



Speaker's Press Clips
Tuesday, January 14, 2014

- *Opelika-Auburn News*: [Speaker Hubbard: GOP focus in 2014 Legislative Session includes tax reform](#)
- *Gadsden Times*: [Legislators plan local and statewide legislation](#)
- *Opelika-Auburn News*: [Local legislators discuss 2014 session](#)
- *Al.com*: [Lawmakers face difficult General Fund year](#)
- *Al.com*: [5 key takeaways from legislative budget hearings](#)
- *Montgomery Advertiser*: [Alabama agencies want \\$250M+ in additional funding to hire more workers, give pay raises](#)
- *Decatur Daily*: [ACA forcing change for temporary school employees](#)
- *Al.com*: [LFO estimates Alabama will have \\$134 million more to spend from Education Trust Fund next year](#)
- *Al.com*: [Alabama Medicaid says it needs \\$85 million more in 2015](#)
- *Al.com*: [Alabama prison system seeks \\$42 million budget increase, 10 percent pay raise for corrections officers](#)
- *Al.com*: [Medicaid, employee retirement costs pose huge challenges for state government, finance director says](#)
- *Al.com*: [School board VP schedules make-up meeting after absentee members delayed key votes last week](#)
- *Al.com*: [Bill legalizing marijuana-derived medicine filed in Legislature by Rep. Mike Ball](#)
- *Al.com*: [Birmingham leaders considering \\$100,000 to send lobbyist to State House, Water Works Board proposal remains major concern](#)
- *Times Daily*: [Legislators show their support for Bronner](#)
- *Al.com*: [Roy Moore: Stop 'playing games' with state budgets](#)
- *Al.com*: [New Mercedes-Benz C-Class, to be built in Alabama, debuts in Detroit](#)
- *AP*: [Alabama enrollments in health insurance marketplace jump in December](#)
- *Al.com*: [Byrne moves to kill study about possibility of turning part of Delta into national park](#)
- *Al.com*: [Mathis reports more than \\$350,000 raised in race for AL 6th Congressional District](#)

- *Al.com*: [Alabama Power wants to convert four coal-fired generators to use natural gas at Wilsonville steam plant](#)
- *Washington Post*: [Health-insurance sign-ups by young adults are off pace seen as key to new law's success](#)

FULL TEXT

Speaker Hubbard: GOP focus in 2014 Legislative Session includes tax reform

Opelika-Auburn News

January 13, 2014

Patrick Johnston

Alabama politics have changed profoundly since November 2010, when Alabama voters gave Republicans control of the state Legislature for the first time since Reconstruction.

House Speaker Mike Hubbard of Auburn helped lead those efforts. Three years after being sworn in as speaker, he speaks proudly about the changes, which includes fiscal reforms, immigration reform and the Alabama Accountability Act for schools.

“I believe history will look back and say this is the most productive quadrennium in Alabama history,” he said Monday morning – one day before Tuesday’s start of the 2014 Legislative session.

Hubbard described the 2014 agenda – described by state Republicans as the “Commonsense Conservative” agenda – as the “perfect compliment” to what’s occurred the last three years, as Republicans have operated with super-majorities in both the House and Senate.

Much of the agenda focuses on tax reforms and cuts. One agenda item is the Tax Elimination Act, which is being sponsored by Rep. Jim Patterson of Meridianville. The act would give the Alabama Department of Revenue the authority to suspend taxes and fees when the cost of collecting the tax exceeds the amount of revenue the tax generates. The Business Tax Streamlining Act, which is being sponsored by Rep. Greg Wren of Montgomery, would create a new online tax filing system, and allow businesses claiming \$10,000 or less in business personal property tax to file a short form that does not require them to itemize property.

Other items on the agenda include the Healthcare Rights of Conscience Act, where state health care workers cannot be forced to provide a service that violates his or her conscience; the Revolving Door Act, which bans former legislators from lobbying either the House or Senate for two years after leaving office; and the Adoption Tax Credit, which gives state residents who adopt an Alabama child either through private adoption or the state foster care system a one-time, \$1,000 tax credit.

Legislators will once again be charged with approving two budgets – education and general fund. Hubbard said the education budget is in “pretty good shape” and will soon be able to pay back the remainder of the \$437 million previously borrowed from the rainy day fund. This year’s

education budget will be approximately \$5.9 billion – slightly more than last year. Hubbard said there should also be money that will go into the “rolling reserve.”

Hubbard said schools will not have to worry about proration this year.

“When you go through a proration budget, it’s devastating for local schools,” he said, while also citing the importance of pre-kindergarten, the Alabama Reading Initiative and dual-enrollment classes where high school students can take college classes while in high school.

While Gov. Robert Bentley said he wants a cost-of-living increase for public education employees, Hubbard said the 6 percent requested by the Alabama Education Association is not feasible.

“That’s not even possible,” he said.

Budgeting for the 2015 general fund will be more challenging for lawmakers. Legislative Fiscal Office Director Norris Green recently told the Associated Press that money available for the budget is \$1.7 billion – roughly \$83 million less than appropriations in the 2014 budget.

“Medicaid is the big gorilla,” Hubbard said. “It sucks up every available dollar and it’s still not enough.”

Hubbard said lawmakers will continue to focus on “efficiencies” to help lower costs. He cited examples such as consolidating public safety from 22 agencies down to seven, at a savings of roughly \$20 million.

“We’re not asking anything of the public section that private business doesn’t ask of its employees,” Hubbard said.

Hubbard said he was not aware of any significant local legislation in the works, unlike last year when legislators voted to give Auburn residents the opportunity to vote on a property tax increase for education.

The session is expected to continue until April.

“It’ll be a perfect cap to a very successful quadrennium,” Hubbard said. “We’ve done everything we promised we would do. Every promised we’ve made, we fulfilled.”

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Legislators plan local and statewide legislation

Gadsden Times

January 13, 2014

Andy Powell

Etowah County's legislators will work on passing both local and statewide measures during the 2014 legislative session that begins Tuesday.

A bill to allow the city of Gadsden to have a referendum on seven-day liquor sales will be introduced by Rep. Craig Ford, D-Gadsden.

Ford said he has given a copy of the proposed legislation to city officials to get their input before advertising the bill.

An economic impact study by Jacksonville State University on seven-day sales is to be completed by the end of the month and public hearings will likely be held.

Other members of the delegation have not indicated they will support the legislation.

Rep. Mack Butler, R-Rainbow City, said he plans to introduce legislation to set up a separate personnel board for sheriff's department employees.

Ford and Butler said Sheriff Todd Entrekin also asked for legislation setting minimum standards for candidates running for sheriff after 2014, such as having three years of law enforcement experience.

Ford said it will be patterned after legislation for Baldwin County, but a constitutional amendment might be required. He said similar statewide legislation has been proposed in the past, unsuccessfully.

