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FULL TEXT

## **Alabama House education budget chairman says latest spending plan makes best use of limited dollars**

*Al.com*

March 18, 2013

Mike Cason

MONTGOMERY, Alabama --- The Republican lawmaker who steered the 2015 education budget through the Alabama House of Representatives today said it would make the best use of a limited amount of new dollars.

Democrats sharply disagreed, saying money was available for educator pay raises but that the GOP majority chose other priorities.

Thirteen Republicans voted against the budget, which passed 51-47.

The arguments haven't ended. The \$5.9 billion spending plan goes back to the Senate, which passed a different version.

Sen. Trip Pittman, the Senate budget chairman, said he expected the bill to go to a conference committee to reconcile differences between the House and Senate versions, according to the Associated Press.

Five legislative days remain to pass the budget and send it to Gov. Robert Bentley, who wanted a 2 percent raise for teachers.

Bentley also sought a \$72 million boost in state spending on educators' health insurance. The budget approved today has no pay raise and increased insurance funding by \$38 million.

Rep. Bill Poole, R-Tuscaloosa, chairman of the House Ways and Means Education Committee, said there was not enough money to fund the pay raises and the rising health care costs.

A 2 percent raise for employees in K-12 schools would cost about \$68 million a year, according to the Legislative Fiscal Office. Add two-year college employees and the cost would be about \$76 million a year.

"There's \$92 million new dollars in this budget for K-12 schools," Poole said. "A 2 percent raise is nearly \$80 million. And we already have \$38 million in PEEHIP funding. So the math just doesn't work. And it is critical that we balance the needs of our education employees with the needs of our children in our classrooms.

"We have to be able to buy textbooks. We have to be able to operate buses. We have to be able to operate and maintain our buildings. So those are things that also have to be funded in the budget."

Democrats did not accept the Republicans' math. Bentley's plan would have spent \$60 million more than the House budget that passed today.

Both budget plans exceed an Education Trust Fund spending cap set by the rolling reserve act, a GOP-backed law that passed in 2011. The law is intended to prevent proration, the mid-year budget cuts required when revenues fall short of projections.

Bentley's budget exceeded the cap by \$92 million; the House budget by \$24 million.

Rep. Craig Ford, the House minority leader, said that shows Republicans are willing to break the cap, so they can't use that as a reason not to give raises.

"I don't understand, if we can violate it to a certain degree, why can't we violate it to the Nth degree," Ford said.

Many Democrats say the rolling reserve cap is ill-advised and will keep school funding artificially low as revenues rise from recession-levels that forced deep budget cuts. K-12 education employees received a 2 percent raise this year, their first raise since fiscal year 2008.

Rep. Marcel Black, a Democrat from Tuscumbia, said he wanted to propose an amendment today to give education employees a 2 percent raise and education retirees a 2 percent cost of living adjustment, as well as boost PEEHIP funding to the level sought by the governor.

But the Republican majority voted to cut off debate and vote on the budget after just one Democratic amendment was proposed.

Black and Ford said Republicans did not want to go on the record as voting against an amendment for a teacher pay raise.

"They did everything they could to avoid having to vote on an amendment from House Democrats to give educators a pay raise," Ford said in a prepared statement after the budget passed. "That is not leadership. That is cowardice."

Poole was asked to respond to the accusation that Republicans maneuvered to avoid a separate up-or-down vote on a pay raise.

"I wanted to vote for this budget," Poole said. "I think you'd have to speak to them about their thoughts. But we debated the bill for over two hours."

Gov. Bentley had also called for an up or down vote on a pay raise for educators.

The Senate had changed Bentley's proposed raise to a 1 percent, one-time bonus. But the Senate version did not increase PEEHIP funding.

The House version removes the bonus but boosts the PEEHIP funding by \$38 million.

Poole said educators had told him and other lawmakers that the insurance funding should be a priority because of what it could mean to their pocketbooks. He said he hoped the increase could help the PEEHIP board avoid increasing insurance premiums. The board will meet in May and decide how to adjust costs and benefits based partly on what the Legislature provides.

"So that was a very clear message that I and I think the other members got from our education community was that if you have to prioritize one over the other, prioritize the PEEHIP funding," Poole said.

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### **House OKs Education Trust Fund budget**

*Montgomery Advertiser*

March 19, 2014

Kala Kachmar

The Alabama House of Representatives narrowly passed its version of the \$5.9 billion Education Trust Fund budget with no teacher pay raises or bonuses.

The 51-47 vote — unusually narrow given the Republican supermajority in the House — demonstrated that lawmakers disagree on priorities in the education budget.

House Minority Leader Craig Ford, D-Gadsden, said Republicans procedurally blocked Democrats from offering budget amendments that would give teachers a pay raise and fully fund a gap in health insurance funding for teachers and retirees.

Gov. Robert Bentley's education budget proposal included a 2 percent pay raise for teachers and \$72 million that would help close a \$220 million gap in funding for the Public Education Employees Health Insurance Plan (PEEHIP) board, which is part of the Retirement Systems of Alabama.

Earlier this month, Bentley said he wanted an up-or-down vote on the bill that would give teachers a pay raise, and said he would veto any budget that didn't have a pay raise attached to it. But since the budget committee carried over the Senate bill that would have given teachers a one-time, 1 percent bonus, there's no bill to veto.

Sen. Trip Pittman, R-Daphne, said the Senate likely will not concur with the House version of the education budget, which means it will go to a conference committee with three members from each chamber.

Pay raises and bonuses are required by law to be separate from budget legislation.

"(Republicans) have abandoned public education and public educators," Ford said. "It's very disheartening to see that they continue to attack public education."

There were 13 Republicans who voted against the budget, and no Democrats who voted for it.

