



THE BUSINESS ADVOCATE

The Business Council of Alabama's 2012 STATE LEGISLATIVE AGENDA Adopted by the BCA Board of Directors on December 2, 2011



House Speaker Mike Hubbard and Senate President Pro Tem Del Marsh thanked the BCA for its hard work during the past session

At the Business Council of Alabama, we realize that our members, who represent three-quarters of a million working Alabamians, trust us to do our very best to protect their business when it comes to politics and policy-setting in the state capital. On the following pages are BCA's 2012 state legislative policies. The agenda, which was developed and refined during BCA's annual Committee Days in August 2011, will allow Alabama's legislators to be educated about our goals and policy objectives when the legislative session opens Feb. 7. 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 work force. 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 Education Committee members listen to legislative updates.



The Agenda

- Reform future teacher compensation to reflect their experience and performance in the classroom.
- Sustain funding, as appropriate, in the FY13 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.

- Actively pursue seamless workforce training programs to address immigration.
- Continue and maintain the regional and state workforce training development councils as the process for determining 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 AIDT and ATN) and emphasizes adult education programs.
- Enact legislation allowing for public charter schools in Alabama.
- 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 work-sites. 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 student understanding of

personal 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.
- 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, state resources be allocated to support such credentials at the secondary level.
- Change the governing authority of the Alabama Department of Postsecondary Education (including AIDT and ATN) 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.



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 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 Agenda

- Retain primacy for federal programs by coordinating with state regulatory agencies.
- Support efforts to address the problem of metal theft crimes and to ensure that the efforts are fair and reasonable in order to avoid unintended economic bur-



Rep. Mary Sue McClurkin speaks to BCA committee about bills affecting business



Sen. Arthur Orr updates BCA committee on legislative actions

dens to the recycling industry.

- Support efforts to pass the referendum to reauthorize the Forever Wild Program.
- Support fair treatment of industry through joint legislative initiatives.

The BCA will 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 and prohibit it within a certain distance of some geological feature (a river or lake) or preferred facility (school, hospital, etc.).

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.



Sen. Greg Reed tells the BCA Health Committee about challenges in the coming year.

The Agenda

- Enact legislation to provide for tax relief for medical 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 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.
 - Streamline the Certificate of Need process to minimize the length of appeals and, thus, reduce the costs to providers and consumers.
 - Discuss options to better clarify the roles of nurse practitioners in the provision of primary medical care services in Alabama.
 - Explore options for the Alabama Medicaid program to prevent the costs of uncompensated care from shifting to employer-sponsored health care plans.
- 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.

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

- Mandating employer-provided health care benefits or any legislation, resolution or regulation that would increase health plan costs.



BCA Health Committee Chairman Owen Bailey



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.

The Agenda:

- Clarify 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.
- 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 will 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.



Senate President Pro Tem Del Marsh visits with Judicial Committee Chairman Debbie Long and BCA member Denson Henry

- Support transparency and accountability in contingency fee contracts for legal work entered into by the State of Alabama.
- 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 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 oppose:

- Any legislation that allows persons to openly carry loaded or unloaded handguns in public or in the workplace.
- Infringing on employers' right to provide a safe workplace for employees by restricting firearm possession on company property when appropriate 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.



2011 BCA Chairman Will Brooke and 2nd Vice Chairman Carl Jamison



Rep. Phil Williams and BCA Small Business Chairman Ron Perkins listen to report by House Speaker Mike Hubbard



Lt. Gov. Kay Ivey talks with BCA small business members Greg Powell, Ron Perkins and Mack Ferguson of the Talladega Chamber of Commerce

The Agenda:

- 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 health-care 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.
- Clarify provisions of the recently enacted immigration law to ensure that immigration laws impacting Alabama businesses do not impose additional burdens on, or penalize, Alabama em-

ployers.

- 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 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 that allows persons to openly carry loaded or unloaded handguns in public or in the workplace.
- Monitor small business government contracts to ensure that small business government contracts go to small businesses instead of subsidiaries of large companies.



Sen. Trip Pittman addresses the Tax and Fiscal Policy Committee; below, Committee Chairman Marty Abroms discusses the agenda as BCA staff member Victor Vernon looks on.

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 Agenda:

- 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 updated and expansion of the original landmark legislation enacted in 1992, which extends the appeal deadlines for taxpayers.
- To enact agreed upon legislation to resolve the Revenue Department's problems and litigation over its

“gross income regulation” that affects partnerships, S-corps, LLCs and other “pass-through” entities, which earn income both in and outside of Alabama. The legislation would: (1) prospectively recognize the non-Alabama income; and (2) provide a pass-through tax credit for income/franchise taxes paid to other states and foreign countries by the entity, on behalf of its resident owners.

- 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 the Alabama Retail Association's internet purchaser notification

bill, commonly called the “pop up bill.”

- Establish a privilege for accountant work papers.
- Monitor efforts to regulate and set minimum standards for individual tax preparers.

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.

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 lockouts, whereby locked-out employees are eligible for unemployment compensation, prolong labor disputes and have a chilling effect on industrial recruitment.

The Agenda:

- Enact legislation for comprehensive Workers' Compensation reform to include finding solutions to medical cost issues, decreasing fraud in unemployment compensation workers' claims, maintaining an employer's right to choose the treating physician and second physician, and allowing meaningful drug and alcohol testing of employees.
- Find solutions to medical cost issues, including consideration of changes to the Workers' Compensation medical fee schedule and evaluation of the need for an outpatient surgery fee schedule.



Frank Filgo and Kimble Coaker of the Alabama Trucking Association hear presentation



Committee Co-Chair Paige Goldman and Chairman Freda Bacon listen as Rep. Paul DeMarco updates Labor Committee



Education Committee Chairman Bob Powers talks with Dr. Amy Bishop of the Workforce Development Office and Rep. Pebblin Warren.

- Clarify 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.
- Support workers' training initiatives that assist businesses in the employment of a trained workforce
- The BCA will 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 allows persons to openly carry loaded or unloaded handguns in public or in the workplace.

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The Business Advocate is published by the Business Council of Alabama, Alabama's foremost voice for business. The BCA is a non-partisan statewide business association representing the interests and concerns of three-quarters of a million working Alabamians through its member companies, and is Alabama's exclusive representative to the National Association of Manufacturers and the U.S.

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