

WINDOM GALLIHER

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Medicaid, minimum wage take center stage

Barbers give Cosmetology Board a haircut; House sends data bill to Senate

Knockdown drag-outs frequently consume days in the Alabama Legislature. They usually come in the form of a controversial piece of legislation, and other lesser bills get caught up in the traffic jam.

What is less frequent is when one of the chambers decides to take up two hefty bills back to back. That's what occurred Thursday in the Alabama Senate.

Perhaps the most controversial piece of legislation of the 2016 session brought about one of those traffic jams.

Just as it did in the House of Representatives last week, HB174 gummed up the works in the Senate. Rep. David Faulkner's (R-Mountain Brook) bill to prevent municipalities and counties from setting minimum wage rates gobbled up five-plus hours of debate.

Not surprisingly, the debate lined up squarely on party lines. The GOP super-majority argued allowing cities and counties to set their own minimum wage rates would create a mish-mash of wage scales, and ultimately cost jobs.

Proponents countered that the state's working poor are falling farther behind economically. The debate was passionate, but not as fractious as some in the past.

Ultimately, the GOP voted to cut off debate shortly before 3 p.m., and the bill received final passage by a 23-10 vote. The bill was hustled through the process as the city of Birmingham was within hours of raising its minimum wage.

Last year, the city voted to increase the wage from the federal rate of \$7.25 per hour to \$10.10 in two steps – once this



REP. DAVID FAULKNER (R-MOUNTAIN BROOK) GUIDED LEGISLATION TO PREVENT CITIES, COUNTIES FROM ESTABLISHING OWN MINIMUM WAGE RATES

year and the second step in July 2017.

As legislators moved to head off the increase, the city passed subsequent ordinances to accelerate the timetable. Earlier this week, it passed an ordinance to increase the wage immediately, but as a result of Attorney General Luther Strange saying the increase couldn't go into effect immediately because it didn't give employers enough time to comply with the law. Also, the ordinance hadn't been advertised publicly – it was scheduled to be in Sunday's newspaper.

Either way, it apparently became moot as Gov. Robert Bentley signed into the bill into law before close of business Thursday.

If the minimum wage bill wasn't enough of a heavy lift for the day, the Senate immediately turned its attention to a bare-bones General Fund budget – the first one crafted by new committee chair

Sen. Trip Pittman (R-Montrose), who has moved over from his post as education budget chair – literally going from “riches to rags.”

Sen. Pittman's version stripped out any ideas of raiding the Education Trust Fund to help fill any gaps.

“I don't believe the way to solve the problems of the General Fund is to take money from the Education Trust Fund,” Sen. Pittman said of his version that was \$181 million less than Gov. Bentley's proposal.

The Pittman budget “level-funded” Medicaid at \$685 million as it was in the FY2016 line item, but in reality is a \$50 million cut from last year as one-time funds were earmarked for Medicaid. Commissioner Stephanie Azar had sought \$157 million in additional funds.

(Please see DATA, Page 2)

Data

(from Page 1)

The Pittman budget cut most agency budgets by 2-5 percent, but in reality they were “paper cuts” due to reduced cost of benefits.

After a protracted fight over capitation rates for the regional care organizations, the budget debate carried on for two more hours. Ultimately, the Senate passed the Pittman budget 23-10. It has no money for the Medicaid reform. But it's heading to the House where battle-weary chairman Rep. Steve Clouse (R-Ozark) and his General Fund committee awaits.

The House had a much smoother Thursday – even though it tackled some hefty legislation as well.

Rep. Mac McCutcheon (R-Madison) guided the Alabama Renewal Act legislation through the House without a dissenting vote. The bill aims to stimulate

business at the Alabama State Docks and create a tax credit for various projects in the state. Previous iterations of the bill consumed plenty of time in and out of the chamber, but Rep. McCutcheon's consensus-building style paid dividends at the end. He earned all 105 votes, including from some that usually oppose such bills vociferously.

A few bills later, Rep. Terri Collins (R-Decatur), the GOP's point person on education policy, shepherded HB125 through the House. The bill creates a K-16 longitudinal database that will help educators, students and employers. The privacy-laden bill will offer educators and policy-makers information on how programs are working. Students will benefit from a glimpse of where the job market is heading and allow them to make choices on what they want to study as they exit high school and enter higher education. Employees will have a better idea of the strengths and weaknesses of the job market. After an extended debate, Rep. Collins passed her legislation on a 70-28 vote.

Thursday's action consumed another three-day week that brought the session to the one-third point (10 legislative days).

One item stood out in all the action. In the last four-year term, the Legislature brought barbers under the state Cosmetology Board because many cosmetologists were “hiding out” as barbers, and regulators thought many barbers were actually engaging in cosmetology.

Ever since, barbers have been lobbying to get back out from under the Cosmetology Board. When the board's “sunset” bill came up, legislative supporters of the barbers struck. Several amendments were tacked on exempting barbers from specific counties from the law. By the end of the day, the House had no choice but to kill the agency's reauthorization bill. The first item of business Thursday in the House was to reconsider the bill. The House quickly amended the bill to remove “tier one” barbers from the law and allow the Cosmetology Board to continue to exist.

Note: The Windom Galliher Montgomery Update publishes weekly during the legislative session, monthly in the off-season, and as events warrant otherwise.