Sen. Phil Williams, R-Rainbow City, said he plans to introduce local legislation for Etowah and Cherokee counties regulating wind farms. It would mirror similar statewide legislation he is introducing that would protect areas if the wind farms go out of business.

As for statewide bills, Ford said he is sponsoring a constitutional amendment calling for a vote on a lottery. He said the first \$50 million from the lottery would go to fund school resources officers throughout the state, while the other funds would go into a college scholarship fund.

Butler said he plans to sponsor legislation that will spell out what specifically can and cannot be done concerning student-led prayers and religious expression in public schools.

He said there is some confusion among systems, and he has talked with Attorney General Luther Strange and other groups in drafting the bill, which would require local school boards to pass a policy on school prayer and religious expression.

Butler said he is also handling legislation concerning contractors dealing with the state that should save the state money.

Rep. Becky Nordgren, R-Gadsden, is sponsoring The Healthcare Rights of Conscience Act that states Alabama health care workers cannot be forced to provide a service that violates their

consciences — specifically services relating to abortion, human cloning, human embryonic stem cell research and sterilization. She said only two states don't have such a law.

Nordgren also plans to sponsor a domestic violence bill that would remove the addresses of victims of domestic violence from the voter lists when purchased, so that someone couldn't find out where they live. She said a support group for domestic violence victims asked her to sponsor the bill, which has been introduced in previous sessions.

She said she also is sponsoring legislation that would allow wineries in the state to set up a limited number of off-premises wine tasting rooms.

Williams said he plans legislation to prevent the licensing of doctors from being tied to their participation in various insurance programs. Nordgren will sponsor the bill in the House.

Williams also will sponsor a taxpayers' bill of rights. It would require an appeal on taxes to be heard by an independent review panel or "tax court," rather than the state agency that made the initial ruling.

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Local legislators discuss 2014 session

Opelika-Auburn News

January 13, 2014

Kristen Oliver

The 2014 regular session of the Alabama Legislature begins Tuesday at noon, and regional legislators discussed their hopes for the session with the Opelika-Auburn News Monday.

Sen. Tom Whatley (R-Auburn) said he has a couple bills that he's eager to see pass during the session.

"I have a bill that deals with the removal of sales tax from farm equipment," Whatley said. "I hope to see that bill pass this year. That's going to be a bill that will save jobs in Alabama and lower taxes. Right now Florida, Georgia and Tennessee have removed the sales tax on farm equipment. If you're going to buy an \$800,000 combine, why not drive across the river and save yourself \$11,000?"

Whatley said if the bill passes, farm equipment dealerships in the state will benefit, creating greater revenue and more jobs.

Both Rep. Lesley Vance (R-Phenix City) and Rep. Mark Tuggle (R-Alexander City) hope the session runs as efficiently as possible.

"I just think we ought to get in and get out as quick as possible," Vance said. "(We need to) work on the budgets and work on the prison system and see what we can do. Those are the main things that I think we need to focus on."

Vance believes there won't be too many controversial bills in this session, but the general fund budget for 2015 may prove difficult.

"The biggest thing is getting the two main budgets passed," Vance said. "There will be other bills, don't get me wrong, there will be other bills at some point and I'm sure even though we're hoping to get out sometime in April, I'm sure there will be a lot of bills introduced."

Tuggle echoed Vance's concerns regarding the budgets.

"The budgets will be difficult," he said. "The education budget has some additional revenue in it left over from last year, but not very much. A lot of that will probably go into PEEHIP, teacher insurance, medical insurance. Once you do that there's not going to be a whole lot of money left over in the education budget."

Tuggle said his primary concern is protecting benefits, including retirement and medical, and protecting the teachers on the payroll.

Vance said while the prison system is one of his primary concerns, education and the education budget are also important to him.

"We have some other bills, regarding education and so forth," Vance said. "We need to look into all those and do what we can for education certainly; I'm a strong believer in that."

Whatley said he has an education-related bill that he hopes to see pass. The bill deals with sales-tax exemption for private schools and home schools.

"This is so we're not over-taxing people who choose to education their children at home or in private schools," Whatley said. "They're already paying taxes anyway, and their children aren't going to public schools. Why should we tax them again for education they are already paying for?"

Tuggle said he believes the education side of the House is in good shape for the legislative session this year because of the little bit of extra money available. The general fund budget also has a little bit of extra money, but Tuggle said that side will be "very, very tight."

"We did run a surplus in last year's budget, the 2013 fiscal budget, probably for the first time in a long time," Tuggle said. "Things appear to be getting a little better on the general fund side of the house, but we have a lot of ugly stuff coming down the road, including a lot of bills to pay."

The Legislature will meet in session three days this week, Tuggle said, to start the session as efficiently as possible.

For more information about the 2014 regular session, visit <http://www.legislature.state.al.us/>.

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Lawmakers face difficult General Fund year

Al.com

January 13, 2013

Kim Chandler

MONTGOMERY, Alabama -- Alabama lawmakers today heard a bleak outlook for next year's General Fund that will give them less to spend on Medicaid, prisons and other state services. "Not good," said Sen. Arthur Orr, the chairman of the Senate General Fund committee, of the overall budget outlook.

The General Fund is expected to shrink by \$83 million next fiscal year, according to projections by the Legislative Fiscal Office. State agencies have requested a cumulative increase of \$268 million. The Alabama Medicaid Agency alone is asking for an \$85 million increase to maintain services.

The General Fund is expected to be one of the chief challenges for lawmakers as they begin the 2014 legislative session on Tuesday.

"I think all the different agencies, when we get past Medicaid, it's going to be a challenge just to level fund them," said Rep. Steve Clouse, R-Ozark, chairman of the House General Fund Committee.

Gov. Robert Bentley will lay out his ideas when he introduces his proposed budgets later this week. Both Bentley and legislative leaders have said they are opposed to tax increases, so lawmakers will be looking at cuts, transfers and other ideas in crafting the budget.

In something like the legislative equivalent of checking your pockets for loose coins, Orr, R-Decatur, said lawmakers will be looking to try to transfer small amounts of leftover funds from various pots of state money.

The Alabama Medicaid Agency will need an additional \$85 million more to maintain services in the budget year that begins Oct. 1, State Health Officer Don Williamson told lawmakers.

The Alabama Medicaid Agency is requesting \$700 million, up from the \$615 million the agency received this year.

"My hope is we get somewhere close," Williamson said.

Williamson said Medicaid could survive with \$675 million in state dollars, but it would require "radical and unpleasant" changes in the program that serves nearly one million poor Alabamians.

There are 960,000 Alabamians on Medicaid. Enrollment mostly consists of children, pregnant women, the disabled and elderly.

