

# montgomeryadvertiser.com

## Proposed General Fund budget includes deep cuts

A House committee Wednesday approved a \$1.393 billion 2013 General Fund budget that will likely lead to sharp cuts in state services and hundreds of state employee layoffs.

The proposal would include a 30-percent cut to Medicaid, which a spokeswoman for Gov. Robert Bentley called "irresponsible" Wednesday evening.

Overall, the budget would cut about \$341.6 million over the 2012 General Fund budget, which was slashed more than 10 percent last month. Most state agencies would see their allocations slashed by 22 percent or more.

The budget is not final, and will likely change as it moves through the legislative process. But lawmakers said the General Fund, which faces a severe shortfall in the fiscal year beginning Oct. 1, will remain tight.

Rep. Jim Barton, R-Mobile, chairman of the House Ways and Means General Fund committee, said the cuts would have "devastating" effects across the state of Alabama.

Medicaid, the largest single expenditure in the General Fund budget, would receive

\$400 million under the proposed budget, a cut of \$175 million over its prorated budget.

Don Williamson, director of the Alabama Department of Public Health and head of a task force seeking a new head for the agency, said he would present options to the committee on what could be cut next weekend.

"I want to give you the consequences of a \$400 million budget, and you will have other options and other ideas, and that's perfectly OK with me," he said.

Williamson said the agency is already considering lowering doctors' reimbursements for Medicaid, a move that could save money but would limit access to health care for Medicaid recipients. Williamson also noted the state was not "mandated" to pay for programs such as adult pharmacy, out-patient hospice and dialysis, and could conceivably eliminate those programs.

Advertisement

ORIGINAL HP INKS. GET MORE.



LEARN MORE AT [HP.COM](http://HP.COM)



Print Powered By  FormatDynamics™

# montgomeryadvertiser.com

The possibility of cutting dialysis — a necessity for life for those who receive it — drew concern from committee members.

Williamson said eliminating dialysis was “not realistic,” but Rep. Greg Wren, R-Montgomery told him to take a “surgical” approach to cutting programs.

“If this agency goes forward and puts out any haunting emails about potential cuts to programs that could affect the lives of individuals, I will be personally offended, and I will look forward to talking with whoever is in control of Medicaid,” he said.

But Rep. Merika Coleman, D-Fairfield, told Wren she didn't know how that could be avoided.

“In the absence of new revenue, how do you not tell people the truth?” she said.

Bentley said in February he could not accept a Medicaid budget at or below \$450 million. Jennifer Ardis, a spokeswoman for Bentley, said Wednesday the governor had “serious concerns” with the Medicaid budget and hoped to see the number rise in negotiations.

“I think it's clear a reduction to \$400 million in Medicaid is irresponsible,” she said.

Bentley has ruled out any tax increases or new revenues in the current year, and Barton said after the meeting the proposed budget did not reflect any.

“There's absolutely no doubt we're going from \$643 million (before proration) to \$400 million,” Barton said. “Services are going to have to be cut. I don't claim to know what those services are, but the reality is those are going to be painful cuts, and we're going to know about it.”

Other state agencies will also face cuts. The Department of Corrections will see its allocation reduced by \$35 million, or about 10 percent. Barton said he believed the department was spending too much on inmate health care, and wanted DOC to rebid its health services contract in the fall.

“If they would just come down to the Southern average of about \$6 a day versus the \$10 a day they're spending, we believe that would save them \$30 million,” he said.

A few agencies saw their allocations go up. The Department of Homeland Security received an additional \$500,000 in the proposal, more than doubling its current allocation. Senior Services, Archives and History and the Department of Public Safety

Advertisement

**ORIGINAL HP INKS. GET MORE.**



LEARN MORE AT **HP.COM**



Print Powered By  **FormatDynamics™**

# montgomeryadvertiser.com

would also see their budgets increase. The Department of Mental Health, which has announced plans to close or consolidate existing hospitals, would maintain its current, prorated budget in 2013.

The Department of Human Resources and the Department of Youth Services will receive a total of \$25 million from the Education Trust Fund, although their overall allocation will decline.

“We basically went to the ETF (chairmen) and said ‘You guys are in better shape than we are, and we need help,’” Barton said.

However, layoffs are almost certain if the budget is passed, Barton said.

Mack McArthur, executive director of the Alabama State Employees' Association, said he expected layoffs to go into the hundreds.

“It's got some drastic cuts that will cause the elimination of some programs, and obviously the jobs that go with that,” he said.

Advertisement

**ORIGINAL HP INKS. GET MORE.**



LEARN MORE AT **HP.COM**



Print Powered By  **FormatDynamics™**