



THE BUSINESS ADVOCATE



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SPEAKER
MIKE HUBBARD

THE BUSINESS COUNCIL OF ALABAMA'S **2013 STATE LEGISLATIVE AGENDA**

ADOPTED BY THE BCA BOARD OF DIRECTORS ON DECEMBER 7, 2012

As Alabama's foremost voice for business, the Business Council of Alabama is a non-partisan statewide business association representing the interests and concerns of nearly one million working Alabamians through its member companies and its partnership with the Chamber of Commerce Association of Alabama. BCA is Alabama's exclusive affiliate to the U.S. Chamber of Commerce and the National Association of Manufacturers.

The annual policy agendas are produced to highlight the business community's priorities and policy objectives for the upcoming session of the Alabama Legislature. The agenda is also available at www.bcatoday.org.

EDUCATION / WORKFORCE PREPAREDNESS

The Business Council of Alabama supports adopting policies and processes that ensure sound, sustainable funding for public education. BCA advocates that adequate and equitable funding for effective public education at all levels (pre-K through Ph.D., including AIDT, ATN & Career Tech) is essential if the system is to effectively prepare Alabama's children and young adults to meet the challenges of an increasingly complex economy and competitive workforce. Therefore, the BCA supports policies that promote access to quality education at all levels and strengthens public awareness and understanding that further educational investment is not only necessary, but also essential, in ensuring personal income growth and economic opportunity for all Alabamians. BCA contends that all education dollars go first to the classroom, including classroom educational support e.g., textbooks, library resources, educational supplies and technologies, and that all public education funds be appropriated to public educational entities with the exception of voluntary pre-K programs. BCA encourages its members to provide financial support for business – education collaborations such as the BEST robotics program and engage and actively participate in their regional workforce councils, workforce investment boards and career and technical education advisory boards to ensure that such bodies are employer-driven and are responsive to the training needs of local employers.



Alabama Superintendent of Education Dr. Tommy Bice keynoted a business breakfast and discussed the future of career tech education.



Dr. Mark Heinrich, chancellor of the Alabama Community College System, speaks to the BCA Education and Workforce Preparedness Committee.



2013 BCA Chairman Carl Jamison and the Alabama Technology Network's Chester Vrocher review the BCA's 2013 legislative agendas.

The BCA will actively work to:

- Reform future teacher compensation to reflect their experience and performance in the classroom.
- Sustain funding, as appropriate, in the FY14 Education Budget for proven educational initiatives, such as the Alabama Reading Initiative, Alabama Math Science Technology Initiative, the Career/Technical Education Initiative, ACCESS and the Alabama Virtual Library, with a portion of the funding for each program allocated for periodic, independent evaluations according to national norms.
- Support a rational allocation of state funding resources among all segments of public education.
- Increase funding for pre-kindergarten educational programs administered by certifiably trained staff, and ensure that the programs demonstrate student academic preparedness for kindergarten through required appropriate accountability measures.
- Maintain funding for seamless training programs for existing industries and businesses to help employees advance on technical career paths; ensure adequate numbers of trainable workers are available to "back-fill" existing jobs as experienced employees are hired and promoted by new and emerging industries.
- Continue and maintain the regional and state workforce training development councils as the process for de-

termining how to spend work force training money.

- Continue consolidation of workforce development programs and activities, as necessary, into an efficient, focused and responsive system of work force education and training, which utilizes all of the resources available under the Alabama Department of Postsecondary Education (including the ATN) and emphasizes adult education programs.
- Enact legislation allowing for public charter schools in Alabama.
- Enact legislation allowing for increased flexibility from state mandates for traditional public schools.

The BCA will support efforts to:

- Fully implement the Alabama Board of Education's, PLAN 2020, which will drive instructional, assessment and accountability efforts towards meeting more rigorous college and career ready standards.
- Increase the percentage of Alabama students who complete high school, and encourage students to take more challenging courses, so that more high school graduates will be prepared to be successful in higher education or in today's technical worksites. For those who do not complete high school, strengthen adult education programs to ensure more adults will earn a GED.
- Encourage public high schools and institutions of higher education to promote greater understanding of per-

sonal financial management.

