

# advocate for SCHOOLS



TO SEE A LIST OF BILLS TRACKED BY AASB  
DURING THE 2023 REGULAR SESSION,  
CLICK ON BILL TRACKER BELOW:



## Grocery Tax Reduction

All 35 senators signed off on [S.257](#), a bill sponsored by **Sen. Andrew Jones** to gradually reduce the state sales tax on groceries as defined by the federal Supplemental Nutrition Assistance Program (SNAP) from **4% to 2%** by 2026.

While there is no fiscal note, reports suggest a \$150 million cost to the ETF when fully implemented. However, the bill does ensure some protection to the ETF by only allowing tax reduction if total net receipts grow by at least 2% compared to the previous fiscal year.

## Don't Miss This Legislative Webinar

Join us **Monday, May 1** from noon to 1 p.m. and **earn one training hour** for our free webinar featuring **House Ways and Means Education Committee Chair Rep. Danny Garrett**, who will discuss Alabama's tax structure and offer a deeper understanding of how Alabama compares to other states.

[REGISTER NOW](#)

**2023 Regular Legislative Session**

**15 Days Remain**



## Session Hits Halfway Mark, ETF Budget Expected to Move

**The Legislature has completed 15 of its 30 legislative days, officially marking the halfway point of the regular session.** Meanwhile, the education community awaits discussion on the Education Trust Fund (ETF) Budget and other related appropriations bills that are expected to go before the **Senate Finance and Taxation Education Committee** Wednesday.

### What is at stake?

➤**ETF Budget - FY 24 (S.88 Orr)** - While Gov. Kay Ivey's recommended budget is a \$537 million increase over current year and includes a 2% pay raise for educators, the proposal does not adjust K-12 divisors to lower the teacher-to-student ratio or adjust the ADM requirement for assistant principals. Preferably, a full assistant principal unit would be earned for every 250 students in all schools. **School boards need** a substitute budget that will address vital K-12 needs absent from the governor's budget proposal.

➤**Supplemental Appropriation (S.87 Orr)** - Ivey's supplemental appropriation recommendation allocates \$2.8 billion in excess ETF receipts, with half of those funds earmarked for non-education expenses. **AASB believes** education dollars should be dedicated to programs and initiatives that directly benefit students. School boards want to see these non-education allocations redirected to true education expenses and a substantial increase in capital outlay to combat inflationary construction costs.

➤**Education Advancement and Technology (EAT) Supplemental Appropriation** - No EAT supplemental has been introduced as of now. Since 2018, school boards have relied on this appropriation for essential non-recurring expenses in schools such as repairs, deferred maintenance, capital outlay, classroom instructional support, insuring facilities, technology, transportation and school security. For the last three years, close to

\$600 million in EAT funds have been allocated to school boards. **AASB is closely watching to see if an EAT supplemental will emerge.** If not, will the governor's supplemental appropriation be amended to include line items to address the lack of an EAT appropriation this year?

➤**Rolling Reserve Act (S.101 Orr)** - Revisions to the Rolling Reserve Act propose a savings account where 20% of any ETF surplus would go to an Education Opportunities Reserve Fund (EOSR) to support, according to the bill's sponsor, educational obligations such as Alabama's Numeracy and Literacy Acts during economic downturns. The bill also would permit access to the funds without the governor declaring proration.

The bill has some safeguards preventing its use for capital outlay, salary increases, or new programs, but **AASB believes stronger language is needed to ensure the EOSR is ONLY for public education.**

### Public Hearings on Voucher Bills

House and Senate lawmakers held public hearings Wednesday on two education voucher bills that will have a negative impact on available dollars for K-12.

### PRICE Act

**The Senate Education Policy Committee** heard from proponents and opponents of the Parental Rights in Children's Education (PRICE) Act ([S.202](#)), sponsored by **Sen. Larry Stutts**. This bill would allow students to receive \$6,900 in an Education Savings Account (ESA) for "qualifying" expenses related to private, religious or homeschool options.

