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Sept. 18 vote to determine future Medicare, court funding

By Ebony Horton

OZARK—A decision on whether to close at least two prisons in the state, release an estimated 8,000 prisoners and cut funding from the state’s human resources department and others could hinge on a vote to borrow funding Sept. 18, officials said.

Voters will decide Sept. 18 in a special election whether or not to allow the Legislature to borrow up to \$145 million a year for three years from an oil and gas trust fund and put it into the state’s general fund, which will assist state-funded programs like Medicaid and Medicare and the state’s prisons and courts.

The trust fund, which sits around \$2.4 billion, is fueled by royalty payments paid to the state from oil and gas companies that drill in the Mobile bay.

Alabama State Treasurer Young Boozer told residents during the monthly Dale County Republican Party meeting on Monday that lawmakers have pledged to repay money borrowed over the next 10 years.

“Restructuring is incredibly important for properly managing the fund for years to come,” Boozer said.

“We are in uncertain times. There are a lot of moving parts, but if we put this together and pay back the loan and rely upon the pledge (to repay), certainly you can go along with this. ...If it doesn’t pass, then you likely don’t have a budget for the coming year because the budget is predicated upon this passing.”

State Rep. Steve Clouse, R-Ozark, said at least two prisons could close in the state and money could be slashed significantly from the budgets for Medicaid, Medicare and mental health if the legislation doesn’t pass.

He said the oil and gas trust fund was set up for future generations to borrow from if the state experienced a “rainy day.”

“This is the future generation, and it’s rainy,” Clouse said. “The fund is not going to go below what it is now in principal and it’s still going to gain over years with this plan, so it can help us get over this rough edge. It can be a win-win situation because the money is going to get repaid.”

Clouse said about two-thirds of the state's general fund budget is set up to take care of residents that aren't able to care for themselves, such as residents in nursing homes or children on Medicaid.

"We've done everything the Republicans have asked us to do," he said.

"In the last couple years we've done things like get rid of the DROP program that cost the retirement system millions. We changed the pension formula. We got 3,000 less state employees than we did five years ago.

"We're doing those things but we've got to have a little bridge over here to get us over this hump. We're one of only a few states that has this kind of savings, and the state's going to have to do something to help those that aren't able to take care of themselves."

Clouse said the last time the state borrowed from the fund was about 10 years ago.

Resident Lester Chain said the vote is critical for some families. Chain said his daughter currently attends Vivian B. Adams School – a special needs facility in Dale County that serves six counties.

"She currently attends on a Medicaid waiver and I'm afraid if this doesn't pass, then she could lose part of that waiver," he said.

"That's why I'm here."

Why the special election?

Clouse said the reason a special election is being held is because county voters not registered within a municipality's limits wouldn't typically go to the polls during municipal elections in the state Aug. 28, and because a vote would need to take place well before the Nov. 6 presidential election in time for the state to set its budget.

Voter turnout has varied significantly throughout the state for special amendments, according to totals on the state Secretary of State Beth Chapman's website. Fifty-two percent of voters went to polls in 1999 for a special amendment related to the lottery.

Only 7 percent turned out in 2000 for a special constitutional amendment election, while 55 percent turned out in 2003 for an amendment election.

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