



# State Auditor of Alabama

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## ZEIGLER REBUTTAL TO GOV. BENTLEY STATE OF THE STATE ADDRESS FEB. 3, 2016

The State of the State is a mess. This could not have been made more clear as Governor Bentley once again betrayed Alabama taxpayers with plans for bigger government and increased spending as a solution to our problems. This embrace of Democrat principles comes in the wake of a tumultuous 2015 in which Gov. Bentley disappointed Alabamians with flip-flopping and repeated betrayal of our values and his campaign promises.

This stew needs to be stirred. As the Governor said: "The urgency, the challenge is now."

I was honored to be asked by two citizen groups to give this unprecedented "conservative rebuttal" to Governor Bentley's State of the State address – representing every single Alabamian who must pay for the expensive spending by the Bentley administration.

The legislature has received budget requests that are out of balance. They are about \$225 million in the hole on day one. The Governor decided not to present any plans for solving that shortfall. The good news is that he did not propose any tax increases. The bad news is that he did not present any plans for saving money in state government by eliminating:

waste, mismanagement, duplication, and low-priority spending.

And he did not submit any plans for saving money by:

New efficiencies, cost-savings, and better ways to get things done for less money.

One of the problems in the Bentley administration is that the Governor and his advisors believe and promote a false dilemma. They say a budget shortfall can be solved only in two ways – by raising taxes on the citizens of Alabama or by cutting services to the citizens. As a result of this misconception, we saw six state parks closed by the Bentley administration. We saw a

bungling attempt to close drivers' license offices in 31 counties. And we saw the State Auditor's office cut by about 25%, much more than any other agency was cut.

I suggest a third alternative, a proactive, conservative alternative - not raising taxes on the public and not cutting services to the public - but a better option I call

#### THINKING OUTSIDE THE TAX.

THINKING OUTSIDE THE TAX is delivering needed state services at a lower cost. A substantially lower cost. This cannot be done with the same old approaches that got us into this deficit situation. It will take entirely new approaches. Thinking outside the tax.

One example is the state Medicaid budget. It is the largest and one of the fastest-growing parts of Alabama's general fund. With the growth of our elderly population, the Medicaid budget by itself has the potential to bankrupt state government. Unless we think outside the tax.

I have an option for consideration of the legislature and the Medicaid agency. I call it the LIVE AT HOME PLAN. Right now, it costs the Medicaid agency around \$6,000 a month to pay for a Medicaid patient in a nursing home. And for the rest of the seniors' life no matter how long they live. Granny would prefer not to go to the nursing home. She and her family would rather she live and die in the comfort of her own home.

Unfortunately, Alabama Medicaid pays for only a small number of patients on home care. The irony is that home care can cost Medicaid less than half of what the nursing home costs. Around \$3,000 a month or less, rather than \$6,000.

A few baby steps have already been taken toward Medicaid home care. This experimenting with home care has been enough to show that home care works. It is cheaper - half price or less. And the seniors and family are happier with Granny living at home.

What we are suggesting is not an unrealistic, novel program but an aggressive stepping up of Medicaid home care that has already been proven to work.

Nursing homes and their important lobby should not be opposed to the Live at Home Plan for two reasons. One, many nursing homes are at capacity and have waiting lists. As the number of seniors increases, the waiting lists will become longer. The Live at Home Plan can help solve this problem of growing waiting lists. Second, a small but growing number of nursing homes are diversifying and adding home care services in addition to the residential nursing care, a logical extension. The legislature should look at an automatic or expedited certificate of need



approval for nursing homes wanting to add Medicaid home care. This provision could help win support of the important nursing home lobby.

The Live at Home Plan would save Alabama Medicaid tens of millions of dollars a year, starting immediately.

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A second large and growing area of expense is state prisons. The Governor proposed what he slyly termed an "adequate" bond issue for prisons. What he did not say is that he is actually proposing an 800 million dollar bond issue, which would of course have to be repaid plus interest by obligating Alabama taxpayers for 20 years.