- Fund scholarships / salary supplements / incentives for teachers who agree to teach hard-to-staff subject areas or in underserved geographic areas.
- Ensure high caliber teacher training programs and administrative leader programs in colleges of education and meaningful content-specific professional development programs for classroom teachers.
- Amend the constitutional amendment prohibiting state unfunded mandates for local government entities to include public education entities and eliminate unfunded state mandates to local school boards.
- Ensure that the education and job training programs available to Alabama students culminate in nationally recognized credentials specifically relevant to job opportunities that are or will be available in the state, and that state resources be allocated to support such credentials at the secondary and postsecondary levels.
- Change the governing authority of the Alabama Department of Postsecondary Education from the State Board of Education (SBE) to a separate board consisting of designated and appointed key state and business leaders who have a vested and focused interest in educating, training, and maintaining a competitive, world-class work force in the state of Alabama.



Brian Atkins, division director of the Alabama Office of Water Resources, updated BCA's Environment and Energy Committee on water resource issues.



A standing-room-only crowd listens as Senate President Pro Tem Del Marsh talked about the key role the business community will play in the 2013 legislative session.

ENVIRONMENT & ENERGY

The Business Council will work for sound environmental and energy legislation consistent with continued economic growth within the state. BCA has a long-standing policy that applicable state environmental laws and regulations should be no more stringent than federal environmental laws and regulations, and the EPA and all 50 states should adopt and implement regulations in a manner such that no state's industry has an unfair advantage. In addition, the BCA supports adequate funding for The Alabama Department of Environmental Management (ADEM) so it may provide experienced personnel to carry out necessary services without wasteful overlap of programs.

The BCA will actively work to:

- Retain primacy for federal programs by coordinating with state regulatory agencies.
- Adequately fund the Alabama Department of Environmental Management (ADEM) in order to eliminate the need for continued fee increases imposed by the Alabama Department of Environmental Management (ADEM) on the backs of Alabama's regulated industries. A clean environment is a benefit to all Alabamians; therefore, the cost to sustain it should be equitably borne by all.



2013 BCA Chairman Carl Jamison and Senate President Pro Tem Del Marsh

- Provide the adequate General Fund appropriations for ADEM that are necessary to maintain primacy of the federal programs.

The BCA will support efforts to:

- Support fair treatment of industry through joint legislative initiatives.
- Continue the work of the Forever Wild Program.
- Support efforts to fund and gather data associated with the surface water, groundwater and instream flows/ecosystems to provide a full understanding of the State of Alabama's water resources.

The BCA will actively oppose:

- Implementing environmental policy

or regulations on the state level that would put Alabama business, manufacturing, and/or economic development at a disadvantage.

- Enacting legislation and regulations that would have a detrimental effect on existing industry and that may have a negative effect on economic development.
- Enacting legislation that attempt to single out a particular business-related activity.
- Enacting legislation that imposes specific mandates for agencies to use certain products, formulas or analyses that would give select industries a competitive advantage over other Alabama industries.



BCA members packed the room to hear Dr. Bice, Alabama Superintendent of Education.



Rep. Greg Wren tells the BCA Health Committee about the challenges in the coming year.

HEALTH

The Business Council of Alabama strongly supports and will work to protect employer-sponsored health care coverage through private insurers and self-insured / ERISA plans. In that effort, BCA encourages innovative solutions that increase employers' choices in purchasing affordable, quality health care and prescription coverage while decreasing health care costs through free-market competition without government interference. To be successful, health care coverage, both in the public and private sectors, must encourage consumer involvement, promote wellness and prevention, and reward quality. The BCA opposes all health care and insurance related mandates on employers and/or individuals because they increase costs without improving the quality of care, and the BCA opposes proposals for any type of single-payer system.