Rep. Bill Poole, chairman of the House Ways and Means Education Committee, said there wasn't enough money to give an \$80 million, 2 percent pay raise, partially fund PEEHIP at \$38 million and adequately fund K-12 classrooms with the \$92 million in new money that will pay for books, transportation, new teachers and operating costs.

"There are a lot of things we wish we had the dollars to do, and I think that's reflected in the vote count," Poole said.

Poole said he believes the \$38 million for PEEHIP will fund it to the level that will prevent premium increases for teachers and retirees. He said investing the dollars into health insurance rather than pay raises stretches the dollars further because it helps both education employees and retirees and the benefit isn't taxable.

During a public hearing on the budget earlier this month, RSA attorney Leura Canary said there's no way to know how much teachers' health insurance premiums would go up even with the increased state funding. She said it's up to the board to implement plan changes unrelated to the state's funding that would determine the final cost.

Ford said the money to fully fund PEEHIP and a pay raise could be taken from gross sales tax before it goes into the ETF, which would circumvent the 2011 Rolling Reserve Act that imposes a cap on spending.

The governor's proposal was about \$92 million above the spending cap, the Senate's version was about \$16 million above and the House version was \$23 million over.

"I don't understand," Ford said. "If we can violate it a certain degree, why can't we violate it to the 'nth' degree?"

#### Procedural block

In the final minutes of the budget discussion, Democrats expressed outrage about not having the chance to be heard.

Poole, however, said he felt the two-hour debate was productive and included meaningful policy discussion.

Amendments couldn't be offered on the floor until the House's version of the bill was substituted for the Senate's version, which didn't happen until about 10 minutes before the chamber voted to end debate about two hours in.

Rep. Pebbin Warren, D-Shorter, was recognized by the House Speaker Mike Hubbard after the substitute was adopted, but offered an amendment related to dual enrollment scholarships.

After Warren's time was up, the chamber voted to end debate, leaving legislators with a total of 10 minutes to speak before the final vote.

But instead of taking an immediate vote, Rep. Barbara Boyd, D-Anniston, asked that the budget bill be read at length in the last few seconds before the debate time was up.

The reading of the 53-page document took more than an hour. Ford said the Democrats asked for the reading to show discontent with how the process was handled.

“We had legitimate amendments to be offered,” he said, adding that Republicans didn’t give anyone a chance for their voice to be heard. “They were all working in accord.”

“Teachers have been kicked down and slapped in the face,” said Rep. John Robinson, D-Scottsboro. “We could do better than what we’re doing.”

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### **Alabama House narrowly approves education budget**

*The Associated Press*

March 18, 2014

Kim Chandler

MONTGOMERY, Ala. (AP) — The House of Representatives on Tuesday narrowly approved an education budget that divided legislators over the lack of a pay raise for teachers.

Representatives approved the \$5.9 billion Education Trust Fund budget on a 51-47 vote. The vote was atypically close in the House, where Republicans hold a lopsided majority.

"It's a good budget. It's a conservative, reasonable budget that puts money into our priorities. There's a lot of things that we wished we had the dollars to do, and I think that is reflected in the vote count," said House Ways and Means Education Committee Chairman Rep. Bill Poole, R-Tuscaloosa.

Democrats contended that teacher raises should be the first priority when building a budget, and the teachers association warned there could be election-year consequences for lawmakers.

"We can never pay them enough for what they do for our children, but at least we could have done more than what we have done in this particular budget," Rep. Merika Coleman-Evans, D-Pleasant Grove, said during the debate. Thirteen Republicans joined Democrats in voting against the budget.

More than 100 retired education employees rallied outside the Statehouse ahead of the vote. Alabama Education Association Executive Secretary Henry Mabry told the group that they will make their voice heard in upcoming elections.

The Alabama Legislature last spring approved a 2 percent cost-of-living raise for education employees, which was their first since October 2007.

The House budget stripped away a one-time 1 percent bonus for education employees approved by the Alabama Senate. Instead, an additional \$37.7 million, a little more than the cost of the bonus, would go toward the Public Education Employees' Health Insurance Plan.

Poole said that should avoid large premium increases for current and retired education employees.

"I believe investing these dollars into PEEHIP health insurance stretches the dollar farther and is more effective and helps our education employees in a more significant manner. It helps actives and retirees," Poole said.

Senate budget chairman Trip Pittman said the budget would likely go to a conference committee.

House Minority Leader Craig Ford, D-Gadsden, said education employees have had to pay more for retirement and insurance benefits over the past four years and that has eclipsed what they have paid in raises.

"They've abandoned our public educators and our public education," Ford said.

Ford argued that the budget will give education employees another pay cut because it still left a shortfall in the insurance program.

Leura Canary, general counsel for the Retirement Systems of Alabama, said the PEEHIP board has other cost-saving changes that it can make such as encouraging the use of generic drugs. Canary said the House budget should avoid substantial premium increases.

Exactly what the state could afford has been an issue of disagreement among lawmakers during the budget debate.

Poole said the House-passed budget only has about \$92 million more for K-12. A 2 percent raise for K-12 employees carries a price tag of about \$68 million.

"The math just doesn't work. It's critical we balance the needs of our education employees with the needs of our children and our classrooms," Poole said.

Gov. Robert Bentley proposed a 2 percent raise plus additional insurance funding in his budget but accomplished that by shuffling \$92 million in sales tax money to skirt a spending cap, based on past fund growth, that Republicans passed in 2011.

Ford said Democrats wanted to introduce an amendment to restore the Bentley proposed raise and funding mechanism, but did not get the chance to do so. Republicans cut off debate after about two hours.

The House budget also skirts the spending cap by rerouting \$23.6 million in sales tax to the prepaid college tuition program. Republicans argued that was a justifiable use of the money.

