

Alabama Legislative Report March 24, 2023

Budgets Released

Governor Ivey transmitted her budget proposals to the Legislature this week as the Regular Session reconvened after the conclusion of its Special Session.

The **General Fund** proposal, filed as HB124 by Rep. Rex Reynolds, requests \$2.97 billion in total spending, or about \$230 million more than Fiscal Year 2023. It would be the largest General Fund budget ever and includes a two percent pay raise for state employees. Much of the increase in spending would flow to the Alabama Medicaid Agency, as extra federal payments are being eliminated due to the Covid-19 emergency proclamation's expiration in May, and the Alabama Department of Corrections as the state continues to try to recruit more correctional officers and satisfy federal court orders. The initial proposal also includes \$50 million to the General Fund budget reserve fund to be used during lean times. HB125, which is the **General Fund supplemental** appropriation from the current Fiscal Year due to higher-than-expected revenues, provides approximately \$190 million across a variety of agencies and includes \$40 million to accelerate the retirement of state debt. The supplemental appropriation also provides \$43 million to the Department of Mental Health primarily for the construction costs of expanding Taylor Hardin Medical Facility in Tuscaloosa. Both General Fund bills will begin in the House as the Senate will be the first chamber to move the Education Trust Fund bills.

The **Education Trust Fund** proposal, filed as SB88 by Senator Arthur Orr, requests \$8.8 billion in spending. This would also be the largest Education Trust Fund budget in Alabama's history. The proposal includes a 2% pay increase for all education employees and increases the amount of classroom materials funding to \$1,000 per teaching unit. New initiatives, such as the Alabama Numeracy Act, which was passed by the Legislature to address Alabama's lagging math scores on standardized tests, has a proposed increase of \$25 million to \$40 million total. \$15 million in new funding is also proposed to support the Alabama State School Board's new policy that students must earn a college and career readiness indicator to graduate.

The **Education Trust Fund supplemental** bill, filed as SB87, is likely to be heavily modified by the legislature primarily due to the nearly \$1 billion in proposed tax rebates for Alabama income tax filers. Governor Ivey proposed rebates of \$400 for individuals and \$800 for families. The Legislature has indicated they may be more inclined to consider smaller rebates and other types of tax relief, including permanent tax cuts. The supplemental also includes \$10 million for existing charter schools, \$24 million for summer math camps, and \$4.1 million for new classrooms to facilitate the growth in Alabama's First-Class Pre-K program. Senator Orr has stated he expects movement on the Education Trust Fund proposals by the end of April as the Legislature begins its review of Governor Ivey's proposed budgets.

Priority Bills on the Move

The Legislature began passing bills out of their originating chambers this week, almost all of which were passed unanimously. In the Senate, notable bills that passed were SB113 by Senator Gudger which requires **health care facilities and nursing homes** to allow in-person visits in certain situations, including end-of-life scenarios or during childbirth. SB104 by Senator Chris Elliott reforms **Dram Shop liability** law. Current law provides that any establishment that serves a person alcohol over the course of the night can be held liable if that person later causes harm. SB104 clarifies that an establishment would have to knowingly provide alcohol to someone over the age of 21 who is visibly intoxicated to be held liable. Supporters say the bill could help lower business insurance ratings. SB56 by Senator Arthur Orr would require **cameras in classrooms** in which at least 50% of the students receive special education services. Due to recent allegations of abuse or neglect in special education settings, the cameras would record audio and video during school hours and at any time a student is present and would be available for review by law enforcement, the student's parents, school administrators, and legal counsel. The school would be required to keep the recordings for at least three months.

In the House, notable bills that passed included HB1 by Rep. Matt Simpson, which adds **mandatory minimum sentences** for fentanyl possession and trafficking. HB101 by Rep. Ginny Shaver streamlines the **adoption process** in Alabama. It would reduce the number of in-person court procedures, allow for electronic communication throughout the process, and update and simplify the law to be clearer. Both bills are expected to pass the Senate in upcoming weeks.

The Legislature has adjourned for its Spring Break and will reconvene on April 4th for its fifth legislative day out of a potential thirty.