

# SPECIAL

# WINDOM GALLIHER

## MONTGOMERY UPDATE

AUGUST 6, 2015

## House doubles down on slashing Medicaid; Senate to take up budget Friday as end nears

About 40 years ago, Dick Motta, the coach of the then-Washington Bullets of the NBA, used a phrase we've heard countless times as his team was trying to win a championship. He certainly wasn't the first to use it, but Motta's motto helped launch it into the cliché it is now.

*"The opera ain't over until the fat lady sings!"*

As the Special Session of the Legislature careens toward the 30-day deadline, whatever optimism anyone has had is being smothered quickly.

"The fat lady is warming up," Gov. Robert Bentley said late Thursday afternoon.

It's hard to argue with the Governor. Even so, no one is really sure how this ends.

Like the county fair fortune wheel, the Special Session spins round and round, and where it will stop, nobody knows. Budget? No budget? Medicaid slashed?

The effects of Tuesday's afternoon budget bombshell of slicing \$156 million from Medicaid by the House General Fund budget committee spilled over to the House floor Wednesday.

House Speaker Mike Hubbard (R-Auburn) and budget chair Rep. Steve Clouse (R-Ozark) doubled down on their gambit to force the Black Caucus (and perhaps some of their own recalcitrant GOP teammates) into negotiating on new revenue by bringing the budget to the floor.

The Black Caucus led the filibuster, railing against what the cuts would mean to

the state's poor – both working and non-working. But perhaps the more impactful words came from Health Committee chair Rep. April Weaver (R-Brierfield) and

the amendment to slash Medicaid was defeated on a 46-45 vote. The defeat, though, was temporary. The budget was carried over, and House leadership began to work on various members in an attempt to flip a few votes. House leadership prevailed about 20 minutes later. The motion was reconsidered and passed narrowly, 46-44. After that, the House voted 53-40 to pass the – do we call it "barer-bones?" – budget to the Senate. One thing is for sure: several copies of the tallies on both the initial vote and reconsideration vote were made. Any-

thing you vote on in Montgomery can and will be held against you by someone – no matter which way you voted.

Those filibustering were able to delay the budget from being transferred in time to get its first reading in the Senate, which means it couldn't be received until Thursday. The soonest it could be debated on the floor of the Senate is Saturday.

The House version of the budget faces an uphill battle passing in the Senate as several Republicans jumped out to say they weren't of a mind to slash Medicaid – although it is likely that at least some would love to do so.

The reality is that we're nowhere closer to a solution on the budget than we were nearly four weeks ago when Gov. Robert Bentley declared the Legislature "ready" to solve the problem and called the Special Session a month ahead of when it was expected.

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Judiciary Committee chair Rep. Mike Jones (R-Andalusia). It's not a common sight to see Republicans at the microphone defending the program.

"If you think Medicaid is entitlement," Rep. Weaver told her colleagues, "come see me. It is infrastructure for the health care system in Alabama."

Rep. Jones noted that the cuts would cripple rural hospitals, such as his in Andalusia. Others noted the closure of Children's Hospital in Birmingham. Half of the state's children are on Medicaid, as are 60 percent of those in the state's long-term care facilities. In fact, more than 1 million Alabamians are on Medicaid.

All along the way, those in the health care industry and advocates for seniors and the poor worked aggressively to lobby to restore Medicaid funding.

When the filibuster finally wound down, Speaker Hubbard suffered a setback as

## Budget

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There are meetings behind the scenes to try to generate a “Hail Mary Grand Bargain” to create some revenue for the education budget that would presumably replace the use tax that could be moved from the Education Trust Fund to the General Fund. The idea is that the General Fund needs a growth tax, and that would presumably fit the bill.

Senate General Fund budget chair Sen. Arthur Orr (R-Decatur) said Thursday that he saw no “rabbits coming out of magic hats.”

Few options exist as the Legislature has to complete its work before 12 a.m. on Wednesday, August 12. Put simply, any new revenue bill has to be introduced in

the House by Friday.

One of the existing bills – cigarette, FICA, business privilege and the like – would have to be reported out of a House committee by Saturday at the latest in order to navigate the process.

And in both cases, there’s no room for error. The tracks would have to be greased, and it’s hard to imagine that a revenue-increasing bill could survive a filibuster in the Senate. We don’t think there are the required 21 votes to cut off debate.

The most likely scenarios are:

- The Senate amends the budget to mirror the one passed in the Regular Session. Ultimately, the House concurs. Result: Perhaps a pocket veto from Gov. Bentley and another special session. The possibility is that the Governor could

veto quickly and let the Legislature override the veto.

- Late Friday evening or perhaps Saturday, with windows closing and tempers on edge, the Legislature surrenders and adjourns *sine die* without a new budget. Result: Another special session.

- Speaker Hubbard and Senate Pro Tem Del Marsh (R-Anniston) somehow cobble together a deal to level-fund agencies for the 2016 budget. Result: It would put pressure on the Governor to take the deal and worry about long-term solutions next February, rather than force the taxpayers to pay for another session. The guess is that the Governor protests loudly, but signs the budget.

You could craft scenarios that are variations on those themes, but as the time crawls toward the deadline there is little wiggle room remaining.

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**Note:** The Windom Galliher Montgomery Update publishes weekly during the regular session and during special sessions.