

Senate approves \$1.7 billion General Fund budget

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The Senate Tuesday approved a \$1.747 billion General Fund budget that includes money to hire additional correctional officers but not funds to provide wage increases for state employees.

The budget closely follows Gov. Robert Bentley's budget recommendation made last month, with about \$3 million more for the state's court system than Bentley initially recommended, and an increase of \$17 million for the Department of Corrections. Bentley had sought an increase of about \$20 million for the Department to hire 100 correctional officers and improvements to the Julia Tutweiler Prison for Women.

Sen. Arthur Orr, R-Decatur, the chairman of the Senate Finance and Taxation General Fund committee, said he did not expect the change to Corrections to affect either of those projects.

The budget also includes \$5 million to begin paying back \$437 million borrowed from the Alabama Trust Fund; Bentley signed a bill last month sponsored by Rep. Jay Love, R-Montgomery that mandates the payback. Elsewhere, the budget level-funds the Alabama Medicaid Agency, the single largest expenditure in the budget, at \$615 million. Mental Health would also receive level funding.

Orr's budget is about \$7 million higher than Bentley's proposal. The budget, like Bentley's, does not include pay raises for state employees, who have not seen their salaries rise since 2008. Orr said he was "cognizant" of state employees' situation and was willing to work with the governor on the situation.

"We have borrowed in fiscal year 2014 \$145 million, so we have to be careful how we spend borrowed money," he said.

The budget does include non-binding language saying it is the "intent" of the Legislature to restore merit raises for state employees starting on October 1. The language, introduced by Sen. Roger Bedford, D-Russellville, would not require those raises to be restored; Bentley would have to move to end the freeze, or the Legislature would have to pass a bill doing so. Bentley's proposed education budget includes a 2.5 percent pay raise for teachers; Democrats have sought pay raises for both teachers and state employees.

"What I thought was I wanted to show the hard-working state employees, who have not had a raise since 2008, that we stand with them," Bedford said.

Senate President Pro Tem Del Marsh, R-Anniston, said Tuesday evening he did not expect any raises for employees this year. Marsh expressed a hope that efficiency measures passed by the Legislature would free up funding to allow raises at a later date.

The budget assumes the state will receive \$48 million in money from a settlement with tobacco companies over payments to the states. If the money is not forthcoming, or comes in a reduced amount, funds to individual departments would be reduced.

Senate Republicans moved to cloture debate on the budget late Tuesday afternoon after about an hour of discussion. That provoked criticism from Bedford.

"If that's a good budget, what's wrong with standing out there and debating it?" he asked.

Orr said Democrats pursued similar strategies when they were in charge of the Legislature, and that he had

solicited questions about the budget from lawmakers and departments.

“If they had requests, they needed to come see me,” Orr said. “You didn’t hear a lot of protests from the microphone from the other side.”

Bedford and other Democrats also accused Republicans of taking \$22 million from Children’s First Foundation and using it to pay for the increase in Corrections. Earlier in the day, the Senate passed legislation sponsored by Sen. Phil Williams, R-Gadsden, that would transfer the \$48 million in additional tobacco settlement money to the General Fund; tobacco money is generally split between the Children’s First Foundation, Medicaid and other state entities.

Orr said that since that money is not guaranteed, following the formula could have left agencies with budget gaps if the state does not see the entire \$48 million; he said allocating the sum into the General Fund outside the formula meant the money “was going to wind up in the same place anyway.”

The budget now moves to the House. Orr said he had been in close contact with Rep. Steve Clouse, R-Ozark, the vice-chairman of the House Ways and Means General Fund committee, about the budget.

“He’ll have some changes, (and) the House will,” Orr said. “It’s part of the process.”