



Without tax increases, most Alabama agencies could see deep budget cuts

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Alabama doesn't have enough money to make ends meet according to Governor Bentley and some key legislators. They see the answer as raising taxes. Others aren't onboard, believing more fat can be cut. Wednesday, lawmakers saw what a barebones budget would look like.

The House and Senate budget chairs released a budget draft that does not include the revenue from Governor Bentley's eight proposed tax increases. Many lawmakers are seeing for the first time exactly how agencies would be affected without new taxes. Most agencies could expect an eleven and a half percent cut overall.

"It affects everybody and it will affect everybody," said Representative Steve Clouse Chairs the House General Fund Committee.

"Without new revenue, Clouse says Alabama can expect big changes.

"There's no question state troopers would be affected," said Clouse. "I think one thing people can look at is on Medicaid in particular, nursing homes, about 80 percent of our nursing home residents depend on Medicaid so we're trying to keep it so the program is alive. If we lost that it'd be devastating for our nursing homes, devastating for our hospitals," said Clouse.

Even the courts would take a hit.

"You're going to hear from them justice being delayed and being denied," added Clouse.

While the eleven and a half percent cut would apply to most agencies, Medicaid and Corrections are exceptions. Each would face a three percent cut in this budget draft.

Senator Arthur Orr serves as Chair of the Senate Finance and Taxation General Fund Committee. One of his worries is cutting the mental health budget.

"I think it's going to be devastating," Orr told ABC 33/40. "We have a very long waiting list of people who can't get services in group homes and other type services by the mental health department now due to funding constraints so to take away existing revenues and to cut them this substantially is going to be very harsh on them."

Cuts could be amplified for some agencies which get matching federal dollars.

"If some of these agencies such as DHR, Department of Human Resources or Public Health or Mental Health lose state dollars, and they will under this scenario, it could mean times two or times three, the true cuts because they're going to lose a lot of federal dollars that they were drawing down from Washington to fund their

Without tax increases, most Alabama agencies could see deep budg - ABC 33/40 - Birmingham News, Weather, Sports programs,” explained Orr.

Lawmakers must decide whether to make cuts or support tax increases. Next week, budget hearings will begin and we will learn more about how these cuts could affect each agency.

Not every agency relies on a general fund appropriation for its funding. Agencies like banking and tourism use earmarked fees. These agencies too will be affected. The budget draft removes some earmarks to bring those agencies to an eleven and a half percent cut also.

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