The BCA will actively work to:

- Enact legislation to provide for tax relief for health savings accounts.
- Ensure legislation that creates and sets operating guidelines for an Alabama Healthcare Insurance Exchange will: focus on providing small businesses and individuals an option for purchasing healthcare insurance; base operation on free market principles; encourage competition within the market; provide transparency of existing nationally reported evidence based quality measures to consumers; include business representation within the administrative oversight structure; avoid duplication of current regulatory authority; ensure the stability and reliability of the state's healthcare insurance market.

The BCA will actively support efforts to:

- Discuss options to better clarify the roles of nurse practitioners in the provi-

sion of primary medical care services in Alabama.

- Support reform of Alabama's Medicaid program to control costs and ensure long-term sustainability by improving efficiency, addressing fraud and abuse, and ensuring access to quality health care for the citizens of Alabama.
- Maintain the current composition of the Certificate of Need Board or efforts to increase payer and consumer business representation on the CON Board.
- Increase representation of payers of health care services to state health and medical boards.
- Continue to expand efforts to provide consumers (patients) with medical providers' quality performance data that is transparent and verifiable for the purpose of assessing and improving healthcare merit, accessibility and affordability.
- Identify and promote measurable programs and policies, such as electronic medical records, electronic prescribing, wellness programs, which will result in long-term containment of healthcare costs.
- Develop innovative solutions for prescription drug coverage at a reasonable cost while opposing mandated prescription drug pricing.

The BCA will actively oppose:

- Mandating employer-provided health-care benefits or any legislation, resolu-



tion or regulation that would increase health plan costs.

- Enacting or expanding licensure laws where there is no evidence-based impact on quality of care or outcomes.

JUDICIAL & LEGAL REFORM

The Business Council of Alabama supports transparency in all aspects of the judiciary and the judicial system and advocates for the current open and democratic election process for Alabama's judges. Specifically, the BCA opposes any proposal to adopt an appointment process for selecting Alabama judges, proposal for nonpartisan elections for judges, or any other proposal that decreases the transparency of the selection process. Partisan elections provide the voting public with a source of distinguishable information regarding judicial candidates.

The Business Council of Alabama supports participation and transparency in all aspects of the governmental process and accordingly strongly supports ethics reform that affords all persons the opportunity to participate fully and equally in the political process and all voters the opportunity to ascertain easily and in a timely manner what persons or entities may be supporting or opposing governmental candidates or lobbying governmental officers. Specifically, the BCA supports the right to exercise free speech in all aspects of the political process and the timely and easily accessible reporting of all political contributions, financial commitments or expenditures.

- Any legislation attempting to make pseudoephedrine a scheduled drug available to Alabama residents by prescription only – be it by a medical doctor or pharmacist. A prescription mandate for common cough, cold, and

allergy medications will increase health care costs for Alabama residents, state government, and business. It will lessen employee productivity and severely reduce access to safe and effective medication for consumers.

The BCA will actively work to:

- Support transparency and accountability in contingency fee contracts for legal work entered into by the State of Alabama.
- Reform the civil discovery process to reduce the costs to litigants and the court system and to promote the just and efficient resolution of disputes.
- Reduce the filing of frivolous lawsuits through modifications to the Alabama Litigation Accountability Act and the Alabama Rules of Civil Procedure.
- Reform non-economic damages.
- Enact and revive statutes of repose that reduce the prejudice to parties that can arise from the litigation of stale claims.
- Clarify the definition of what constitutes “the use of a product” with regard to product liability actions in which plaintiffs pursue defect allegations against one or more components of an entire product, rather than the product as a whole.

The BCA will support efforts to:

- Reform laws related to nuisance actions to ensure that the standards and statute of limitations for such actions do not undermine economic development efforts.
- Support efforts to prohibit third party



BCA President and CEO William J. Canary

litigation financing or efforts to provide meaningful regulation in order to protect the interests of consumers and the public.

- Establish a Business Court system that will provide a stable and reliably informed system for resolving complex business and commercial disputes.
- Establish a privilege for accountant work papers and self-critical analysis and self-evaluation activities.

