

Alabama Legislative Report

Week Ending March 17, 2023

Special Session

The Alabama Legislature concluded the first (and hopefully only) special session of 2023 on Thursday with the passage of HB1 and SB1. Governor Ivey quickly signed both bills into law. HB 1 appropriated the remaining \$1.06 billion of American Rescue Plan (“ARPA”) funds. The only amendment to the bill clarified that the water and sewer infrastructure grant allocation funds may also be used for stormwater infrastructure projects. The amendment also provides that the Department of Environmental Management shall require matching funds from grant recipients of thirty-five percent (35%) or more (as opposed to a lesser amount) for a portion of the funds. The signed bill authorizes the Department of Finance to spend the following amounts in each category:

1. Up to \$339,175,000 for healthcare and related services related to the coronavirus
 1. \$100,000,000 to reimburse hospitals
 2. \$100,000,000 to reimburse nursing homes
 3. \$5,000,000 to reimburse veteran’s hospitals
 4. \$40,000,000 to reimburse the State Employees’ Insurance Board
 5. \$40,000,000 to reimburse the Public Education Employees’ Health Insurance Board
 6. \$25,000,000 to support mental health programs
 7. \$9,000,000 to facilitate the expansion of telemedicine
 8. \$20,000,000 to assist with a voluntary clinical trial to enable access to personalized medicine
 9. \$175,000 to reimburse coronavirus vaccine voucher programs for public university students
2. Up to \$260,000,000 for the expansion of broadband
3. Up to \$400,000,000 for water and sewer infrastructure projects
 1. \$395,000,000 may be delegated to ADEM to utilize in the following manner:
 1. \$195,000,000 for water and sewer systems for high-need projects
 2. \$200,000,000 for matching grants to public water, sewer, and stormwater projects
 2. \$5,000,000 for wastewater improvement grants in the Alabama Black Belt
4. Up to \$55,000,000 for programs such as food assistance, senior services, victims of domestic violence, long-term housing security and other related social-welfare programs
5. Up to \$5,000,000 to the Department of Labor to reimburse it for the expense of conducting unemployment hearings related to the coronavirus
6. The remainder is used for administrative purposes

SB1 appropriated almost \$60 million to repay the Alabama Trust Fund for funds borrowed during the Great Recession to shore up state budgets. The Legislature will reconvene on Tuesday to restart the Regular Session.

Upcoming Priorities

House Speaker Nathaniel Ledbetter and Senate Pro Tem Greg Reed have indicated the Legislature will now turn their attention to the renewal of Alabama’s economic development incentive programs. Ledbetter said that the Alabama Jobs Act “is going to be priority No. 1 coming back after break.” The legislation has not yet been introduced, but the Department of Commerce, Governor’s Office, and interested stakeholders have been meeting for months to fine-tune the legislation. The programs are set sunset on July 31, 2023, unless the renewal legislation is passed.

Governor Ivey must also release her proposed Education and General Fund budgets on Tuesday. While the proposed budgets are always altered by the Legislature, the proposals will give the public a first look at the Governor's priorities for FY 2024.

Due to the special session, legislators have not been able to introduce bills to be considered in the regular session since March 7. This will likely result in the introduction of dozens of bills on Tuesday. Buckle up. Things are about to start moving in the Alabama State House.

The Legislature is set to adjourn for its Spring Break at the end of next week and then reconvene on April 4.