He noted the rise in Medicaid enrollment despite a fall in unemployment. Williamson said that, “suggests that many of these jobs aren’t very high wage jobs.”

Lawmakers are expected to make prisons and Medicaid, a funding priority.

The Alabama prison system needs a \$42 million funding increase for fiscal year 2015, Department of Corrections Commissioner Kim Thomas told legislators today.

Thomas said part of that would fund a 10 percent pay raise for corrections officers, who have what he called “the toughest job in the state.”

Budget hearings resume Tuesday.

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5 key takeaways from legislative budget hearings

Al.com

January 13, 2014

Kim Chandler

1. The General Fund will have less – The General Fund is expected to shrink by \$83 million next fiscal year, according to projections by the Legislative Fiscal Office. That will prompt some difficult choices for lawmakers, and cuts or level funding for many agencies. The Alabama Medicaid Agency alone is asking for an \$85 million increase to maintain services. The Department of Corrections is seeking an additional \$42 million.
2. The Education Trust Fund will have more -- The fund that helps pay for public education is projected to have \$134 million more in fiscal year 2015 over what the Legislature appropriated for the current year.
3. Lawmakers will fight about how to spend that increase – There are competing demands for the ETF growth including insurance costs and repayment to a rainy day account. Gov. Robert Bentley is seeking a raise for teachers. Every one percent pay raise for K-12 teachers and support workers costs about \$34 million.
4. It could be worse– Remember that September 2012 vote to bail out the state General Fund by taking \$145.8 million-a-year from a state savings account over three years? That is still saving the state’s budget bacon. It amounted to a significant chunk of the \$1.72 billion General Fund in fiscal year 2013.
5. It will likely get worse -- When those Alabama Trust Fund transfers come to an end (conveniently after the 2014 elections) the General Fund is expected to shrink back to \$1.5 billion, according to early projections. While that’s still some time away and much could happen revenue wise, it suggests that lawmakers who win election in November, will be rewarded by having to immediately tackle a terrible budget.

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Alabama agencies want \$250M+ in additional funding to hire more workers, give pay raises

Montgomery Advertiser

January 14, 2014

Brian Lyman/Kala Kachmar

State agencies are requesting more than a quarter billion dollars in additional funding from the Legislature, despite the General Fund being projected to be down about \$83 million for last year.

Despite the tight budget picture, state agencies Monday pressed ahead with their budget requests, saying the state's health care and public safety needs persist through good times and bad.

The agencies' requests are almost certain to be altered as the long budget process begins. Gov. Robert Bentley will deliver his State of the State address tonight, where he will outline his legislative and fiscal priorities for the coming session. He will deliver his budget to the Legislature on Wednesday, the second day of the legislative session. Lawmakers will debate the budgets in the coming weeks.

Ultimately the balanced budget that passes is bound to leave state agencies receiving far less than they believe they need. State agencies have made total increase requests of \$268 million, according to the Legislative Fiscal Office.

In separate presentations Monday afternoon, the Alabama Medicaid Agency, Department of Corrections and state court system made total budget requests of \$153.4 million, a few hours after the Legislative Fiscal Office projected an \$83.3 million shortfall in the state's troubled General Fund.

Medicaid

Medicaid, which gets 35 percent of the General Fund budget, had the largest request, seeking an additional \$85 million to cover operations. That request, if granted, would bring the agency up to \$700 million. Dr. Don Williamson, who has overseen efforts to overhaul Medicaid, also sought \$43 million in conditional appropriation for "extraordinary" events, including the settling of a dispute with the federal Medicaid agency over how the state calculated the number of children enrolled in 2009 and 2010.

Williamson said the department's costs were being driven by increased enrollment in the program, which continues to climb despite restrictive enrollment requirements, an improving economy and a fall in the state's unemployment rate. Monthly average enrollment in Medicaid this month is projected at 984,000, which is more than 20 percent of the state population with most of those being children.

"Most people who are on Medicaid are working, with half of the people on Medicaid, at least one person in a family receiving Medicaid is working," Williamson said after the presentation. "I

think the big issue here is are the jobs low-wage jobs, and as a result (are) their incomes not high enough to bump them off Medicaid?”

Williamson also cited projected increases in physician, pharmacy and health care costs. The agency will receive an extra \$24.5 million from the federal government, due to an increase in reimbursement rates. The federal government pays for more than two-thirds of the state’s Medicaid costs.

Medicaid is projected to receive \$615.1 million this year. Williamson said the agency was able to make that work, but had to make cuts to reimbursements to Medicaid providers to stay afloat.

Department of Corrections

The Department of Corrections, which takes about 22 percent of the General Fund, requested an increase of \$42 million and a total budget of \$438 million. The request includes \$5.1 million to hire 100 new correctional officers, \$4 million for security improvements at the three maximum security facilities and \$3.9 million for merit raises.

Thomas said the \$16.1 million request to give security staff — not administrative staff — a 10 percent raise will help retain officers. He said staffing is a huge priority.

“I feel strongly that this is the most difficult job in the state of Alabama,” Thomas said. “You cannot retain people if you don’t periodically incentivize them with pay increases.”

Thomas said it’s difficult to recruit officers in the first place because the starting pay is about \$28,500, or about \$7,000 lower than officers who start as a state trooper or an officer in Montgomery or Birmingham.

ADOC also wants to increase its spending on community corrections programs by about \$4 million to help divert new inmates and keep the population growth to a minimum. Thomas said the 22 counties in Alabama that don’t have those programs make up 18 to 21 percent of the prison population.

Thomas said he understands that state budget projections this year are pretty flat, but the maximum security improvements and limiting the population are top priorities.

“We need as much as possible to try to affect the population as much as we can through making sure community corrections programs are efficient,” Thomas said.

Other increases include \$4.2 million for contractual health-care cost increases, \$2.4 million for employee retirement increases, \$1.8 million for vehicle purchases and \$700,000 for leased beds in county jails.

Courts

The state’s court system also is seeking to add personnel for trial courts. Chief Justice Roy Moore and Administrative Office of Courts director Rich Hobson requested \$26.4 million from the General Fund, mainly to restore positions lost to layoffs. Hobson said they sought to hire an

additional 200 court specialists and 85 juvenile probation officers, positions they said had been lost to layoffs.

The courts, hit hard in recent years by cuts and proration, requested a total outlay from the General Fund of \$113.6 million.

Moore, who first served as chief justice from 2001 to 2003, noted that his budget was about \$6 million less than what he requested in 2002.

“Everyone complains about the courts moving slowly,” he said. “The lack of funding does not help.”

Last March, Moore ordered circuit clerk offices around the state to close to the public on Wednesdays, citing a need for clerks to catch up on paperwork that day. Moore and Hobson also have warned that failure to get adequate funding this year could lead to further layoffs in court staff, and possible closures of drug and mental health courts.