Ford said the spending cap creates an artificially tight budget constraint. "I don't understand if we can violate it to a certain degree, why can't we violate it to the nth degree," Ford said.

The House-approved budget also provides money for the hiring of about 400 additional middle school teachers across the state and gives an additional \$10 million to the state's voluntary prekindergarten program.

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### **Fast facts on Alabama's Education Budget**

*Yellowhammer News*

March 18, 2014

Cliff Sims

The Alabama Education Trust Fund (ETF) is the largest operating fund of the State, coming in this year at just under \$6 billion. The budget hit the floor of the Alabama House today.

Here's what we know so far:

#### **WHAT EVERYONE WILL BE TALKING ABOUT**

- No pay raise for teachers
- \$38 million will be allocated to PEEHIP (teacher health insurance) in an effort to keep their premiums from going up due to the \$70 million increased tax burden brought on by ObamaCare. Both active employees and retirees receive the benefit. Total funding for PEEHIP will be \$48 million, with the addition of federal and local funds.

RELATED: ObamaCare could keep Alabama teachers from getting a raise

- Language in the budget encourages the PEEHIP board to utilize its more than \$1 billion held in reserve to help offset the program's shortfall.
- Republicans say they believe prioritizing funding for PEEHIP will have the greatest positive impact for teachers and retirees.
- The budget has a \$1 million line item to fund research at UAB on the use of cannabidiol (CBD), an oil derived from marijuana that has no ability to get anyone "high," to treat epilepsy and other neurological disorders. This is the research component of Carly's Law.

RELATED: Lawmakers take Carly's Law to next level, announce research partnership with UAB

#### **DIRECTLY IMPACTING THE CLASSROOM**

- The middle school divisor will increase by 1%, which will decrease class sizes and allow for the hiring of more than 400 new teachers.
- \$5.7 million in increased funding for textbooks is being provided.



- “Other Current Expense” (OCE) funding is being increased by \$14.7 million. Local school systems will be given the flexibility to determine the best use of those funds.
- \$8.7 million in increased funding for transportation is being provided.
- There is a \$605K increase in funding for classroom supplies.

#### NOTABLE PROGRAM FUNDING

- Alabama’s nationally-recognized pre-k program will receive \$10 million in additional funding.
- The career-technical dual enrollment program will receive an additional \$6 million
- AMSTI and A-Plus will also receive an increased appropriation.

#### WHAT’S NEXT?

Gov. Bentley has said he will not sign a budget without a 2 percent pay raise for teachers. The Alabama Constitution allows the legislature to override the governor’s vetoes and executive amendments by a simple majority vote of the House and Senate.

Yellowhammer will have more on the budgets in the coming days.

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#### **Summary of action in Alabama Legislature**

*The Associated Press*

March 19, 2014

MONTGOMERY, Ala. (AP) — A summary of action in the Alabama Legislature on Tuesday, the 25th meeting day of the regular session:

#### HOUSE:

—Passed a \$5.9 billion Education Trust Fund budget that does not give teachers a pay raise but provides more money for their health insurance. Goes to Senate.

#### SENATE:

—Passed a bill allowing public school students with allergies to carry and self-administer auto-injectable epinephrine. Goes to House.

—Passed a bill to allow public school employees to be voluntarily trained to administer diabetes medication to students. Goes to House.

—Passed a bill to allow public employees to be able to receive unsolicited gifts for exemplary public service. Goes to House.

—Approved a resolution memorializing Anniston journalist Ed Fowler.

—Passed a bill to allow city and county school boards to install cameras on their school buses to catch motorists who drive around buses stopped to load and unload students. Goes to House.

#### COMMITTEES:

— House Technology and Research Committee approved a bill appropriating \$1 million for a study on the effectiveness of using a marijuana derivative to control seizures. Goes to House.

—Senate Constitution and Elections Committee approved proposed constitutional amendments rewriting the state Constitution's articles on impeachment and homestead exemptions. Go to Senate.

—Senate Banking and Insurance Committee approved a bill for the state to create a database of payday loans to enforce the state's limit on a person having no more than \$500 in loans at one time. Goes to Senate.

#### AGENDA:

—Senate Finance and Taxation-General Fund Committee meets at 9:30 a.m. Wednesday in room 727 of the Statehouse to consider the state General Fund budget.

—Senate Health Committee meets at noon Wednesday in room 304 to consider legislation to keep secret the drugs used to execute death row inmates.

—House meets at 3:30 Wednesday and Senate at 2 p.m.

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#### **Payday loan database bill advances in Senate**

*Montgomery Advertiser*

March 19, 2014

Brian Lyman

After a very bumpy trip through the legislative process, payday loan regulation may be on its way up. Title loan reform, meanwhile, seems on its way down.

The Senate Banking and Insurance Committee approved a bill Tuesday sponsored by Rep. Patricia Todd, D-Birmingham that would establish a central database aimed at enforcing a state law capping the amount of debt an individual can have at \$500. The bill, supported by Senate President Pro Tem Del Marsh, R-Anniston, was approved by the House last week.

Meanwhile, efforts to achieve title loan reform in this session appear to be dead. Rep. Rod Scott, D-Fairfield, said Tuesday afternoon that supporters of his bill to cap interest rates charged by title loan operators and establish a central database could not come to an agreement over rates and loan terms.

“We’ve been able to restructure the bill so that there is agreement on taking title loan out of pawn and structuring it as an independent industry area, but we have not been able to come to an agreement on the interest side,” he said.

Scott’s bill had more than half of the House signed on as co-sponsors, but the majority wasn’t enough to carry it.

