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State mental health agency illustrates budget crunch

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The state's mental health program is but one of a number of agencies facing more serious budget cuts if a proposed constitutional amendment referendum set for Sept. 18 fails.

State budgets have been under extra pressure since the recession began, with a number of personnel cuts already made. There could be more cuts when the new fiscal year begins in October.

The Cheaha Regional Mental Health Center serves four counties, and expects to assist more than 4,000 people this year. CRMH director Cindy Atkinson said mental health has been historically underfunded in Alabama. It's a real challenge to fulfill the mission of helping those with depression, mental illness, mental disabilities and substance abuse issues. An additional budget cut is the last thing the agency needs.

If the referendum passes, the state will take \$145 million from the state's oil and gas trust fund each year for the next three years, about 20 percent of the corpus of the fund, to prop up the state's General Fund budget. There is no provision to repay the money to the trust fund. Originally designed to deliver 90 percent of income from the corpus to the General Fund, a variety of other measures have been passed that also draw revenue from the trust fund. Today, about two thirds of its income goes to the General Fund, and due to the recession, its investments have been yielding a lower rate of return.

Ironically, 2012 appears to be a record year for tax revenue overall, according to monthly abstracts from the Alabama Department of Revenue. Much of that money is earmarked for the state's education budget, which is handled separately from the general fund. Federal stimulus money has stopped, and federal money used for programs in the state is no longer adequate to meet the state's needs.

A further irony is that just when it appears the state needs the income from the trust fund more than ever to fund state agencies, the proposed answer to our budget problems is to take money out of it.

The current Legislature came up with one solution to help smooth out the roller coaster ride that has been the annual budgeting process. The rolling reserve plan should help smooth out that process in time, and greatly reduce the all-too-frequent calls for proration. More has to be done to put the state on a sustainable path forward. Part of that will be hard decisions about what services the state will provide, and what level of service will be acceptable, and at what cost.

The proposed amendment is at best a stop-gap solution. It could buy Alabama some time to develop a sustainable long-term plan. It could also give our lawmakers an excuse to kick the can further down the road.