“We’re hanging in there, but we’re in drastic need of help,” Hobson said.

The requests also include \$1.6 million for merit raises. Moore said the court system was in no position to give merit raises, which Bentley ordered unfrozen last June.

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ACA forcing change for temporary school employees

Decatur Daily

January 13, 2014

Deangelo McDaniel

In the 11 weeks last year she was a substitute teacher at Oak Park Middle School, Carey Graves formed a bond with her students.

She got to know their strengths, weaknesses and personalities.

"They knew me and I knew them," Graves said. "It made the learning environment much easier for the students. At the end of the day, that's most important."

But Graves' substitute work for a teacher who's on long-term maternity leave may be a thing of the past.

The federally enacted Affordable Care Act is forcing local school districts to change how they use temporary and contract employees — or risk being fined. Beginning in 2015, school systems will have to monitor how many hours substitute teachers work per week. If the hours exceed 30, the district has to offer health-care benefits.

Superintendents said classrooms with teachers on extended leave will be most adversely affected.

"It's going to make it difficult for us to create continuity in the classroom, especially in those situations when the permanent teacher is out for extended leave," Decatur City Schools Superintendent Ed Nichols said.

Nichols said there likely will be situations where teachers work four days per week, but skip the fifth.

"This isn't a good situation for students," he said.

The act — commonly known as Obamacare, after President Barack Obama — defines full-time employees as those working 30 hours a week or more on average.

Historically, local school districts have employed temporary teachers for teachers on long-term leave.

Graves, a certified teacher who substitutes in four districts in three counties, said students will suffer, especially in the elementary and middle school grades.

"Students in these grade levels get used to one teacher," she said.

The Public Education Employees' Health Insurance Plan has said it will not provide insurance coverage for substitute teachers and contract workers.

"This means we really have no other choice but to comply with the act or pay a fine that could be in the millions," DCS Chief Financial Officer Melanie Maples said.

Maples said it was not immediately clear how many temporary employees in the district work more than 30 hours per week.

"The state has advised us to track this the first two months of this year, and we are requiring substitutes to clock in and out," she said.

Superintendent Heath Grimes said Lawrence County is already taking steps to comply with the act.

"We have purchased software that will track how many hours temporary employees work per week," he said.

Grimes said once substitute teachers reach the allowable hours to comply with the law, the system will block them from accepting work.

"Our system should be fully online in a couple of weeks," he said.

Chief Financial Officer John Godwin said Morgan County has about 30 employees who will be affected by the new law.

Board member Jeff McLemore, a retired school administrator, said some of those employees substitute at several schools.

Godwin said this will not matter.

"It's the hours worked per week," he said. "We have to notify employees and make sure they keep their hours under 30 per week."

The hour requirement extends beyond secondary schools. In July, University of Alabama graduate school dean Dave Francko announced in an email that the university would cap student work hours to 20 per week.

"Human Resources has clarified elements of the new Health Care Reform Act which will directly impact student employment here at UA — in particular, the definition of 'employee' as it relates to graduate student employees and assistants," Francko wrote this past summer.

Any school district — public or private — has to comply with the act if it has more than 50 full-time employees.

Headmaster Scott Mayo said Decatur Heritage already provides insurance for its 62 full-time employees.

"Not all of them take it because they are not the primary bread winners in their families," he said. "But we are aware of the law and we will comply."

Graves, who is on her husband's health insurance at Boeing, said she interviewed last week for a long-term temporary teaching job in Madison City.

"Not sure if I'll get it or not, but I'll continue to substitute where I can," she said.

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LFO estimates Alabama will have \$134 million more to spend from Education Trust Fund next year

Al.com

January 13, 2014

Mike Cason

MONTGOMERY, Alabama --- The Alabama Legislature can appropriate up to \$5.9 billion from the Education Trust Fund for fiscal year 2015, the director of the Legislative Fiscal Office said today.

That would be an increase of about \$134 million over what the Legislature appropriated for the current year.

But it is below the ETF requested amount of \$6.24 million.

LFO Director Norris Green gave a presentation to legislators in advance of the annual session, which begins Tuesday.

Spending from the ETF is capped by a law passed in 2011, the Rolling Reserve Act. The cap is based on revenues collected in the last completed fiscal year and adjusted according to a 15-year history of tax collections.

The cap for the current fiscal year, which started Oct. 1, was \$6 billion. But revenue projections came in below that, so the Legislature appropriated \$5.77 billion.

Legislators have some increased costs to cover with the increased spending authority in fiscal year 2015. That includes more money for the health insurance program for educators, PEEHIP, and about \$24 million that will go to the beleaguered Prepaid Affordable College Tuition Program.

Also, legislators must finish repaying the Rainy Day account in the Alabama Trust Fund the \$437 million that was borrowed in fiscal year 2009. That money must be fully repaid in 2015.

Green estimated the ETF would have a balance of \$68 million at the end of this fiscal year. The ending balance will be used to help pay back the Rainy Day account.

Acting Finance Director Bill Newton will also make a presentation this morning. Budget hearings for state agencies begin this afternoon.

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Alabama Medicaid says it needs \$85 million more in 2015

Al.com

January 13, 2014

Kim Chandler

MONTGOMERY, Alabama -- State Health Officer Don Williamson estimated Alabama's Medicaid program will need \$85 million more to maintain services in the 2015 budget year.

But the Alabama General Fund is projected to shrink instead of grow in 2015.

The Alabama Medicaid Agency is requesting \$700 million, up from the \$615 million the agency received this year.

"My hope is we get somewhere close," Williamson said.

Williamson said Medicaid could survive with \$675 million in state dollars, but it would require “radical and unpleasant” changes in the program that serves nearly one million poor Alabamians.

Medicaid will be one of the chief budget bears as lawmakers begin crafting the General Fund budget in the session that begins Tuesday. State agencies made their requests after legislators heard grim projections about the amount of money that will be available.

The Legislative Fiscal Office estimated that the General Fund will shrink by \$83 million in 2015. Total spending from the General Fund is expected to be \$1.78 billion this fiscal year, which ends Sept. 30. The Legislature is expected to have \$1.7 billion available in fiscal year 2015.

Gov. Robert Bentley is expected to present his proposed budgets Tuesday.

Williamson said Medicaid was helped by a better matching rate by the federal government. He noted the rise in Medicaid enrollment despite a fall in unemployment.

Williamson said that, ”suggests that many of these jobs aren’t very high wage jobs.”

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Alabama prison system seeks \$42 million budget increase, 10 percent pay raise for corrections officers

Al.com

January 13, 2014

Mike Cason

MONTGOMERY, Alabama --- The Alabama prison system needs a \$42 million funding increase for fiscal year 2015, Department of Corrections Commissioner Kim Thomas told legislators today.

