



## State Legislature Grappling Again with Budget Shortfalls: Budget Hearings Highlight Departmental Needs

Given the significant General Fund budget shortfall, funding the state's FY17 operations is going to be a hot issue for the Alabama legislature when it reconvenes on February 2. In preparation for the upcoming regular session, budget hearings were held on January 12 and 13. During these hearings, Commissioners of the Alabama Medicaid Agency and the Departments of Corrections, Mental Health, Human Resources, and Senior Services – all agencies which provide significant services to persons with disabilities – answered difficult questions about their Departments' budget proposals.

### Department of Corrections (DOC)

Commissioner Dunn reported that DOC will need increased appropriations of approximately \$45 million to operate its eight facilities (housing approximately 25,000 inmates) and to serve the 3,700 individuals in community corrections. This increased funding is needed for DOC to continue to implement the recommendations of the Prison Reform Task Force as adopted by the Legislature during the last session. Commissioner Dunn acknowledged that approximately 40% of the individuals incarcerated in Alabama and involved in its community corrections programs have either substance abuse problems or mental illness. Commissioner Dunn noted that without funding for DOC's rehabilitation and reentry programs, recidivism rates will remain high.

### Alabama Medicaid Agency (AMA)

Commissioner Azar explained that the Alabama Medicaid Agency needs an additional \$156 million to sustain the agency's current operations and complete the managed care reform mandated by the Legislature in 2014. The need for significant additional funds for the AMA results from the fact that much of the AMA's funding for FY2016 was comprised of one-time funding that is not available in FY2017. Commissioner Azar emphasized the importance of completing managed care reform as an important step toward controlling the State's rapidly increasing healthcare costs, particularly since roughly a quarter of Alabama's population is served via Medicaid.

### Department of Mental Health (DMH)

Commissioner Perdue's budget presentation emphasized the need for increased funding to meet Alabama's need for community treatment options. As cost-savings measures, Commissioner Perdue proposed the consolidation of DMH's operations in Tuscaloosa, where Bryce Hospital and the Taylor Hardin Secure Medical Facility are located, and, over time, the prospect of DMH providing mental health services to the state's prison inmates. The Commissioner noted that DMH would require approximately \$7 million a year to materially reduce the waiting list for the Intellectual Disabilities waiver. The Commissioner also emphasized the need for additional beds throughout the State in order to meet the needs of persons with mental illness in the community. The Commissioner also noted that laws governing insurance could increase services available to persons with autism, with very modest increases in insurance premiums.

In anticipation of the session, a number of bills relevant to individuals with disabilities have been pre-filed. SB11, filed by Senator Allen, provides for annual suicide prevention training for personnel in Alabama's K-12 schools. SB15, filed by Senator Ward, un-earmarks a number of taxes to allow legislators greater flexibility in devising the General Fund Budget. Senator Ward has emphasized in recent days that SB15 would not un-earmark tax revenue that is necessary for agencies to obtain federal matching funds.