Studies have concentrated primarily on how to solve the prison crowding problem in order to avoid a potential federal court takeover. What the studies largely did not do was

#### THINKING OUTSIDE THE TAX.

Alabama taxpayers provide more money each year for a prisoner than for a school student. And more money for a convict than what our active-duty military earn. Alabama taxpayers do not want to pay more for inmates than for students and military.

We badly need a return to old, time-honored approaches to corrections. Approaches that cost far less than building new four-star prison hotels. THINKING OUTSIDE THE TAX.

We will ask the legislature to consider a far cheaper way to safely reduce our prison population than simply building more facilities at taxpayer expense of \$800 million.

So-called experts have had years to come up with solutions to Alabama's prison crowding problem. They have not done so, at a risk of federal court intervention. When those failed experts hear of this novel approach, which is actually an adaptation of an old-fashioned, time-honored approach, they will scoff and make fun. Don't listen to these business-as-usual failures. Consider the common sense approach I have named "VOLUNTARY RELOCATION." Here is how it could work, with emphasis on WORK:

Qualifying inmates who have served a certain amount of time would be allowed to VOLUNTEER for out-of-state relocation. As a condition of early release, they would agree to go at least two states away from Alabama and not return. They can make their own arrangements for work and living arrangements there. Or they can go, with private business assistance, to one of those places in the U.S. which have a large immediate need for unskilled labor. For those healthy, non-violent, non-addicted inmates who qualify, they can have a good job waiting for them. The employer would agree to transport the workers there.



If an inmate on voluntary relocation violates his terms of release and is caught back in Alabama, he will be revoked to serve out the rest of his original term in prison.

The taxpayers would prefer this program at no taxpayer expense to get qualifying inmates away from Alabama rather than Gov. Bentley's \$800 million tax bill to keep building prisons and pay for an all-expenses-paid stay in the prison hotels.

#### THINKING OUTSIDE THE TAX.

The Governor made no mention of the proposal for "Zero-Based Budgeting" to significantly reduce the cost of providing services by each state agency. We support that proposal and insist that it be true baseline budgeting and not in name only.

The Governor made no mention of the state parks which he earlier threatened to close unless the legislature passed additional taxes. The closure last year of six state parks was not necessary. The parks internally generate around 85% of the funds needed for their operation. With minor adjustments, the parks can become self-sufficient, requiring no taxpayer funds. That is our proposal to the legislature.

The legislature has before it a bill to enable the Governor to appoint a "Taxpayer's Advocate." We are 100% against having the Governor make this appointment. To have Governor Bentley appoint a Taxpayer's Advocate is like having the fox guard the henhouse. We will seek to amend the bill so that the State Auditor will appoint the Taxpayer's Advocate subject to ratification by the Alabama Senate. If this is not done, the Legislature could save the salary and benefits of the Taxpayer's Advocate by simply vesting its duties in the State Auditor, who is already salaried. Merely put the duties and staff of the proposed Taxpayer's Advocate under the State Auditor, who is already performing taxpayer advocacy above and beyond what that office had done in the past. Appointing a duplicate Taxpayer's Advocate could itself be a waste of taxpayer's money.

The Governor briefly mentioned second-amendment rights. To allow Alabama people to better defend themselves and their families, we support SB14 to recognize the right to carry a gun in your vehicle without a gun permit. We ultimately support universal carry, recognizing the God-given and constitutional right to keep and bear arms with no permission needed from the government. We call this "Constitutional Carry."

The Governor briefly mentioned protecting the lives of the unborn but failed to admit how he *re-funded* Planned Parenthood, the abortion giant that profits not only from your money but from selling baby parts. He botched the cancellation of the Planned Parenthood contract, causing the state to settle with



them in court and giving them \$51,000 from Alabama taxpayers. He said nothing about actually stopping the abortion industry in Alabama that deprives 22 Alabama children of life every single day. We support the bill to stop abortion clinics within 2,000 feet of a school. Conservatives are also working on pro-life bills for legally recognizing personhood; declaring unborn babies viable if they are pain-capable or have a heartbeat; and legally defunding Planned Parenthood.