That would amount to an increase of about 10 percent and would boost the state General Fund appropriation for the prison system to \$438 million.

That's from a General Fund that is expected to shrink slightly next year.

Thomas, appearing at budget hearings at the State Capitol, said the biggest chunk of the increase, \$16.1 million, would fund a 10 percent pay raise for corrections officers, who have what he called “the toughest job in the state.”

"When you're in corrections, you're dealing with the criminal element the entire shift," Thomas said.

The second biggest portion of the requested increase, \$5.1 million, would be used to hire 100 additional corrections officers.

The prison system received an increase of about \$17 million this fiscal year, which started Oct. 1. Part of that increase was also to hire 100 additional corrections officers. But Thomas said the staffing level is still expected to be only at 62 percent of what is needed by the end of this fiscal year.

Prisons are the second biggest consumer of dollars from the state General Fund, behind Medicaid.

The legislators who chair the General Fund budget committees have said to expect a tight budget year, with many agencies level-funded and some possibly cut.

Earlier today, the legislative fiscal office estimated that legislators would have \$83 million less to spend from the General Fund in fiscal year 2015 than they did this year.

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Medicaid, employee retirement costs pose huge challenges for state government, finance director says

Al.com

January 13, 2014

Mike Cason

MONTGOMERY, Alabama --- Acting state Finance Director Bill Newton told legislators today that retirement costs for public employees and the spiraling growth of the Alabama Medicaid Agency were two of the biggest challenges they face in continuing to fund state government.

Newton gave a presentation to lawmakers in advance of the legislative session that starts Tuesday.

Newton said the ratio of assets to liabilities in the retirement systems for teachers and for state employees is decreasing. He said the ratio increased from the 60 percent range in the 1970s through the 1980s and 1990s, eventually reaching 100 percent. But he said it's heading down again, toward 60 percent.

"This is a trend that we don't have any choice but to reverse before it becomes a crisis," Newton told legislators at the State Capitol.

The pension funds are supported by employee contributions, state contributions and the growth of the fund investments.

Newton showed a chart indicating that investment earnings were strong in fiscal year 2013 but weak overall during the last 10 years.

Sen. Arthur Orr, R-Decatur, who chairs the General Fund committee in the Senate, said he was concerned about the trend and planned to ask the Retirement Systems of Alabama to appear before lawmakers to go over the outlook for the funds. He said RSA officials did that in 2011. "Members are concerned enough that we want an update on the trend line," Orr said.

Newton said the growth of Medicaid is probably unsustainable. He said the total spending on the program grew five-fold, to about \$1.1 billion, between 1976 and 1991. It has since grown about five-fold again, to more than \$6 billion. That includes state and federal money.

“I don’t quite see how we can go up five times in the next 15 years. The numbers are just getting too large,” Newton said.

Part of the cost increase is because of a sharp rise in Medicaid enrollment, from about 660,000 in 1999 to about 1.1 million. As a percentage of the state’s population, Medicaid enrollment has increased from 15 percent in 1999 to 23 percent in 2012. Medicaid paid for 53 percent of all birth in Alabama in 2012, up from 44 percent in 1999.

“So this unquestionably is the biggest challenge for you folks and the executive branch as we work on the 2015 budget,” Newton told legislators.

Read the finance director presentation.pdf

The Medicaid Agency and other agencies will give budget presentations to legislators this afternoon.

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School board VP schedules make-up meeting after absentee members delayed key votes last week

Al.com

January 13, 2014

Evan Belanger

MONTGOMERY, Alabama -- In two attempts last week, the Alabama State Board of Education failed to conduct any business because too few of its members showed up to establish a quorum.

Now, the board's leader says the business slated for that agenda is too important to wait until the next meeting Feb. 12.

In an interview today, school board Vice President Charles Elliott of Decatur said the canceled meetings delayed key votes critical to the operations of the state's K-12 and community college institutions.

At his request, the state education department has scheduled a special-called meeting for 11 a.m. Friday at the Center for Postsecondary Education in Montgomery to conduct last week's business.

"These are items that we've really just got to get out there," Elliott said.

Last week's cancellations put off a key vote to adopt new social studies textbooks. Elliott said local school boards need that list so they can start reviewing it for the coming school year.

Also, several concerned citizens are still waiting to learn whether 12 of those books will be included in the list after they complained to the school board last month that the texts were pro-Islamic.

Other items waiting school board consideration include proposed revisions to the state's course of study for English and math meant to improve the state's controversial common core standards and a variety of personnel decisions impacting K-12 schools.

Finally, Elliott said, the board must approve a new policy for hiring community college presidents so the state's two-year college system can fill multiple vacancies as soon as possible.

The board was initially set to meet Jan. 8, but that session was canceled when too few of the board's members showed up. The same occurred when the board attempted to conduct the business the following day.

The missing members were Stephanie Bell of Montgomery, Jeffery Newman of Millport, Betty Peters of Kinsey and Tracy Roberts of Spanish Fort. School board members said some of those absent were ill or had prior engagements.

State Superintendent Tommy Bice said he did not remember another instance in which the board was unable to meet due to lack of quorum.

Meanwhile, school board member Ella Bell of Montgomery said she was "very, very disappointed" they were not able to have the meetings.

"We just need to work very diligently to ensure that we have a quorum to do the business for which we were elected," she said.

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Bill legalizing marijuana-derived medicine filed in Legislature by Rep. Mike Ball

Al.com

January 13, 2014

Paul Gattis

HUNTSVILLE, Alabama - A bill that would legalize possession of an oil derived from marijuana for medical purposes has formally been introduced to the state Legislature.

Known as Carly's Law, the bill was prefiled on Jan. 3 by Rep. Mike Ball, R-Madison, and is co-sponsored by Rep. Patricia Todd, D-Birmingham, and Rep. Allen Farley, R-McCalla.

The bill is named for a Birmingham-area girl who suffers from violent seizures. Carly has been diagnosed with a rare genetic disorder known as CDKL5.

Ball's bill provides specific parameters for the possession of the marijuana-derived oil cannabidiol, also known as CBD by a patient or, if the patient is a minor, by a parent or legal guardian.

"This bill would provide a defense of necessity in a prosecution for the unlawful possession of marijuana in the second degree when the defendant has been diagnosed by a physician with having a debilitating medical condition and possesses cannabidiol (CBD) that is likely to provide therapeutic or palliative relief to the medical condition," the bill states.

The prescribing physician must also have an ongoing "bona fide" relationship with the patient. The bill also defines a debilitating medical condition as:

Cachexia or wasting syndrome

Severe or chronic pain

Severe nausea

Seizures

Severe and persistent muscle spasms

Any other condition that is severe and resistant to conventional medicine

The bill legalizing CBD oil has been advocated by Carly's parents, Dustin and Amy Chandler. The family met with Gov. Robert Bentley in October to raise awareness about CDKL5.

