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## Washington update

With Congressional committees facing a September 16<sup>th</sup> deadline to craft spending plans that will meet Budget Resolution guidelines for 2006, Arise has joined forces with other groups across the nation to protect programs affecting low- and middle-income families.

In order to meet their required \$3 billion in program cuts over the next five years, the House and Senate agriculture committees are widely expected to target low-income benefit programs such as food stamps, leaving farm subsidies largely intact. Arise has joined with the Food Research and Action Center, America's Second Harvest and the Center for Budget and Policy Priorities, along with 868 state and local groups, to encourage committee members to protect food stamps from disproportionate reductions that would make it harder for low-income families to meet basic nutritional needs.

Arise also joined with 162 local, state and national organizations to urge Congress to reject efforts to permanently repeal the estate tax or to reform it in ways that render it meaningless. Currently, only estates larger than \$1.5 million for an individual (\$3 million for a couple) are subject to the estate tax, and that level is set to rise to \$3.5/\$7 million by 2009. We simply cannot afford another costly tax cut that benefits only the wealthiest few.

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# Report

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## Special session concludes

# GF budget puts the heat on '07

*By Ron Gilbert, policy analyst*

The Alabama Legislature achieved over a five-day special session what it failed to do during a 30-day regular session – passing a General Fund budget for FY 2006. In fact, the special session was more productive than the regular session overall, with 17 statewide bills gaining approval, in addition to the five bills making up the 2006 General Fund spending and revenue plan.

Buoyed by reports anticipating an additional \$48 million in current-year General Fund revenues, the approved \$1.5 billion budget was nearly \$24 million more than the General Fund budget passed by the House during the regular session. A boost in the state employee pay raise from 4 percent to 6 percent accounted for \$10 million of the increase. Also seeing hikes were the departments of Mental Health/Mental Retardation (\$5 million), Human Resources (\$2.3 million) and Senior Services (\$1 million), as well as the Legislature's own operating budget (\$2.2 million). A \$22.5 million supplemental appropriation for Corrections also gained final approval.

Several legislators expressed concerns over the patchwork nature of the budget, which relies on \$250 million in one-time funds. In January, legislators will be faced with developing a budget without those dollars, and with required funding increases that may exceed \$200 million. When questioned about the outlook for the 2007 General Fund budget,

administration officials stated that they would worry about that budget after October 1, 2005.

The minimum local property tax for public schools will rise to 10 mills if voters approve a constitutional amendment passed by the Legislature. Thirty of Alabama's 130 school systems now levy between 7 and 9.7 mills of property tax. The vote will be either on June 27 (if there is a statewide run-off election) or in November 2006.

## Mark your calendars!

### Arise annual meeting:

**Saturday, Sept. 10**  
**9:30 am – 3 pm**

Check website for  
Montgomery location

### October mini-conference:

**Saturday, Oct. 22**  
**8:30 am – 12:30 pm**

Auburn University Montgomery  
Featured Speaker: Dr. James Forbes,  
Senior Pastor, Riverside Church,  
New York City

### Listening sessions:

**Auburn — Thurs. Aug. 25th,**  
**12 noon – 1:15 pm**

Unitarian Universalist Church

**Huntsville — Sun. Aug. 28th,**  
**9:30 – 10:30 am**

Unitarian Universalist Church

**Mobile — Mon. Aug. 29th,**  
**6:30 – 8 pm**

Providence Outreach Senior Center

## A few words from Kimble —

**“The least of these” will face hard times at the State House next year.** Backed into a corner after decades of procrastination, some legislators will claim that they have “no choice” but to cut the health care or child care on which many families depend. By our logic, the responsible path is to increase taxes on those who have paid too little. By their logic, taxes can only be raised in the year after an election. But how can we survive until 2007? This summer they balanced the \$1.5 billion General Fund budget with \$250 million in one-time money. Their task next year will be even more demanding, and our neighbors more at risk.

**Arise is uniquely positioned to make the case for a fairer budget.** We have the infrastructure in place – groups on the ground, credible proposals, relationships with legislators – to mount a broad campaign “to protect the rights of the poor and needy” (Proverbs 31:9). We’ve started earlier, getting legislation and fact sheets in order, planning meetings between our members and legislators, and informing the media of our priorities. When they return in January, legislators will know Arise’s policy agenda.

**We expect our mission to grow steadily in urgency** until we have another chance at tax reform in 2007. Until then, we must work to protect the most vulnerable from harm while we educate as many people as we can on the basics of tax reform. Our *Alabama Tax & Budget Handbook* is at the printer, and it’s going to propel us to a new level of sophistication as an advocacy movement. Please start thinking about ways you can promote this new tool.

With peace,



Arise Citizens’ Policy Project Report

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## Washington update

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**On the housing front, Arise joined with advocates nationwide** in encouraging members of the Senate Banking Committee, chaired by Alabama’s Richard Shelby, to include a provision creating the Affordable Housing Trust Fund in regulatory legislation for Fannie Mae, Freddie Mac and the Federal Home Loan Banks. Although the measure failed in committee by a party-line vote on July

28<sup>th</sup>, members from both parties cited constituent support for the trust fund and pledged to continue efforts to craft a compromise during the August recess.

**Alabama’s heavy reliance on federal funding** places “the least of these” at increasing risk. In the coming months, Arise will monitor federal budget activity more closely and will call upon members to voice their concerns to the Alabama delegation. *To get Arise e-mail alerts, sign up at [www.arisecitizens.org](http://www.arisecitizens.org).*

– Ron Gilbert, policy analyst