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THE UNIVERSITY OF ALABAMA SYSTEM

# *Legislative* UPDATE

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*Current News About Legislative Issues Affecting The University of Alabama System*

## **2009 LEGISLATIVE SESSION BEGINS**

When the 2009 session of the Alabama Legislature convenes tomorrow, February 3, Governor Bob Riley will deliver his annual state-of-the-state address. Subsequently, he will unveil his proposed budget for FY 2009-2010. The legislature will be in session for up to 30 meeting days in 105 calendar days and will adjourn no later than midnight on May 18.

The predominant issues facing lawmakers will be the education and general fund budgets – both of which face double-digit reductions in light of shrinking state tax revenues. The Governor’s budget proposals could **further** reduce education spending by \$500-\$800 million. This reduction would come **on top** of last year’s 11% **cut** and the 9% **proration** imposed in December.

Bottom line: our three campuses are already operating with about **20% less in state funding** than we had in FY 07-08. The one glimmer of light on the financial horizon is a likely infusion of Federal dollars from the economic stimulus package (American Relief and Recovery Act ARRA). While details are still fuzzy, Congressional passage of the stimulus bill as currently structured would mean about \$290 million in operating funds for **all** of education in Alabama. That one-time relief would whittle the budget shortfall to just under \$1 billion, which falls well short of solving the recurring education funding problem.

Sources indicate Governor Riley’s budget plan will be based on current revenue projections since the stimulus package will not be finalized by Tuesday. The state will have expended all \$437 million in the Rainy Day fund in this current fiscal year, so there will be no cushion to soften the blow of significant budget cuts.

## **PRIORITY #1 FOR HIGHER ED**

It is **critically important** during the 2009 Legislative session that funding for education at **all levels** be **equitable**. This must be the **first priority** when the House and Senate begin their work in Montgomery this week. Risks are high: our ability to continue providing top quality, well educated graduates who are critically needed to fill high-demand, high-wage jobs in our state. Universities must be treated **fairly** in the budget process if we are to continue meeting the demand for the qualified workforce needed so Alabama can grow its way out of the current economic downturn.

## **OTHER ISSUES ON LEGISLATIVE AGENDA**

A spectrum of front-burner issues will be on the table at the State House in addition to the budgets. Among the first hurdles will be choosing the President Pro Tem of the Senate for the remaining two years of this quadrennium. Other issues to watch:

- Ethics reform: a package of bills will be introduced bringing more transparency to Alabama government and the political process. Included will be legislation to ban PAC-to-PAC transfers and to require all state expenditures, contracts, legislative grants and state grants to be accessible on the internet.
- Gambling: legislation is expected to be introduced in some form to expand gambling and possibly a mechanism to tax gambling in all forms statewide.
- Food tax: legislation will be considered removing the state sales tax from groceries and replacing the lost revenue by eliminating the state income tax deduction for Federal income taxes paid.

## STAY INFORMED – GET INVOLVED

Getting involved in the legislative process and staying informed on the issues is important for the students, faculty and staff of higher education institutions. As past years have demonstrated, making your voice heard in the halls of the State House is effective! The key message: **Higher education must be treated equitably in whatever budget finally passes for fiscal year 2009-2010.**

**Call your legislators today to let them know how critically important equitable funding is for Alabama's future.** To find contact information for your legislator, go to

<http://www.legislature.state.al.us/misc/zipsearch.html> and enter your nine-digit zip code.

The UA System Government Relations staff will keep you informed on legislative happenings. Please do your part. Be prepared to act when called upon to contact legislators, the Governor and others who can help benefit our universities.

## CONTACT INFORMATION

**If you have questions or need additional information, please contact members of the UA System Government Relations Team:**

Bill Jones: 334-242-2262, [wjones@uasystem.ua.edu](mailto:wjones@uasystem.ua.edu)

Porter Banister: 205-934-5193, [pbanister@uasystem.ua.edu](mailto:pbanister@uasystem.ua.edu)

Gary D. Smith: 256-824-6084, [gsmith@uasystem.ua.edu](mailto:gsmith@uasystem.ua.edu)

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