Todd’s bill initially contained provisions similar to Scott’s, including a 36 percent interest rate cap. The House Financial Services committee appeared to kill the bill in early February, but after negotiations brokered in part by House Speaker Mike Hubbard, R-Auburn, supporters of Todd’s bill and the industry agreed to a reduced bill that would establish a central database to track loans.

Marsh has said that he would prefer to have the database in place before considering other measures.

The State Banking Department, which attempted to set up its own central database to track pay day loans last fall, would be charged with administering the database, which would be supported by a 75-cent fee per transaction charged to providers.

The bill passed through the committee without much objection, but chairman Slade Blackwell, R-Montevallo, put an amendment in the legislation that would require the database to be competitively bid.

Todd noted that state law already requires competitive bids, but Blackwell said “it’s not in the law, per se.”

Herb Winches, a lobbyist representing Check Depot in Birmingham, and Todd said smaller companies were concerned about Veritec Solutions, a database company based in Jacksonville, Fla., getting the contract. Veritec has created similar databases in other states, and Winches said smaller firms wanted to be sure they were included in the database before it went online.

“I’m OK with (the database),” he said. “We just want everyone to be on an even playing field.”

Todd said the Banking Department “will not roll out the database until everyone is on it.”

The amendment added by the Banking Department could potentially send the bill to conference committee; however, Todd said she planned to concur in it, should the legislation pass the Senate.

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## **Alabama Senate breaks logjam long enough to pass non-controversial bills**

*Al.com*

March 18, 2014

Kyle Whitmire

MONTGOMERY, Alabama -- The Alabama Senate kept the peace Tuesday long enough to pass a host of local bills and non-controversial statewide legislation.

The calmer tone was a major difference from last week, when lawmakers filibustered the upper house to a halt over controversial legislation, including a gun bill and a restructuring of the Birmingham Water Works Board.

Among the bills that passed the Alabama Senate Tuesday were:

- A bill to allow school districts to put cameras on school buses to catch drivers who don't stop for them in traffic.
- A bill to create an Alabama Spaceport Authority.
- A bill to allow state employees to be able to accept unsolicited awards from third parties for exceptional service in their jobs. Under the current ethics law, Alabama teachers and school staff who looked after students trapped by snowstorms were unable to accept rewards for their service offered by community and business leaders afterward.
- A bill to allow school students with dangerous allergies to keep and administer their own medicine in the event of an allergic reaction.
- A bill to allow school staff with training to administer medication to diabetic students if the school does not have a nurse on staff.

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## **Bill allows gifts to state employees for exemplary service**

*The Associated Press*

March 18, 2014

MONTGOMERY (AP) — The state Senate wants to allow public employees to be able to receive unsolicited gifts for exemplary public service.

Republican Sen. Greg Reed of Jasper got the Senate to vote 29-0 Tuesday for his bill allowing the gifts. The bill now goes to the House for consideration.

Reed says the bill is the result of a Gulf Shores resort wanting to offer free lodging to Birmingham area school employees who took care of students stranded in the schools during a snow and ice storm in January. The offer was scratched because of legal questions.

Reed said his bill would allow third parties to provide unsolicited gifts for exemplary performance, but gifts worth more than \$250 would have to be approved by the State Ethics Commission.

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**Lawmaker says idea for Alabama prison, parole agencies could save millions; bill put on hold**

*Al.com*

March 18, 2014

Casey Toner

MONTGOMERY, Alabama -- A bill that one lawmaker says could save Alabama millions of dollars annually by combining the Department of Corrections and the Board of Parole and Pardons will have to wait until next year.

State Sen. Arthur Orr (R-Decatur), who introduced SB412 in February, said the state Legislature will take another look at it when it convenes in March 2015. The bill would move the Board of Parole and Pardons' parole and probation officers under the wing of the Department of Corrections and consolidate their accounting, payroll, and human resources departments.

"The savings would not be tens of millions of dollars," Orr said. "It would be more like a few million dollars which, over time, is a significant amount."

In an interview with AL.com, Department of Corrections Commissioner Kim Thomas said he and Gov. Robert Bentley opposed the measure.

"That's talking about the merging of the two most underfunded agencies and the two most understaffed agencies," Thomas said. "It's an interesting concept."

Alabama's prisons are at 189.3 percent capacity and the state spent \$375 million in corrections in the 2012 fiscal year, more than doubling the amount in spent in 2000.

Thomas told legislators in January the prison system needs an additional \$42 million for the 2015 fiscal year to pay for pay raises for correctional officers and hire 100 additional correctional officers among other uses.

Meanwhile, 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.

According to the bill, the parole and pardons board consisting of William W. Wynne Jr., Robert P. Longshore, and Clifford (Cliff) Walker would remain intact. The board conducts parole and pardon hearings statewide. However, the field supervision of offenders by parole and probation officers would fall under the control of the Department of Corrections, the bill states.

Orr said the bill would allow for greater communication between the two agencies as well as make for a "seamless transition," for inmates out of prison on parole. Although the bill made it out of the Finance and Taxation Fund committee, Orr said the state legislature has "scores of bills," to address before the legislative session ends in early April.

"You have to pick and choose," Orr said.

"You have to pick and choose"

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### **Carly's Law, calling for UAB study of marijuana oil to treat epilepsy, advances another step**

*Al.com*

March 18, 2014

Mike Cason

MONTGOMERY, Alabama --- A bill that calls for the University of Alabama at Birmingham to study the use of an oil derived from marijuana to treat severe epilepsy moved a step closer to passing today.

The House Technology and Research committee approved SB 174 by Sen. Paul Sanford, R-Huntsville on a voice vote with no dissent.

Sanford's bill has passed the Senate and now goes to the House.

