

# WINDOM GALLIHER

## MONTGOMERY UPDATE

APRIL 10, 2015

### Wounds would run deep, says Dr. Williamson

Most agreed the “Alabama General Fund Chainsaw Massacre” budget scenario, presented last week by budget chairs Sen. Arthur Orr (R-Decatur) and Rep. Steve Clouse (R-Ozark), failed to move the needle with their fellow legislators.

Blood-curdling screams were heard, though, from another segment of the audience – those to be sawn.

In their continuing effort to focus the attention on the General Fund’s problems, and to leave little doubt what would occur if cuts are made, Sen. Orr and Rep. Clouse held a joint hearing Wednesday to give three agencies the opportunity to detail the cost for legislators.

The hearing allowed State Health Officer and acting Medicaid czar) Dr. Don Williamson, Mental Health Commissioner Jim Reddoch, and newly appointed Corrections Commissioner Jeff Dunn an opportunity to tell members of the two General Budget committees what the cuts in the “doomsday” scenario would mean for their agencies. All took the opportunity to speak to the “super doomsday” scenarios proffered by Sen. Orr, who had requested of all agencies what 15 percent and 30 percent cuts would mean.

For Medicaid and Corrections, no one thinks that 15 and 30 percent cuts are on any table anywhere. In the public proposal that Sen. Orr and Rep. Clouse presented last week, they were limited to 3 and 4 percent cuts, respectively. Put simply, those two agencies will get the first fruits of any General Fund budget. Mental Health, though, is in a slightly different position, as it was proposed to



**STATE HEALTH OFFICER AND ACTING MEDICAID CZAR DR. DON WILLIAMSON COUNTED THE COST OF POTENTIAL GENERAL FUND CUTS**

face a 23 percent cut.

Even with miniscule cuts, both Dr. Williamson and Col. Dunn (who took over at Corrections last week upon retirement from the Air Force) made their cases that trimming their budgets would be devastating.

The general concepts presented by Dr. Williamson and Col. Dunn were of little surprise.

Medicaid currently services nearly one in five Alabamians -- including coverage of more than half of all births, 43 percent of children’s health care and 60 percent of nursing home care.

As for details, Dr. Williamson said the 3

percent cut, as presented in the Orr-Clouse scenario, would be problematic enough. It would result in the termination of Medicaid paying for services that he called “optional for the state, but not for the patient” such as eyeglasses, hospice services, orthotics and outpatient dialysis services.

“Obviously, Medicaid would have to continue to cover dialysis, but it would have to do it in a hospital where it is more expensive to do and not as safe for the patient,” Dr. Williamson told the joint committee.

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## The most interesting man in Montgomery? We think so

For our money, it is Rep. Steve Clouse (R-Ozark). Undoubtedly, along with Sen. Arthur Orr (R-Decatur), he holds one of the most difficult jobs in town as one of the lead writers of the General Fund budget.

Something about “Uneasy lies the head that wears a crown” applies here.

What makes Rep. Clouse the most interesting man these days is that he seems acutely aware that he is in the midst of a Shakespearean tragedy, and it’s not “Henry IV, Part II” – the source of the crown-wearing quote. We would say “The Tempest,” but the Bard apparently considered that one of his comedies.

Rep. Clouse, a quiet, pleasant man by nature, can’t be finding much humor in his budget work this year – unless it is gallows’ humor.

We find Rep. Clouse the most interesting because he’s the rare Republican that has stepped out on a rather shaky limb to speak publicly – more than once about some issues that are considered taboo for the GOP.

During his re-election campaign, he was the lone Republican to say it was a good idea for the state to expand Medicaid. He didn’t find any teammates that were willing to walk that walk, nor talk that talk.

It didn’t hurt him in his race against Democrat nominee Dr. Jennifer Marsden. He was re-elected to his sixth



**REP. STEVE CLOUSE (R-OZARK) HASN'T SHIED AWAY FROM TALKING ABOUT DIFFICULT ISSUES AS HOUSE GENERAL FUND BUDGET CHAIR**

term in a landslide – due to his attentiveness to his district and his easy-going demeanor.

While GOP Gov. Robert Bentley has been the most vocal about raising new revenue, it was Rep. Clouse that was first in line to say publicly the state needed to expand Medicaid.

To expand Medicaid would require additional revenue – on the other hand, it would bring millions more in matching federal funds – so Rep. Clouse was

speaking indirectly in a public way about raising more money for the General Fund.

As we’ve progressed through the 2015 regular session, Rep. Clouse hasn’t talked in terms of the need to expand Medicaid but has talked directly about another GOP taboo – taxes – without hesitation.

And that’s what makes him the most  
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## Wounds

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Dr. Williamson painted a stark picture if Medicaid were to be cut 15 and 30 percent, but there is little belief that the agency will be threatened anywhere near to that extent.

Col. Dunn’s made his first appearance on the legislative stage to ask that his agency not be cut, either. The 4 percent cut in the Orr-Clouse scenario, Col. Dunn said, would force the agency to close two facilities – Ventress Correctional Center in Barbour County and Red Eagle Community Work Center north of downtown Montgomery.

If that would to occur, approximately 3,500 inmates would be forced back into the conventional facilities. Today, the state’s prisons are at 185 percent capacity. Under the proposal, Col. Dunn said that would climb to 220 percent.