The BCA will actively oppose:

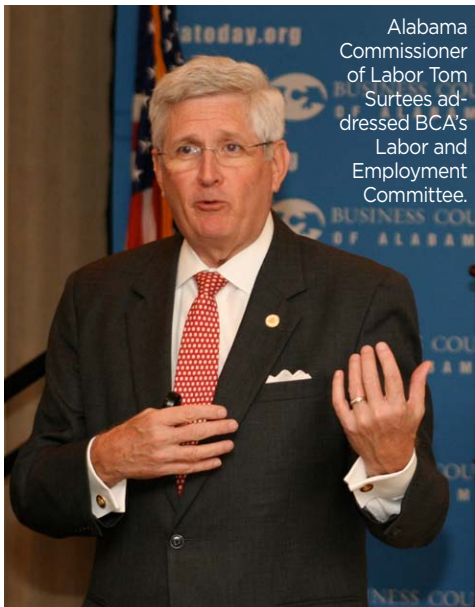
- Any legislation infringing on employers' right to provide a safe workplace by restricting unauthorized firearm possession on company property and/or creating any new causes of action against employers because of such policies.

Debbie Long (second from right), chair of BCA's Judicial and Legal Reform Committee, reviews the committee's 2013 legislative agenda as (from left) Rep. Mike Ball, Committee Co-Chair Greg Butrus, and Anita Archie, BCA Senior Vice President for Intergovernmental Affairs, Advocacy and Communications/Legal Advisor listen.





BCA policy committee members hear presentation.



Alabama Commissioner of Labor Tom Surtees addressed BCA's Labor and Employment Committee.



BCA Small Business Committee Co-Chairs Ron Perkins and Rick Roden discuss changes to the committee's 2013 legislative agenda.

LABOR AND EMPLOYMENT

The Business Council of Alabama strongly supports Alabama's "right to work" status for its benefits to economic growth, industrial recruitment and job creation. To this end, BCA works to protect Alabama's competitive edge nationally and internationally by fighting efforts to create a state minimum wage above the national minimum wage and opposing attempts to negatively influence the current balance between business and labor as it relates to unionization and contract negotiations. Employer-subsidized lock-outs, whereby locked-out employees are eligible for unemployment compensation, prolong labor disputes and have a chilling effect on industrial recruitment.

The BCA will actively work to:

- Continue to find solutions to workers' compensation medical cost issues, maintain an employer's right to choose the treating physician and second physician, and support legislation that allows for meaningful drug and alcohol testing of employees.
- Support legislation that would decrease fraud in unemployment and workers' compensation claims.

The BCA will support efforts to:

- Support workers' training initiatives that assist businesses in the employment of a trained workforce.
- Ensure that immigration laws impacting Alabama businesses do not impose

additional burdens on, or penalize, Alabama employers.

The BCA will actively oppose:

- Expanding state unemployment compensation benefits that incur increased taxes on Alabama business.
- Legislation that attempts to limit employers' freedoms to implement "employment at will" policies.
- Any legislation that would infringe on employers' right to provide a safe workplace by restricting unauthorized firearm possession on company property and/or creating any new causes of action against employers because of such policies.



SMALL BUSINESS

The Business Council of Alabama recognizes that small businesses provide the majority of Alabamians' jobs and that protecting entrepreneurial efforts sustains job growth. BCA supports protecting economic development funds currently allocated for small business development programs and encourages recognition of, and support for, entrepreneurial enterprises as essential to the state's economic development program. The BCA will not support unjustified reallocation of existing economic development funds already committed for specific projects.



Sen. Greg Reed updates BCA's Small Business Committee on upcoming legislative action as BCA's Anita Archie listens.