The bill says the UAB Department of Neurology will set up a research study that would allow doctors to prescribe cannabidiol, a nonpsychoactive derivative of marijuana, to treat people with debilitating epilepsy.

Dr. David Standaert, chair of UAB's Department of Neurology, said in a statement last week that there is evidence that cannabidiol is an effective treatment.

A spokesman from UAB declined to discuss any details of a possible study, saying that the legislation is still pending.

The FDA has approved studies of cannabidiol to treat epilepsy in other states, including one at NYU.

If the bill passes the House, Gov. Robert Bentley said he planned to sign it if includes certain restrictions, such as limiting the prescribing of the drug to a facility like UAB.

"What I've read so far is we're not certain if it helps or not, which is why we need to do the study," the governor said Monday.

The bill is named Carly's Law after Carly Chandler, a 3-year-old from the Birmingham area who suffers severe epilepsy.

Lawmakers have included a \$1 million line item in the education budget to help pay for the study. The budget is still going through the legislative process.

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### **Bentley, Legislature vie over funding for center tied to former ASU trustee**

*Montgomery Advertiser*

March 19, 2014

Brian Lyman

Funding for the National Center for Sports Safety — cited in a report about questionable financial practices at Alabama State University last year — has become another point in a graph of contention between Gov. Robert Bentley and the Legislature over the education budget.

Bentley's proposed 2015 Education Trust Fund budget, submitted to the Legislature in January, eliminated funding for the center, founded by Birmingham physician and former ASU trustee Lawrence Lemak. The Senate kept the cut in place, but the House version of the budget, narrowly approved by the chamber Tuesday evening, restored it.

The House budget would give \$588,000 next year to the center, which promotes injury prevention in youth sports, the same amount of funds it is budgeted to receive this year. Last year, the Senate initially appropriated \$288,000 to the program; the House raised that allocation to \$588,000.

A preliminary report prepared by Birmingham-based Forensic Strategic Solutions and released by Bentley's office last fall said Lemak's relatives, and companies connected with him, had received "direct financial benefits" from funding for the center provided by ASU. The allegations were also part of an ethics complaint filed against Lemak by a former ASU employee in March, 2013.

Lemak's attorney, Robert Rosenberg, denied the allegations last year, saying ASU served as a pass-through for funds allocated to the NCSS. Lemak stepped down from the ASU Board of Trustees in April, 2013, citing poor health. ASU officials have repeatedly denied the allegations, filing a lawsuit last year against FSS in California.

Bentley said he was "concerned" about the House's move to restore the money, though he declined to say if the FSS report played a role in his decision to cut it, citing the ongoing investigation into ASU's finances.

"The FSS audit is out there," he said Tuesday. "(NCSS) was part of that. It was listed in that. I made a decision just to take it out of the budget."

Bill Poole, the chairman of the House Ways and Means Education Committee, said Monday he was not aware of the FSS report.

“My understanding of the program is it provides safety research and education to high school coaches and high school athletes,” he said. “I think the committee level-funded it year over year. That’s certainly something.”

Lawrence Lemak said Monday he was not involved in the National Center for Sports Safety’s administration, though he provides content to its website. Matthew Lemak said in a statement Tuesday that NCSS had helped raise awareness of sports injuries in the state, and that they understood the “very challenging times” state lawmakers find themselves in.

“That is why the National Center For Sports Safety board deeply appreciates the continued funding support provided by the Alabama Legislature for this important issue,” the statement said. “Continued support for this program is saving lives and preventing life-threatening injuries for the thousands of young Alabamians who compete in the sports arena.”

According to the Forensic Strategic Services report, the NCSS received funds through appropriations to ASU for a program to educate coaches on injury prevention, with Lemak’s “companies and relatives” receiving “a direct financial benefit from the ASU appropriations to NCSS.” The report said Lemak’s son Matthew, the chairman of the board, was paid \$53,500 in 2007/2008 and his daughter-in-law, Kathryn Gwaltney, almost \$257,846 while she served as executive director between 2007 and 2011.

Additionally, the report said that businesses owned or partially owned by Lawrence and Matthew Lemak received \$428,000 between 2008 and 2011. The FSS report also said ASU retained 20 percent of the funding for administrative fees, without documenting its administrative duties, adding that “ASU was not simply a pass through, but received a significant amount of monies from the NCSS appropriations.”

The payments to the NCSS amounted to \$739,553, part of \$1.6 million paid by ASU to entities connected to Lemak. The Lemak payments made up the majority of the \$2.5 million in questionable payments cited in the report.

Senate Finance and Taxation Education Committee chairman Trip Pittman, R-Daphne, who showed no hesitation to alter Bentley’s budget proposal late last month, left his cut to the NCSS in place.

“I didn’t see the need for that appropriation,” he said. “Nobody explained to me why it was necessary to continue funding it in this tight budget, and I supported the governor’s decision to eliminate it.”

Asked if the FSS report played a role in the decision, Pittman said “not specifically.”

A message left for Tim Lynch, the lobbyist for the National Center for Sports Safety, was not returned Monday. The Alabama Commission for Higher Education serves as a conduit for funding for the program but does not have day-to-day involvement with the program, according to spokeswoman Margaret Gunther. The Commission did not request the increased funding, she said.



The Education Trust Fund budget is likely to go to a conference committee, which could make additional changes to the document, before it goes to the governor. Bentley would not say if he would line-item the appropriation if it survived conference committee.

“You fight for individual issues,” he said. “But then when it comes back to you, you have to take the budget as whole.”

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### **Democrats, AEA rally for teacher pay raise, full insurance funding**

*Montgomery Advertiser*

March 19, 2014

Brian Lyman

Democrats and officials with the Alabama Education Association held a rally partly to urge approval of a pay raise and full insurance funding for teachers, and partly to condemn legislative Republicans for not including it in the Education Trust Fund budget.