A Madison woman, Gena Dalton, is also pushing for the bill as well. Her daughter, Charlotte, suffers from seizures and Dalton said the family is considering moving to Colorado, where CBD oil is legal.

Dalton addressed the Madison County Legislative Delegation earlier this month in support of Carly's law and Sen. Paul Sanford, R-Huntsville, responded that he would be willing to help push the bill through the Senate.

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Birmingham leaders considering \$100,000 to send lobbyist to State House, Water Works Board proposal remains major concern

Al.com

January 13, 2014

Joseph D. Bryant

BIRMINGHAM, Alabama -- After presenting its legislative agenda and statement against changes to the Birmingham Water Works Board, Birmingham could spend \$100,000 to send a lobbyist to Montgomery.

The legislative session begins tomorrow, and Mayor William Bell proposes sending a representative to the State House.

Bell's proposal comes a week after city officials presented their unified agenda for the legislature including economic development, quality of life, transit, education, municipal court, and opposition to changes to the Water Works Board.

The City Council will hear details of the mayor's proposal this afternoon during a joint Budget and Finance and Economic Development Committee meeting.

Committee chairwoman Valerie Abbott sent Bell's office a detailed list of questions about items on this afternoon's agenda, including the lobbyist spending.

There are nearly 500 pages of supporting documents related to items on the committee agenda, but not much detail when it comes to the lobbyist spending.

"I just would like some answers, and I would prefer to get them ahead of the meeting," Abbott said.

Bell office, in a memo to council members Sunday evening, said the spending is needed to represent the city on several issues pending in Montgomery, particularly proposals to change the governance and operation of the Birmingham Water Works Board.

Bills proposed by State Sen. Jabo Waggoner, R-Vestavia Hills, and Rep. Paul Demarco, R-Homewood, would put a \$500 monthly cap on board member pay, mandate a two-term limit for board service, and require public hearings before water rate increases.

Birmingham leaders are largely incensed by parts of the bills that involve expanding the five-member board to include representatives from other counties. Currently, the entire board is appointed by the Birmingham City Council.

Both Waggoner and Demarco have called the proposals a priority in the next session.

Bell last year hired Anthony Barnes, a former longtime Water Works Board member and chairman, as a lobbyist for the legislature. That one-year contract did not come before the council because it fell under the mayor's \$10,000 discretionary spending limit.

Some Democratic legislators last week praised Barnes' representation during the last session and urged the city to continue to send lobbyists to the State House.

A city lobbyist would join two other lobbying firms and a Birmingham lawyer already hired by the Water Works to fight the legislation.

The Water Works Board in November hired its second Montgomery-based lobbyist, Greg Jones of the Jones Group at \$60,000 annually, in addition to Fine Geddie & Associates, which already had a \$90,000 annual contract.

The board in December also hired Rebecca G. DePalma of the White Arnold and Dowd law firm to provide governmental affairs and public relations at \$60,000 annually.

"I don't know who is being proposed under that particular line item, but I'm looking forward to seeing who that is," Council President Johnathan Austin said. "I know that we do need consistent representation in Montgomery over the next few months to address issues that are pertinent to the city of Birmingham."

Austin noted that lawmakers return to Montgomery this week, necessitating quick action on the city's part.

"I believe that whoever the mayor will propose to lead the city's lobbying efforts will come before the council, and I hope we do it sooner rather later," he said.

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Legislators show their support for Bronner

Times Daily

January 13, 2014

Wayne Smith

MUSCLE SHOALS — State Rep. Roger Bedford said the tug-of-war going on between the governor and the head of the state's employee retirement system is a power play on Medicaid.

"David Bronner is going after the governor on Medicaid because he knows it's wrong," Bedford said Monday during a meeting of the Colbert-Lauderdale Chapter of Alabama Retired Employees State Association. "And as a result of speaking up, Bentley wants to punish future and present retirees."

State Rep. Johnny Mack Morrow, D-Red Bay, organized the meeting. Morrow, Bedford, D-Russellville, and state Rep. Greg Burdine, D-Florence, spoke at the meeting, which was designed to let retirees know of Gov. Robert Bentley's plan to have a committee approve Bronner's investment decisions for RSA.

"We have to make the public more aware of this," said Betty McCutchen after attending the 90-minute meeting. "Most people don't understand how critical of an issue this is."

Morrow said Alabama's retirement system is a model for the nation.

“Why would anyone come after David Bronner?” he said. “We are a model for retirement systems.”

Bronner has been in the role leading RSA for more than 40 years. During that time, according to Bedford, the state retirement system has grown from \$500 million to being worth more than \$30 billion.

“I’m behind Dr. Bronner 100 percent,” Burdine said. “It often takes minutes to make these (investment) decisions, and Dr. Bronner has proven he can do that over a long period of time. His record speaks for itself that he’s the man for the job.”

Bentley supports a move that would require Bronner’s investment decisions to go through a committee. Morrow has drafted a bill that would continue to give Bronner the power to make investments on his own.

Bedford said it’s important to understand the system is not broken.

“It’s working,” Bedford said. “We have a group in power who wants to get their hands on it, and I’m going to do everything I can to stop it.”

Under the Affordable Care Act, an additional 30,000 Alabamians would be enrolled into Medicaid. Alabamians would be largely supported by federal dollars and create thousands of jobs in medical fields, proponents said. Proponents also contend not rolling out the Medicaid plan forces more hospitals to the brink of closure.

“The house is on fire,” Morrow said. “We’re not trying to take away the authority to fire David Bronner. We just don’t need political games affecting our retirement that supports rolling out Medicaid. Gov. Bentley can win by letting David Bronner have his investment authority back.”

Added Bedford, “A better Alabama is what is at stake.”

Morrow’s legislation is House Bill No. 73.

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Roy Moore: Stop 'playing games' with state budgets

Al.com

January 13, 2014

Kim Chandler

MONTGOMERY, Alabama -- Alabama Chief Justice Roy Moore said the state needs to stop "playing games" and combine its two budgets --- the one that funds education and the one that funds other state programs like prisons, courts and Medicaid.

Lawmakers heard a tale of two distinct budget outlooks during budget hearings today. The Education Trust Fund, which is fueled by income and sales taxes, is projected to grow by \$134 million. The General Fund is expected to shrink.

Moore said the court system is requesting an additional \$26 million for the next fiscal year. That funding level is below the court system's 2002 General Fund appropriation, he said.

Moore said while people like to complain about the court system moving slowly, he said lack of funding doesn't help.

Some state politicians have suggested merging the budgets in the past, but it has been considered a politically impossible task.

"That has to be on the table for the next quadrennium," said Sen. Arthur Orr, the chairman of the Senate General Fund committee.