The BCA will actively work to:

- Educate its members on the implementation of the Affordable Care Act by hosting meetings, webinars, seminars and hosting other educational outreach meetings.
- Legislation that would provide income tax credits for the rehabilitation, preservation and redevelopment of residential or commercial historic structures to stimulate private investment, downtown and neighborhood revitalization and job creation.
- Enact legislation that defines "Small Business" as a business entity, including any affiliates that is independently owned and operated and employs less than 100 full-time employees.
- Evaluate and examine, in conjunction with the BCA's Health Committee, initiatives that aim to address the bottom-line challenge of rising healthcare costs.
- Form coalitions with associations and other groups to bring more awareness and focus on resolving the

challenges that threaten the economic viability of small businesses.

- Enact legislation that requires a small business regulatory flexibility analysis and a small business economic impact statement when a state agency proposes a new rule or rule change.
- Ensure legislation that creates and sets operating guidelines for an Alabama Healthcare Insurance Exchange will: focus on providing small businesses and individuals an option for purchasing healthcare insurance; base operation on free market principles; encourage competition within the market; provide transparency of quality measures to consumers; include business representation within the administrative oversight structure; avoid duplication of current regulatory authority; ensure the stability and reliability of the state's healthcare insurance market.
- Support workers' training initiatives that assist businesses in the employment of a trained workforce.
- Oppose any legislation infringing on employers' right to provide a safe

workplace by restricting unauthorized firearm possession on company property and/or creating any new causes of action against employers because of such policies.

The BCA will monitor:

- Small business government contracts to ensure that small business government contracts go to small businesses instead of subsidiaries of large companies.
- Provisions of the recently enacted immigration law to ensure that immigration laws impacting Alabama businesses do not impose additional burdens on, or penalize Alabama employers.

The BCA will explore:

- Legislation to provide for the carry forward of capital credits on capital projects of less than \$100 million of investment and that create less than 100 new jobs.

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Alabama Director of Finance Dr. Marquita Davis talks with Chairman Marty Abrams during the BCA Tax and Fiscal Policy Committee's meeting.

TAX & FISCAL POLICY

In keeping with long-term Business Council of Alabama policy, should any tax or tax reform initiatives be proposed, BCA will not consider supporting such legislation unless it is applied fairly without levying a disproportionate burden on any individual segment of Alabama's economy. Any tax reform proposal must be tied to governmental accountability and the elimination of wasteful spending.

The BCA will actively work to:

- Create the Alabama Tax Appeals Commission (ATAC) as an independent state tax agency, headed by a judge selected in a non-partisan manner who has specific training in state and local taxation. The legislation would also abolish the Administrative Law Division of the Alabama Department of Revenue.
- Enact the Alabama Taxpayers' Bill of Rights II, an update and expansion of the original landmark legislation enacted in 1992, which extends the appeal deadlines for taxpayers.

The BCA will support efforts to:

- Streamline and simplify our sales/use tax system so that in-state and out-of-state retailers are on a level playing field and provide a single point of filing for state and all local sales and use tax returns.
- Enact legislation that provides for the repayment of all funds transferred from the Alabama Trust Fund to the State General Fund, as authorized under Act # 2012-490 and ratified by the voters on the September 18, 2012 special election; provided, that (1) the elected leaders of each branch of government continue to eliminate waste and duplication of services in state government and that (2) no individual segment of the Alabama economy bear a disproportionate share of the financial burden.
- Establish a privilege for accountant work papers.
- Legislation to provide for a Research and Development income tax credit parallel to the federal R&D credit, with an extra incentive if a qualified research institution performs the re-

search.

- Enact legislation for state tax credits for the preservation and renovation of historic buildings.

The BCA will oppose:

- Establishing unitary combined reporting in Alabama.
- Any attempts by state taxing authorities to require disclosure, beyond those made in federal income tax returns, for uncertain tax positions or tax shelter items. Specifically, we oppose any state-specific disclosures.

The BCA will monitor efforts to:

- Regulate and set minimum standards for individual tax preparers.
- Regulatory amendments related to the calculation and proper utilization of tax credits for tax payments to other states and foreign governments by Alabama residents.
- Legislation to provide for the carry forward of capital credits on capital projects of less than \$100 million of investment and that create less than 100 new jobs.

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