The Senate last week passed Sen. Cam Ward’s (R-Alabaster) expansive reform bill to help reduce overcrowding by an overwhelming vote with the knowledge that it would take in the neighborhood \$25 million new dollars on top of this fiscal year’s appropriation to implement the reform plan that most believe is necessary to stave off federal intervention that could ultimately cost many millions more.

Perhaps the person who had the hardest sell was Commissioner Reddoch, who may be end up the odd man out of Wednesday’s three presenters. Medicaid and Corrections are, as stated earlier, first in line for appropriations.

Mental Health has taken cuts previously, moving from a state-based facilities approach to a community-based system. Reddoch told the joint committee that the 23 percent cut – \$35 million – translates to a total of \$99 million when the loss of federal matching grants is calculated.

“If this budget, or anything close to it, passes,” he said. “It will dismantle community-based mental health.”

## Despite stressful issues, legislative session has been peaceful

At the end of the coming week, we'll be almost at the halfway point of the 2015 regular session.

Even if there is an overwhelming sense of dread with the challenge of the General Fund budget, there's been a collegiality that has persisted throughout the session that wasn't present last year – particularly in the Senate.

For his part, new Majority Leader Sen. Greg Reed (R-Jasper) has taken to heart his role of liaison to the minority party. He reached out to new Minority Leader Sen. Quinton Ross (D-Montgomery) to help foster a better working relationship.

The Senate held a "unity dinner" early in the session to get to know each other better and hopefully to head off some of the anger that plagued the body in the last two sessions.

Senate President Pro Tem Del Marsh (R-Anniston) has adopted a more patient



**SENATE MAJORITY LEADER GREG REED (R-JASPER) HAS HELPED SENATE PRO TEM DEL MARSH (R-ANNISTON) KEEP THE PEACE.**

approach thus far with floor debates. Speaker Hubbard, in previous sessions, let Democrats fully debate bills – even agenda items – for extended periods of

time. At the end, his caucus always won, but the Democrats never felt marginalized. In the Senate, cloture – the termination of debate – was rarely used in recent years because the body was closely divided and getting to 21 votes wasn't easy. That was until the Republicans gained the supermajority in 2010. In the Senate, Republican clotures were fast and furious.

This year, it has happened only once – on amendments to the Accountability Act. It wasn't greeted with joy, but Democrats (and Republicans) with questions were given all the time needed to debate the two largest issues faced this session – charter schools and prison reform.

Will the relative peace continue?

That certainly remains to be seen as hot button issues such as the Birmingham Water Works and Auburn University trustee confirmations come up for debate.

## Clouse

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interesting man in Montgomery. It's clear by his actions that Rep. Clouse firmly believes that chopping the General Fund budget any more is the wrong thing to do, and he's overcome any fears of bringing up ways to add revenue. He talked about it freely at a business group gathering three weeks ago – the General Fund, he said, needs more money and that taxes had to be on the table.

Two weeks ago, he scheduled a public hearing on a series of bills that were the bulk of Gov. Robert Bentley's \$541 million revenue package. He got talked out of it, but instead he and Sen. Orr presented the "doomsday" scenario – the shell of a budget that hacked away 11 percent of the General Fund. The intent, as said before, was to scare legislators into understanding that new revenue was not an option, but rather a painful necessity.

It didn't work.

Rep. Clouse clearly isn't a freewheeling tax-and-spend type – far from it. He has reached his point where he thinks there's nothing left to cut. Even as legis-

lators seem content to implement the Orr-Clouse doomsday scenario, Rep. Clouse clearly hasn't given up.

He took a step Thursday that got a lot of people's attention.

In previous sessions, Rep. Craig Ford (D-Gadsden), the House minority leader, has introduced bills to create a state lottery. He introduced two Thursday: one would be used to fund college scholarships, the other to fund Medicaid.

Buried among the Democrat co-sponsors of the lottery bill to fund Medicaid was the name of Rep. Clouse.

Bear in mind that Rep. Clouse was one of a small group of Republicans in 1999 to support former Gov. Don Siegelman's bid for a lottery. After the significant whipping the lottery took at the polls that year, not many Republicans have been caught speaking out loud about such again.

It is common knowledge in Montgomery that both parties have polled the gambling issue in recent months, and that the lottery polls extremely well – even among Republican primary voters.

It's akin to a secret that many know but few want to acknowledge: we probably

need the money, but we don't want new taxes. Here's the way to do it.

No one wants to be the first to run out the door and say it.

By signing on to that bill, Rep. Clouse said it in so many words. Interesting, indeed.

Gov. Bentley has danced around the gambling issue, instead placing his bet on a wide-ranging tax program where he had to entice Democrats to introduce many of the bills. Twitter exploded Thursday that Gov. Bentley seemed to sing a different tune regarding a compact with the Poarch Creek Indians, but most believe that is unlikely because there's little advantage for the tribe to do so at this point.

Other legislators have been moving around trying to cobble together a proposal that would expand gambling at existing (non-tribal sites) and new sites, as well as allow a lottery. At the end of the day, until some Republicans – especially those in leadership – get behind such a plan, it has little hope of gaining traction.

Ultimately, it's either new tax revenues or gambling. Or the Alabama General Fund Chainsaw Massacre.