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New Mercedes-Benz C-Class, to be built in Alabama, debuts in Detroit (photos)

Al.com

January 13, 2014

Dawn Kent Azok

The redesigned 2015 Mercedes-Benz C-Class sedan, which will be produced at the German automaker's Alabama plant starting later this year, has made its global debut in Detroit.

See the photo gallery.

The new C-Class is larger yet lighter than its predecessor, with updated luxury appointments and safety systems that reflect its maturing role for the automaker.

The Tuscaloosa County plant is in the process of adding 1,000 new jobs tied to the car.

Dieter Zetsche, chairman of the Board of Management for Mercedes parent Daimler AG and head of Mercedes-Benz Cars, noted that the company has been building SUVs in the U.S. at its Alabama plant for two decades.

The C-Class is the first car for the plant, a move that will diversify and extend the reach of the Alabama operations.

"We're especially proud to bring our new C-Class into production here in America," Zetsche said.

The C-Class also will be produced in Germany, South Africa and China.

Zetsche also talked about Mercedes' success in the U.S., where it grabbed the luxury sales crown from rival BMW in 2013. The company's U.S. sales rose 14 percent from 2012.

Mercedes released photos of the updated C-Class last month, and the car made its first public appearance at the Tuscaloosa County plant on Friday.

In Detroit, the car was introduced at a splashy Sunday night reception and again this morning at the official Mercedes news conference at the North American International Auto Show.

Singer Kelly Rowland, a former member of Destiny's Child, performed "Work" as the C-Class rolled out.

Mercedes designers are expected to talk more about the details of the new C-Class later today at the auto show. Read more about the redesign.

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Alabama enrollments in health insurance marketplace jump in December

The Associated Press

January 14, 2014

The number of Alabamians signing up for the federally operated health insurance marketplace jumped significantly in the past month, with more than 28,600 signed up through late December.

Enrollment under the federal health care law started Oct. 1. The number the first month was 624. Enrollment grew to 3,448 through November and then to 28,663 through Dec. 28, the Department of Health and Human Services announced Monday.

One of the organizations helping explain the federally facilitated marketplace to people in north Alabama saw a rush in December as the federal marketplace website improved and people sought to start insurance on Jan. 1. Mary Elizabeth Marr, CEO of the AIDS Action Coalition, said people seemed to panic as the year's end approached, and the organization worked up to the last minute to help people sign up.

She said enrollment in January has been steady, but more orderly. "The panic seems to have gone away," she said.

Federal health officials said 58 percent of those who have signed up in Alabama are women. That's slightly more than the national average. The biggest group signing up in Alabama is those 55 to 64 years old, in line with the national trend.

About 70 percent of the Alabamians picked the second-level silver plan. Nationally, about 60 percent went with the silver plan. Twenty percent nationally picked the bottom-level bronze plan compared to 9 percent in Alabama.

Marr said her organization has steered people to the silver plan because the federal subsidies are much better than the bronze plan. “That’s the best bang for the buck,” she said.

In Alabama, 83 percent of those who signed up qualified for financial assistance. That’s slightly higher than the national average of 79 percent.

The federal statistics indicate the numbers will keep climbing in Alabama because nearly 9,000 people have completed an application and qualified for financial assistance, but have not yet signed up for insurance.

Of those who have applied in Alabama, 9,676 had incomes low enough to qualify for either Medicaid or the Children’s Health Insurance Program and didn’t need to sign up for the health insurance marketplace, the federal report said.

Still, there is a long way to go. A recent report from the Kaiser Family Foundation says about 198,000 Alabamians are eligible for federal subsidies to purchase health insurance under the federal health care law. That represents 30 percent of Alabama’s 660,000 residents without health insurance.

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Byrne moves to kill study about possibility of turning part of Delta into national park

Al.com

January 13, 2014

Brendan Kirby

Making good on a campaign promise, U.S. Rep. Bradley Byrne, R-Montrose, sought Monday to kill a study into the possibility of turning part of the Mobile-Tensaw River Delta into a national park.

Byrne wrote a letter to the chairman of the House Natural Resources Committees, Doc Hastings, R-Wash., seeking the removal of the Delta from the National Park Service Study Act of 2013.

“I did not introduce this legislation, nor do I plan to cosponsor it,” Byrne wrote. “Put plainly, this legislation works in direct opposition to the interests of the people of Southwest Alabama, threatening access to this area for countless outdoorsmen across the Gulf region.”

Byrne called the issue “a solution in search of a problem” and wrote that that National Park Service already has more land than it can adequately manage.

“More importantly, the federal government has no need to move into the backyard of south Alabamians and tell them how to use and care for their land,” he wrote.

A spokeswoman for the Natural Resources Committee did not immediately respond to a request for comment. The Delta is one of a number of parcels of land across the country that the bill would study for possible inclusion in the national park system.

“The Mobile-Tensaw River Delta is a historic area that generations of sportsmen in Alabama, including my own family, have enjoyed for hundreds of years,” Byrne said in a prepared statement.

The issue drew little attention when Byrne’s predecessor, Jo Bonner, asked that the Delta be included in the study. But it blew up on the campaign trail in the special election to replace him after he resigned from office last year.

Byrne’s chief rival, Dean Young, took a hard stand against the bill and used it as a rallying point. Byrne in October indicated that he looked forward to reading the study but said he opposed the idea of turning the Delta into a national park. As the campaign wore on, he reiterated his opposition several times.

Monday marked his first attempt in office to remove the Delta from the study legislation.

Byrne on Monday also announced he was joining the House Sportsmen’s Caucus, which is one of the largest groups in Congress, with some 300 members.

“As a proven leader and outdoor enthusiast, I look forward to working with him to protect and grow the great traditions of hunting and fishing,” the group’s co-chairman, Ohio Rep. Bob Latta, said in a statement.

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Mathis reports more than \$350,000 raised in race for AL 6th Congressional District

Al.com

January 13, 2014

Kyle Whitmire

Chad Mathis, an orthopedic surgeon from Indian Springs who is running to replace Rep. Spencer Bachus in Congress, has raised \$356,097 since declaring his candidacy last October.

Mathis filed his first campaign finance report today, when he also filed his official qualifying paperwork with the Alabama Republican Party.

"Thanks in large part to the generosity of friends, family and supporters who have contributed to our campaign, I feel we are on our way to victory," Mathis said in a statement Monday. " Starting the 1st quarter of 2014 with more than \$305,000.00 cash-on-hand shows the strength of this campaign."

The campaign says that 84 percent of the money it has raised came from donors within Alabama, and two sitting representatives -- Rep. Andy Harris, R-Maryland, and Rep. Phil Roe, T-Tenn., each contributed \$1,000 to Mathis' campaign.