The rally, which started a few minutes before the House was scheduled to convene Tuesday, mixed calls for a pay raise with calls for those present to vote in November.

“I do not understand and I do not know why the Republican supermajority wants to have an attack on our public education system,” House Minority Leader Craig Ford, D-Gadsden, told about 120 people, many wearing AEA or Alabama Retired Educators Association attire.

“When you take money away from the classroom and money from our educators and support staff, you are lowering the morale of our educators, and it can’t help but bleed into the classroom.”

Teacher pay raises and full funding of insurance were part of Gov. Robert Bentley’s initial budget submitted to the Legislature in January. However, Republican lawmakers, citing a July 2015 deadline to repay money taken from the ETF’s Rainy Day Fund, have prioritized debt repayment in the current session. They have said funds aren’t there to pay for teacher pay raises and full funding of the Public Education Employees’ Health Insurance Plan (PEEHIP).

The House of Representatives approved a \$5.9 billion Education Trust Fund budget on Tuesday that includes about \$44 million for PEEHIP, but no raises or bonuses for teachers. Bentley had called for a straight up-or-down vote on a teacher pay raise, something House leadership rejected last week.

The budget likely will head to a conference committee of the two chambers.

Henry Mabry, Alabama Education Association executive secretary, said not including the additional funding would be “spiteful and vindictive” to education employees and support personnel.

“We deserve it. The money is there,” he said. “Anybody who tells you that the money’s not there for a raise or fully funding PEEHIP, they’re calling the governor a liar,” Mabry said.

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### **Bill allows gifts to state employees for exemplary service**

*The Associated Press*

March 18, 2014

MONTGOMERY (AP) — The state Senate wants to allow public employees to be able to receive unsolicited gifts for exemplary public service.

Republican Sen. Greg Reed of Jasper got the Senate to vote 29-0 Tuesday for his bill allowing the gifts. The bill now goes to the House for consideration.

Reed says the bill is the result of a Gulf Shores resort wanting to offer free lodging to Birmingham area school employees who took care of students stranded in the schools during a snow and ice storm in January. The offer was scratched because of legal questions.

Reed said his bill would allow third parties to provide unsolicited gifts for exemplary performance, but gifts worth more than \$250 would have to be approved by the State Ethics Commission.

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### **Alabama senators restart constitutional rewrite**

*The Associated Press*

March 18, 2014

MONTGOMERY, Ala. (AP) — Some state senators are trying to get an article-by-article revision of the Alabama Constitution moving again.

The process of rewriting a few articles of the Constitution each year came to a halt last week after two Alabama Supreme Court justices issued advisory opinions questioning the constitutionality of the process.

On Tuesday, the Senate Constitution and Elections Committee approved proposed constitutional amendments rewriting the articles on impeachment and homestead exemptions.

The committee did not consider two other proposed constitutional amendments rewriting the articles on the legislative and executive branches of government. The committee's chairman, Republican Bryan Taylor of Prattville, says the two that got approved had few changes compared to the two that weren't considered.

The two proposed constitutional amendments now go to the Senate for consideration.

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## **Birmingham Water Works launches promotional video and campaign touting its operations**

*Al.com*

March 19, 2014

Joseph D. Bryant

BIRMINGHAM, Alabama -- The Birmingham Water Works Board is attempting to take its message directly to the people with a new internet video showcasing some employees and large-scale customers.

The 4-minute video comes at the same time state legislators consider a plan to expand the Water Works Board and implement new operating rules regarding term limits, board pay caps and mandatory hearings before customer rate increases.

The YouTube video is narrated by Water Works spokesman Rick Jackson.

"We try very hard at providing top-notch service to all of our customers, but we feel there's no one better to tell the story than those we serve and those who put in all the hard work day in and day out," Jackson says in his video introduction.

The Senate last week approved the legislation and the House of Representatives could take up the bill version follow a committee endorsement Tuesday.

Both the Water Works Board and the city of Birmingham oppose the measures and have hired teams of lobbyists to defeat it.

However, Jackson said the video has no connection to the legislative fight.

"The video is not in response to anything," Jackson told AL.com. "It's simply a pilot example of what my department plans to continue to do, and that's tell our own story."

If the final bill passes the House, the state legislation would expand the water board by creating two seats for Jefferson County members and one rotating member from outlying counties serviced by the utility. Birmingham would maintain a majority with four seats.

Rep. Paul DeMarco, R-Homewood, calls the bill essential to remedying a longstanding "blemish" at the Water Works.

DeMarco cites a critical Water Works-commissioned audit that listed pages of internal problems at the agency.

Water Works officials call state intervention unnecessary, saying the board pay has already gone down and all meetings are public. They stress the system's strong bond rating and water quality ranking.

Board members have said they were shocked by the findings and said they would take time to investigate.

General Manager Underwood defended the utility against the report, saying that while some of the findings were legitimate, much of it was inflated. The Water Works paid \$100,000 for the report.

Jackson, a former news reporter for WIAT CBS42 hired by the utility in January, said more promotional videos are forthcoming. He coordinated the film in-house. In the process, Jackson said he wanted to try new approaches and involve the utility's entire staff.

"The YouTube channel was just created Monday but has been something I've been wanting to launch since my arrival at BWWB," Jackson said. "There are also plans to expand our efforts with other outlets of social media just as the rest of the world is doing."

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**Bo Jackson says he couldn't be a two-sport athlete today, and Russell Wilson shouldn't try either**

*Al.com*

March 19, 2014

Mark Heim

Former Auburn star Bo Jackson says he couldn't be a two-sport athlete these days.

He also said Seattle quarterback Russell Wilson shouldn't try it either.

