

WINDOM GALLIHER

MONTGOMERY UPDATE

JULY 9, 2015

Gov. Bentley: Y'all come back ... now

Special session to craft General Fund budget to begin Monday

Wednesday seemed like just another steamy summer day in the Capital City until Gov. Robert Bentley provided the day's "thunder-boomer" in the middle of the afternoon.

With legislators scattered all about in the district – and some on vacation – Gov. Bentley announced that he's calling the Legislature back into Special Session on Monday, July 13, to craft a General Fund budget.

There had been two schools of thought about when the session might be held. The governor's plan didn't fit into either of those schools.

Most thought the session would begin in mid-August as legislators worked through meetings to consider strategies to fill the gap in the General Fund. Some believed it would be delayed until September, allowing the pressure of a new fiscal year starting on Oct. 1 to drive legislators toward compromise.

Gov. Bentley decided the time for talk was done, and it was time for the Legislature to come back to work.

"One of the most serious issues we face in our state is the funding of the General Fund Budget," Gov. Bentley said. "With no budget in place to fund state government following the regular legislative session, the Legislature must return for a Special Session. I look forward to working with the Legislature to fundamentally change the way we budget in Alabama."

There is no real sense that a consensus has been reached with the Legislature and competing forces will continue to battle over the plan.



GOV. ROBERT BENTLEY CHOOSES SOONER RATHER THAN LATER FOR SPECIAL LEGISLATIVE SESSION ON GENERAL FUND BUDGET

A special session has been a *fait accompli* since one failed to become law at the end of the regular session in early June.

The Legislature passed a bare-bones \$1.64 billion General Fund budget at the end of the session. Gov. Bentley vetoed the budget. The House voted to override, but the Senate had already adjourned *sine die* to end its session. Without a Senate vote, that meant the budget was dead.

Even if the budget had been overridden by both chambers, Gov. Bentley was likely to pocket veto the budget and call a special session anyway.

As for the timing, well, let's just say it caught most by surprise.

"I'm surprised," Senate President Pro Tem Del Marsh (R-Anniston) said. "I don't know why he jumped the gun on this."

The governor's decision was a strong shift from his position on the final day of the regular session when he indicated that he would look to Speaker Hubbard and Sen. Marsh as to when the Legisla-

ture would be ready to come back.

The House Ways & Means-General Fund Committee has conducted several meetings to discuss options and determine needs from several critical agencies.

Under the budget crafted in the regular session, there were massive cuts to most General Fund agencies. Corrections, Medicaid, Human Resources and Mental Health were given lesser cuts, but each agency is in danger of federal intervention if not level funded or given increases.

Sen. Marsh said he would gather his caucus on Tuesday to count votes on various budget-related issues.

In recent weeks, the governor has toned down some of his rhetoric on his ambitious tax package to raise \$541 million in new revenue. The governor's plan was an absolute non-starter in this session.

He had been extremely quiet about it, save for a quote when he pre-emptively removed Confederate flags stationed at a monument on Capitol grounds.

(Please see SPECIAL, Page 2)

Special

(From Page 1)

Gov. Bentley decided to remove the flags from the memorial after the church shooting in Charleston, S.C.

“Yes, partially this is about that,” he said. “This is the right thing to do. We are facing some major issues in this state regarding the budget and other matters that we need to deal with. This had the potential to become a major distraction as we go forward. I have taxes to raise. We have work to do. And it was my decision that the flag needed to come down.”

It will be interesting to see his level of commitment to his previous revenue package. Will he still push for \$541 million, or will he lower his sights?

Budget hawks, particularly some House freshmen, will push for unearmarking of taxes, and perhaps combining the state budgets.

The unknown is how the impending BP settlement fits into the plan. Media reports late Thursday indicate that there could be a \$204 million initial payment to kick off the \$1 billion that is ultimately headed to the General Fund.

Since the end of the session, supporters of Sen. Marsh’s plan to create a state lottery, expand gambling operations at existing sites and allow a compact with the Poarch Creek tribe got some major help as former Alabama Power CEO Charles McCrary, industrialist/financier Raymond Harbert and former Auburn football coach Pat Dye launched the Alabama Jobs Foundation to support the effort.

For their part, the Poarch Creeks have stepped up efforts to tout their offer of a \$250 million annual payment to the General Fund to be essentially the “sole” gambling provider in the state.

The first question to answer is how much money will be agreed upon as the “fix.” Gov. Bentley and legislative leadership have all talked about a long-term solution.

With legislative leadership being caught off guard by the start date of the session, it’s hard to imagine that a deal is imminent, or will be easy to craft.

Throw in the political firebombs of the Confederate flag and recent Supreme Court rulings on same-sex marriage and Obamacare, and it has the makings of an extremely long, incredibly hot summer.

WINDOM, GALLIHER & ASSOCIATES

WWW.WINDOMGALLIHER.COM

334-241-0078

Note: The Windom Galliher Montgomery Update publishes weekly during legislative sessions and as events warrant. The next scheduled update will be at the end of the first week of the Special Session.