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Alabama Power wants to convert four coal-fired generators to use natural gas at Wilsonville steam plant

Al.com

January 13, 2014

Martin J. Reed

WILSONVILLE, Alabama -- Alabama Power Company is applying for air permits through the state to retrofit four coal-fired electric-generating units at its Gaston Steam Plant in Wilsonville to use natural gas as a primary fuel.

"Natural gas would then be the startup and primary fuel for these units," according to the Alabama Department of Environmental Management's draft preliminary determination on the project. "Propane would be utilized as standby igniter/flame stabilization fuel only."

The Alabama Department of Environmental Management in a public notice dated Jan. 8 about the company's air permit application is seeking public comment about the project located in Shelby County.

The air permits sought by the company would authorize the construction and operation of a new natural gas-fired auxiliary boiler and a new natural gas-fired heater, according to the public notice.

The state agency noted the project "would be expected to significantly reduce emissions" of nitrogen oxide, sulfur dioxide and particulate matter from the facility.

However, Alabama Power has indicated there could be an increase in emissions of carbon monoxide, volatile organic compounds and greenhouse gases above Prevention of Significant Deterioration "significance thresholds as a result of the proposed project," according to the notice.

The state agency has concluded the increases in carbon monoxide, volatile organic compounds and greenhouse gases "would not be expected to cause or contribute to a violation of the applicable National Ambient Air Quality Standards," the public notice states.

Public comments will be accepted until Feb. 7 by mailing them to Ronald W. Gore, Chief, ADEM-Air Division, P.O. Box 301463, Montgomery, AL 36130-1463. They can also be dropped off at 1400 Coliseum Blvd. in Montgomery.

Copies of the draft preliminary determination and proposed permit are available online at www.adem.state.al.us/PublicNotice/PublicNotice.htm.

Physical copies are available for inspection at the state agency's Birmingham Field Office at 110 Vulcan Road from 8 a.m. to 5 p.m. on Monday through Friday, except legal holidays.

"After consideration of all written comments, review of any public hearing record, and consideration of the requirements of the Alabama Air Pollution Control Act, the Federal Clean Air Act and applicable regulations, the Department will make a final determination," according to the public notice.

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Health-insurance sign-ups by young adults are off pace seen as key to new law's success

Washington Post

January 13, 2014

Young adults account for slightly less than one-fourth of the Americans who signed up for health plans during the initial three months of federal and state insurance marketplaces — fewer so far than the government has said will be needed to make the economics of the new exchanges work.

The figures, part of a monthly progress report on the marketplaces that was issued Monday, offer the first glimpse into whether the health plans available under the Affordable Care Act are becoming provinces of the old and sick or are managing to attract young, healthy people who have not previously considered insurance worthwhile.

According to the report, released by Health and Human Services Secretary Kathleen Sebelius, 24 percent of the nearly 2.2 million people who enrolled in the marketplaces through the end of December are between the ages of 18 and 34. One-third are 55 to 64 years old.

The figures mean that the proportion of young adults is lagging behind what both government and outside health policy analysts have said will be required for the exchanges to remain stable. Analyses have concluded that, to prevent health plans' premiums from rising and some insurers from potentially dropping out, roughly two in five Americans in the plans should be young adults.

In releasing the report, Obama administration officials were upbeat. The latest enrollment figures are "solid, solid news for us," a senior administration official told reporters at a White House briefing. The officials predicted that the health plans would attract more young adults during the second half of the open-enrollment period for this year, which continues through March.

Still, the report's numbers increase the significance of outreach efforts designed to persuade young people to sign up. Whether sufficient numbers of young people will do so, despite the law's requirement that most Americans have coverage or face a financial penalty, has been an uncertainty hovering over the law.

Administration officials said Monday that their plans to intensify promotional efforts aimed at young adults will focus on two dozen communities in states such as Texas that rely on the federal marketplace and have especially large uninsured populations.

Health policy specialists and industry officials said it is too early to know whether the enrollment patterns will shift in the next few months, although Republicans wielded the new figures as their latest weapon to condemn the federal health-care law.

“Youth enrollment has been a bust so far,” said Brendan Buck, spokesman for House Speaker John A. Boehner (R-Ohio).

Larry Levitt, senior vice president at the Kaiser Family Foundation, said the proportion of young people “is lower than would be ideal.” Still, he said, the data were “encouraging,” given that people have another 21 / 2 months to enroll and that the federal online system, HealthCare.gov, had defects that prevented many people from signing up for much of the fall.

In a study last month, the foundation concluded that 40 percent of the people who could benefit from the new insurance marketplaces are 18 to 34 years old — and therefore, the pool of people who join the plans should match that proportion. The study also predicted that if the proportion of young people remains roughly as low as it is now, it could reduce health plans’ income from premiums in ways that, while not huge, could nevertheless cut their typical profits roughly by half.

Robert Zirkelbach, spokesman for America’s Health Insurance Plans, the industry’s main trade group, said the impact of who buys coverage “is more a continuum than a cliff” and pointed out that insurance prices are influenced by both the age of customers and how much health care they need. “The more young, healthy people participating, the more stable the marketplace will be, and the more affordable coverage will be,” he said.

The enrollment report said that, in the three dozen states relying on the federal marketplace, 23 percent of the nearly 1.2 million people who enrolled by late December are ages 18 to 34. In 14 states, plus the District of Columbia, that are running their own new marketplaces, 25 percent of the nearly 900,000 people who enrolled fall within that age group.

Young adults accounted for 44 percent of the people who signed up for health plans in the District, the highest percentage in the country. In both Maryland and Virginia, the share of 18-to-34-year-olds was 27 percent.

The overall enrollment of nearly 2.2 million in Monday’s report, from the marketplaces’ start on Oct. 1 through Dec. 28, echoes information the White House previously issued. The data show a seven-fold upswing in enrollment in the federal exchange from the first two months as the Web site’s -performance improved. Federal health officials said, however, that they do not yet know how many of those people were uninsured before — or how many of those who enrolled have paid their first month’s premium in order for their coverage to start.

While Americans can sign up through March 31 for coverage in 2014, the December enrollment period was especially significant because the health plans took effect on New Year’s Day and anyone who signed up by Dec. 24 — and pays the first premium by various deadlines this month — is covered from the beginning.

Beyond the age breakdowns, the report issued Monday contained the first information on the sex of people buying new health plans, showing that 53 percent are women and 47 percent are men.

The report also showed that, of four tiers of coverage, named for different metals, by far the most popular are the “silver” plans — the second level from the bottom — which outside health analysts have found have a typical insurance deductible of \$2,500, far more than traditional health coverage.

Under the law, the government is for the first time providing subsidies to help Americans pay for private health insurance. During the first three months of enrollment, the report said, about four in five people who signed up qualified for a federal tax credit.