

advocate for SCHOOLS



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Appointed Superintendents Bill

The Special Session has delayed introduction of AASB's bill to transition all elected county superintendents to appointed. Elected superintendents have shared that in the first two years they are free to focus on schools and students; after that, they must switch to campaign mode. Alabama and Florida are the only remaining states with this outdated governance model.

Legislative & Policy Agenda

AASB helps local education leaders improve student achievement through advocacy for Alabama's public schools. AASB's more than 800 members represent every public school board in the state. AASB's policy agenda (LINK) represents their collective voice.

Advocacy Days

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2019 Legislative Session

1st Special: 9 days remaining
Regular: 29 days remaining

2019 Legislative Session: Hurry Up and Wait

Practically speaking, no sooner had the gavel been struck Tuesday at noon to open the Legislature's 2019 Regular Session than the session was put on hold until March 19 so a special session on the governor's infrastructure plan could begin. **The session-within-a-session plan was hinted at during the governor's State of the State address and quickly put into action once the Legislature recessed the regular session following Gov. Ivey's Tuesday night speech.**

Isolating the three-bill infrastructure plan, more frequently referred to as the gas tax, in a special session is political strategy to increase the likelihood of approval for the 10-cent per gallon plan. The state constitution requires state budgets be the first priority of a regular session, so any act passed before the budgets requires passage of a Budget Isolation Resolution (BIR) vote prior to action on the bill. The BIR requires a 3/5 vote for passage. This higher burden can – and frequently does-- kill bills which only can muster the majority vote needed to pass but cannot garner approval of the BIR. Because a BIR vote is not needed in a special session, only a simple majority will be needed to approve the gas tax. In addition, only those bills the governor included in the call for the special session can be approved by a majority vote, but any others require a three-fifths vote.

Special Session to Address Infrastructure Funding

The mainstay of the infrastructure plan is a bill to increase the tax on gas and diesel fuel by 10 cents a gallon over 3 years. The bill would raise the tax 6 cents this year, and then would increase 2 cents in 2020 and 2021. It also would create a new annual user fee for electric (\$200) and hybrid (\$100) vehicles. All of the money raised would be deposited into the Rebuild Alabama Fund for disbursement.

Even with a supermajority of their party in both chambers, the governor and legislative leadership are leading a full-court press to win approval for a tax increase. The well-coordinated campaign notes the state's current 18 cents per-gallon tax has not been raised since 1992, and half of Alabama's 16,000 bridges are older than the 50-year life span. "Bridges should be replaced every 50 years," Ivey noted in her State of the State address. "Yet, county governments are on schedule to replace their bridges every 186 years! Folks, that's almost as long as Alabama has been a state."

Since tax increases must start in the house, the three bills were introduced Wednesday and approved by committee Thursday. The other bills in the package would (1) increase legislative oversight for the Department of Transportation and (2) create a bond issue for the State Docks in Mobile. As of press time today, the House had passed the gas tax and DOT oversight bills and could go until Saturday to complete debate and votes



on the third bill. From there, the bills will go to the Senate for consideration. Friday was the 3rd legislative day of the special session, which can last no longer than 12 legislative days (actual meeting days), and must, based on the governor's call, conclude by March 19.

Strong Forecast for Education Budget

Lawmakers will have some \$482 million to increase appropriations for all of public education. In the customary [budget presentation](#) provided on the first day of the session, State Legislative Services Agency Deputy Director Kirk Fulford reported a positive financial outlook for both the General Fund and the Education Trust Fund. A strong economy and an increase in tax revenues have placed the Legislature in a position to inject some \$482 million more than the previous year into the ETF budget for FY20, which begins Oct. 1. Revenues to the ETF grew by 6.7 percent in FY18, buoyed by a \$360 million increase in gross individual income taxes as well as a \$100 million increase in gross sale taxes. The Legislature is expected to pass an education budget topping \$7 billion for the first time.

While details of Gov. Kay Ivey's budget proposals are on hold until the end of the current special session focused on Ivey's proposed gas tax hike, expected increases include a teacher pay raise, funding for pre-kindergarten programs and school resource officers. Money for classroom instructional materials also is expected to be a priority, potentially restoring funding to the pre-recession levels of 2008. The budget will start in the Senate and finish in the House this year. Each Chamber and its budget committee often make significant changes throughout the budget process. Although today's booming economy is providing a boost to education budget, Fulford cautioned lawmakers to carefully weigh any increases they choose to fund for FY20. Financial sustainability must be a consideration as the potential exists for an economic slowdown in 2020.

Budget Supplemental FY19

An estimated \$270 million from the Education Advancement & Technology Fund for public education could be available for schools to use this fiscal year. For K-12 school systems, that would be just under \$200 million to use in the current fiscal year. School leaders urge lawmakers to act swiftly to release the Ed Advancement & Technology funds in a supplemental appropriation.

To Be Continued...

While the Special Session moves forward, the Regular Session is essentially on hold. A number of bills were introduced Tuesday, but can see no further action until the Regular Session reconvenes March 19. Since the Governor's budget is due to the Legislature by the 2nd legislative day, members normally have it the day after the State of the State. This year, that was not the case since the 2nd legislative day been delayed. The budget will be presented no later than March 19. A few bills were introduced this

week relating to education, several of which have been seen in previous years (see below). One new bill of note is a new Tier 3 proposal.

Tier 3 to Help with Teacher Recruitment, Retention

A united education family has been working since fall to develop workable improvements to the Tier 2 retirement benefit for TRS employees. The proposal has been introduced as HB 77 by Rep. Alan Baker and has been referred to the House Ways & Means Education Committee. The new system, known as Tier 3, would be for employees hired after October 1, 2020 and any active Tier 2 plan member who elects to opt in. Changes include:

- Benefit multiplier of 2% (currently 1.85% for Tier 2)
- Retirement eligibility after 30 years (currently only at age 62 with 10 years of service)
- Provides for sick leave conversion (not allowed under Tier 2)
- Member rate increases to 7.5% (currently 6%)

None of these changes affect Tier 1 members and would only apply to Tier 2 members who opt in. The expectation is that these changes will be one of a series of changes we as a state need to make in order to recruit and retain educators.

Ed Legislation Introduced This Week

SB Coleman-Madison – New City School Systems

Increases minimum population for establishing a city board of education from 5,000 to 15,000.

SB 14 Melson & HB 62 Ledbetter – Bible Electives

To allow public schools to offer elective courses on the study of the Bible in grades 6-12.

SB 15 Whatley – Allow Students to Carry Epi-pens

Kyle Graddy Act to allow possession and self-administration of auto-injectable Epinephrine.

SB 20 Smitherman – Anti-bullying Programs

Appropriate \$14 million from ETF in order to allocate \$10k for every school to establish and maintain an anti-bullying program.

HB 1 Hanes -- DROP "Lite"

Would provide a deferred retirement option plan for Tier I and II members.

HB 21 Baker – Partial Lump Sum

To provide TRS & ERS members an option of electing to receive a partial lump-sum payment under certain conditions.

HB 42 England – Local Option to Remove Grocery Tax

Allow local governing bodies to remove sales & use tax on food.

HB 72 McCampbell – Challenged Schools

Change wording in AAA from "failing" to "challenged."

HB 78 Reynolds – Increase Retiree maximum compensation

Increase maximum annual compensation allowed under TRS and ERS for a retiree performing duties with a participating employer.

HB 108 Baker

Alabama Industry Recognized & Registered Apprenticeship Program Act