Jackson, who played for the Oakland Raiders of the NFL and Kansas City Royals, Chicago White Sox and California Angels of Major League Baseball, was in Chicago on Tuesday.

Jackson had some advice for Wilson, who has spent time in camp with the Texas Rangers this month.

"Stick to what got (Wilson) in the headlines, not baseball," Jackson told CSN Chicago. "Twenty-five or 30 years ago when I did it, I'm not trying to say anything negative about other athletes, but the talent pool wasn't that deep. In this day in age, with all the high-tech training, computer-engineered workouts and the proper food and diet, if you try to concentrate on two sports, I guarantee you're going to ride the bench in both because the talent is that deep. Stick to whatever sport you're comfortable with and let everything else go."

Jackson, 51, said he wouldn't be able to excel in two sports today like he did years ago.

"I probably couldn't, no," Jackson said. "Just because the talent pool is that deep now. If my kids want to do both sports - 'No. No. No.' ... If you try to do both you're going to be riding the bench

in both. You'll never get to that level that you want to get to if you split your time between multiple sports."

Jackson averaged 5.4 yards per carry between 1987 and 1990 for the Raiders. In baseball, Jackson batted .250 and hit 141 home runs between 1986 and 1994.

Check out his interview below.

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### **WalletHub study says Alabama is the 12th best state to be a taxpayer**

*Al.com*

March 18, 2014

Lucy Berry

WalletHub, a personal finance social network, studied the ways in which local and state tax rates compare to the national median in all 50 states, including the District of Columbia.

"We compared eight different types of taxation in order to determine which states have the highest and lowest tax rates, how those rates compare to the national median and which states offer the most value in terms of low taxation and high cost-of-living adjusted income levels," said John S. Kiernan, senior writer and editor at Evolution Finance.

Alabama, which averages \$5,846 in annual state and local taxes, fell at No. 12 on the list. The state ranked No. 2 on lowest overall real estate tax rates.

Last week, WalletHub named Montgomery, Mobile, Huntsville and Birmingham among the best places in the U.S. to start a business.

Check out WalletHub's list of the best and worst states to be a taxpayer:

1. Wyoming
2. Alaska
3. Nevada
4. Florida
5. South Dakota
6. Washington
7. Texas
8. Delaware

9. North Dakota
10. Colorado
11. New Mexico
12. Alabama
13. Arizona
14. Utah
15. Mississippi
16. Indiana
17. Louisiana
18. West Virginia
19. Montana
20. Oklahoma
21. Massachusetts
22. Rhode Island
23. South Carolina
24. Missouri
25. Tennessee
26. Georgia
27. Virginia
28. New Hampshire
29. Hawaii
30. Kentucky
31. Arkansas

32. Ohio
33. Kansas
34. Idaho
35. North Carolina
36. Michigan
37. District of Columbia
38. Minnesota
39. Pennsylvania
40. Oregon
41. Maryland
42. Maine
43. Iowa
44. New Jersey
45. Vermont
46. Wisconsin
47. Illinois
48. Connecticut
49. Nebraska
50. California
51. New York

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**Auto supply firm to add workers in eastern Alabama**

*The Associated Press*

March 19, 2014

PHENIX CITY, Ala. (AP) — A South Korean auto parts manufacturer intends to hire 23 more employees over the next year as part of a \$16.5 million expansion at its plant in eastern Alabama.

The Phenix City Council on Tuesday approved a plan to give ILJIN Alabama Corp. tax abatements and up to \$150,000 in incentives for the expansion of its plant in Phenix City. The facility opened in 2010 in the city just across the Chattahoochee River from Columbus, Ga.

The Columbus Ledger-Enquirer reports (<http://bit.ly/1qTG4wc>) that the company manufactures wheel bearings for companies such as Kia, Hyundai, Chrysler and General Motors. It currently employs 62 people in its Phenix City operation.

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### **Shelby buys into battle for Senate majority**

*Montgomery Advertiser*

March 19, 2014

Mary Orndorff Troyan

WASHINGTON — Sen. Richard Shelby isn't up for re-election this year but is dipping into his political action committee's \$4.3 million to help Republicans win back the Senate.

Shelby's Defend America PAC has handed out more than \$200,000 to Republican candidates so far in the 2014 election cycle, making it one of the most generous leadership PACs in Congress.

Members of Congress raise money for their leadership PACs — which are separate from their own re-election campaign accounts — and use it to help colleagues and their party win elections.

Defend America PAC has given the maximum amount — \$5,000 per election — to every Republican senator running for re-election this year. And once primary season is over, Shelby said, his PAC will donate the maximum to those Republican candidates running against Democratic incumbents or for open seats.

Republicans need to pick up six Senate seats in November to take control from the Democrats.

“Across the country, strong Republican candidates are matched against vulnerable Democrat incumbents and vying for open seats,” Shelby said. “The Senate majority is within reach for our party, but the candidates must win it on the battlefield. I will continue to do everything in my power to help them in that effort.”

For Shelby, now in his fifth term, winning control of the Senate would be significant: He likely would return to chair the Senate Banking Committee.

His PAC also has given \$10,000 to the Republican National Committee and \$15,000 to the National Republican Senatorial Committee.



Republicans failed to win control of the Senate in 2010 and 2012 in part because they nominated untested, ultra-conservative candidates in a couple of key states, who then lost to Democrats in the general election. The defeats prompted some in the party, including Shelby, to be more active in helping the most electable candidates win GOP primaries.

Shelby's PAC gave \$5,000 in December to Thom Tillis, speaker of the state House in North Carolina. Tillis is among eight Republicans running for a chance to take on Sen. Kay Hagan, D-N.C., in the fall. The Cook Political Report lists Tillis as the establishment front-runner in the May 6 primary.

