.

There have been dire predictions before. This time, those predictions would happen without a bailout. Even as currently budgeted, state agencies provide a bare minimum of services. They cannot stand nearly \$200 million in cuts.

The frustration is that Bentley and lawmakers could have prevented voters from having to make this decision by increasing tobacco or other taxes. A bit of courage was needed, but they took the easier way out.

So voters are caught in a difficult spot.

Consider, too, that royalties going into the Alabama Trust Fund are continuing to plummet, from a high of \$373 million in 2006 to just under \$120 million in 2011. The royalties are expected to be a little more than \$72 million by the end of this fiscal year, Sept. 30, and as little as \$32 million a year by 2025.

Voters are being asked to withdraw money from a savings account that will not be replenished anytime soon. It's not a good option, but it's the only option for now.

We reluctantly encourage a yes vote on Sept. 18 because the alternative would be far worse than taking money from a shrinking savings account. We also urge voters to tell Bentley and their lawmakers to stop these short-term schemes and to shore up the General Fund permanently, something that should have happened long ago.

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