The Governor spoke about the Tenth Amendment, the two Constitutions he is sworn to uphold, and Alabama's values, but he failed to point out how he ignored the federal government's unprecedented assault on all three in their opinion on same-sex marriage that Governor Bentley refused to fight. Conservatives will support effective defense of Alabama's Sanctity of Marriage Amendment from any branch of government.

The Governor made no mention of preserving our heritage and stopping the politically-correct obliteration of monuments to Veterans and other historical items. We support SB13, which would make it illegal to remove or tamper with monuments to Veterans without approval of the legislative council. History is history - the good and the bad. We should learn from it, not erase it.

We will also seek to add an amendment to SB13 that would mandate that the portraits of Governors George and Lurleen Wallace be returned to their legal and historical spot in the capitol rotunda.

The Governor said: "When access to an education ... is hindered, we will clear the path." He made no mention of the 23,000 Alabama families who prepaid for their children's college tuition. These families are not receiving what they paid for and what the state had agreed to provide - four years of college tuition, **thus hindering access to education.** We have a plan to have post-secondary institutions simply honor those contracts as full payment for the qualifying students who already pre-paid. It will cost no taxpayer dollars.

The Governor made no mention of The Student and Parent Privacy Protection Act. This is no wonder because last spring he quietly issued an executive order fully implementing the Department of Education's plan to collect personal data on the beliefs, actions, emotions, grades, and lives of Alabama students - data that will be in the hands of an intrusive government, data that will follow students for the rest of their lives. We support HB by Rep. Arnold Mooney to restrict what student data schools can gather and share.

The Governor talked about helping hardworking Alabamians and raising the pay of state employees. Funny how some of the audience chuckled at this. They were inevitably thinking what I



was thinking, "Nice idea! But, where is he going to get the money?"

The Governor praised the pre-kindergarten program but failed to explain where the money for its expansion would come from. Most notably, he didn't even mention Common Core - the curriculum, standards and testing straight from Washington Bureaucrats that is currently indoctrinating but failing to educate Alabama children. We support SB101 by Sen. Rusty Glover to repeal Common Core.

The Governor mentioned the importance of keeping Islamic terrorists out of Alabama. We support a stronger, more effective approach. We are against Syrian refugees coming into the United States anywhere. If an Islamic militant comes into the United States anywhere, he or she is mobile enough and well-financed-enough to travel to Alabama. The Islamic terrorists had come into Greece disguised as refugees, and they easily traveled to France. We need to support America first and keep the refugees out of our country, not just out of Alabama.

We call for an independent investigation into the state's new STAARS Software. After \$47 million of expense to taxpayers, STAARS does not work. Millions in state bills have gone unpaid or late. The procedures by which the STAARS contract was awarded are questionable. We ask the legislative branch to designate an investigative team consisting of one member of the house and senate, the state auditor, and a representative of the Montgomery County District Attorney's office. Notice that we have purposefully left out the State Attorney General's office. They have had ample time to do something about this already and have no interest in this major problem. We do not want an AG on this investigation.

The State of the State is a mess. What you've heard in this rebuttal is only the tip of the iceberg. As we look ahead to 2016, we all want more jobs in Alabama. We all want to help the poor, the elderly, the unemployed, and kindergartners. We all want to see Alabama prosper. And, yes, we all want to shoot for the moon.

But, the take-off for a greater Alabama in 2019 must begin on the launching pad of sound Republican principles that are the heart and soul of Alabama: smaller government, less spending, waste elimination, defense of life, protection of traditional marriage, less federal intrusion in our schools, defense of Second Amendment rights, preservation of our heritage, dedication to the rule of law, fear of God, and commitment to principle and truth.

The Bentley "spend to the moon plan" of big government, more government programs, and the kind of caving we've seen on all of the other principles just isn't the launching pad for a successful moonshot.

If every single one of us -the Governor, the legislators, all elected officials, pastors, and you and me - began to act on our fiscal and moral conservative principles, our moonshot can be successful, and God might actually be able to bless Alabama again.

And, we may be able to put a real conservative who "dares to defend our rights" in Alabama's governor's office in 2018 in time for her 200<sup>th</sup> anniversary of Statehood in December, 2019.

Thank you! God bless you and may God save the people of Alabama!

Jim Zeigler, State Auditor