Shelby has met Tillis and believes he has the best chance to win the general election against Hagan, according to Shelby's spokesman, Jonathan Graffeo.

In Louisiana, where Democratic Sen. Mary Landrieu is running for re-election, Shelby gave \$10,000 to Rep. Bill Cassidy, the leading Republican running for Landrieu's seat.

Decisions on contributing to House candidates will be made on a case-by-case basis, Graffeo said.

Of more than 300 leadership PACs run by Republicans and Democrats in Congress, Shelby's is in the top 15 in terms of spending on fellow candidates, according to a tally by the Center for Responsive Politics. Among GOP-controlled PACs, it ranks seventh.

At the end of January, Defend America had more than \$4.3 million.

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### **O-Care premiums to skyrocket**

*The Hill*

March 19, 2014

Elise Viebeck

Health industry officials say ObamaCare-related premiums will double in some parts of the country, countering claims recently made by the administration.

The expected rate hikes will be announced in the coming months amid an intense election year, when control of the Senate is up for grabs. The sticker shock would likely bolster the GOP's prospects in November and hamper ObamaCare insurance enrollment efforts in 2015.

The industry complaints come less than a week after Health and Human Services (HHS) Secretary Kathleen Sebelius sought to downplay concerns about rising premiums in the healthcare sector. She told lawmakers rates would increase in 2015 but grow more slowly than in the past.

"The increases are far less significant than what they were prior to the Affordable Care Act," the secretary said in testimony before the House Ways and Means Committee.

Her comment baffled insurance officials, who said it runs counter to the industry's consensus about next year.

"It's pretty shortsighted because I think everybody knows that the way the exchange has rolled out ... is going to lead to higher costs," said one senior insurance executive who requested anonymity.

The insurance official, who hails from a populous swing state, said his company expects to triple its rates next year on the ObamaCare exchange.

The hikes are expected to vary substantially by region, state and carrier.

Areas of the country with older, sicker or smaller populations are likely to be hit hardest, while others might not see substantial increases at all.

Several major companies have been bullish on the healthcare law as a growth opportunity. With investors, especially, the firms downplay the consequences of more older, sicker enrollees in the risk pool.

Much will depend on how firms are coping with the healthcare law's raft of new fees and regulatory restrictions, according to another industry official.

Some insurers initially underpriced their policies to begin with, expecting to raise rates in the second year.

Others, especially in larger states, will continue to hold rates low in order to remain competitive.

But insurance officials are quick to emphasize that any spikes would be a consequence of delays and changes in ObamaCare's rollout.

They point out that the administration, after a massive public outcry, eased their policies to allow people to keep their old health plans. That kept some healthy people in place, instead of making them jump into the new exchanges.

Federal health officials have also limited the amount of money the government can spend to help insurers cover the cost of new, sick patients.

Perhaps most important, insurers have been disappointed that young people only make up about one-quarter of the enrollees in plans through the insurance exchanges, according to public figures that were released earlier this year. That ratio might change in the weeks ahead because the administration anticipates many more people in their 20s and 30s will sign up close to the March 31 enrollment deadline. Many insurers, however, don't share that optimism.

These factors will have the unintended consequence of raising rates, sources said.

“We’re exasperated,” said the senior insurance official. “All of these major delays on very significant portions of the law are going to change what it’s going to cost.”

“My gut tells me that, for some people, these increases will be significant,” said Bill Hoagland, a former executive at Cigna and current senior vice president at the Bipartisan Policy Center.

Hoagland said Sebelius was seeking to “soften up the American public” to the likelihood that premiums will rise, despite promises to the contrary.

Republicans frequently highlight President Obama’s promise on the campaign trail to enact a healthcare law that would “cut the cost of a typical family’s premium by up to \$2,500 a year.”

“They’re going to have to backpedal on that,” said Hoagland, who called Sebelius’s comment a “pre-emptive strike.”

“This was her way of getting out in front of it,” he added.

HHS didn’t comment for this article.

Insurers will begin the process this spring by filing their rate proposals with state officials.

Insurance commissioners will then release the rates sometime this summer, usually when they’re approved. Insurers could also leak their rates earlier as a political statement.

In some states, commissioners have the authority to deny certain rate increases, which could help prevent the most drastic hikes.

Either way, there will be a slew of bad headlines for the Obama administration just months before the election.

“It’s pretty bad timing,” said one insurance official.

Other health experts say predictions about premiums are premature.

David Cutler, who has been called an architect of Obama-Care, said, “Health premiums increase every year, so the odds are very good that they will increase next year as well. None of that is news. The question is whether it will be a lot or a little. That depends in part on how big the insurers think the exchanges will be.”

Jon Gruber, who also helped design the Affordable Care Act, said, “The bottom line is that we just don’t know. Premiums were rising 7 to 10 percent a year before the law. So the question is whether we will see a continuation of that sort of single digit increase, as Sebelius said, or whether it will be larger.”

The White House and its allies have launched a full-court press to encourage healthy millennials to purchase coverage on the marketplaces.

HHS announced this week that sign-ups have exceeded 5 million, a marked increase since March 1.

White House press secretary Jay Carney on Tuesday claimed the administration has picked up the pace considerably, saying months ago reporters would have laughed if he “had said there would be 5 million enrollees by March 18.”

It remains unclear how many of those enrollees lost their insurance last year because of the law’s mandates. Critics have also raised questions about how the administration is counting people who signed up for insurance plans.

Political operatives will be watching premium increases this summer, most notably in states where there are contested Senate races.

In Iowa, which hosts the first presidential caucus in the nation and has a competitive Senate race this year, rates are expected to rise 100 percent on the exchange and by double digits on the larger, employer-based market, according to a recent article in the Business Record.