Representing AASB as an opponent to the bill, **Montgomery Public Schools Chief School Financial Officer Arthur Watts** contended the PRICE Act would result in the dismantling of public education and emphasized lack of accountability as a significant concern. The lack of oversight, coupled with an

estimated \$600 million hit to the ETF if fully implemented, could lead to the loss of approximately 8,500 teachers and Other Current Expense (OCE) dollars, **Watts** said.

Other public education advocates speaking against the bill stated the debate boils down to using public school dollars to fund private schools.

**Senate Education Policy Chair Sen. Donnie Chesteen** recommended the bill be recommitted to the ETF budget committee, stating the policy committee is not the appropriate body to address the appropriations the bill would require. The bill's sponsor argued the move was a stalling tactic since he had initially requested the bill to be considered by the budget committee.

The House companion bill, **H.295** by **Rep. Ernie Yarbrough**, will go before the **House Education Policy Committee** Wednesday. AASB has called a public hearing.

### SUN Vouchers

AASB was the only public education group asking the **House Ways and Means Education Committee** to oppose another school voucher program.

The Students with Unique Needs (SUN) Education Scholarship Account Program (**H.334**), proposed by **House Ways and Means Education Chair Rep. Danny Garrett** and co-sponsored by **Rep. Terri Collins**, is designed to provide vouchers for students with unique needs including children of military parents, students with an Individualized Education Plan (IEP) or 504 accommodation, foster children or homeless children and would allow parents to use public dollars to attend private schools and access education service providers.

The SUN Program would allow up to 500 eligible students to participate in 2024-25, with an additional 500 students permitted to enroll each subsequent year. The **fiscal note for SUN** is an estimated \$3 million from the ETF in 2025, with up to an additional similar amount each fiscal year thereafter.

*“The problem with the SUN Program, while well-intended, is that it’s like kudzu...it will start off small, but will keep growing,” AASB Executive Director Sally Smith said.*

Speaking during a public hearing of the House Ways and Means Education Committee, **AASB District 3 Director Rev. Russell Clausell** argued resources should remain in public schools to support students with unique needs rather than leaving them in the hands of private institutions. “Funds should be reallocated to increase support for at-risk and special education programs which are currently underfunded,” **Clausell** said.

**Make no mistake - even though SUN is limited in scope and arguably has a few accountability provisions, it is at its heart damaging to public education.**

The House Ways and Means Education Committee is expected to vote on this bill next week.

### AAA Is Back

**Sen. Donnie Chesteen** introduced (**S.263**) Thursday, a bill to amend Alabama’s Accountability Act (AAA) that may be the Legislature’s response to several school

choice bills introduced this session.

**S.263** seeks to broaden school choice options already available for parents. The proposed changes include:

- Extending eligibility to students with unique needs defined as those with an IEP or 504 accommodation
- Expanding eligibility by increasing the federal poverty level income threshold to 250%
- Replacing "failing" and "non-failing" labels with "priority" and "qualifying"
- Increasing the scholarship awards up to \$10,000 for all students
- Defining qualifying schools as public or accredited non-public institutions
- Permitting qualifying expenses for students
- Reimbursing local school boards for contracted services
- Increasing the tax credit cap to \$40 million annually, with automatic \$10 million increases (until it reaches \$60 million) if the cumulative amount of tax credits issued exceeds 90% of the set cap for three of four consecutive years
- Encouraging private school enrollment by reserving 25% of first-time scholarships for eligible students who have not ever been enrolled in a private school

### Tax Credits, Cuts and Exemptions

AASB is keeping track of bills proposing tax credits and tax cuts that would reduce the ETF appropriation cap. Any reduction would have a significant negative impact. **School boards must protect the ETF. The economy may not always be as robust and schools still have many unmet needs.**

### Committee Action

**H.65 (Collins) - Competitive Bid Increase** - would increase the minimum amount from \$15,000 to **\$40,000** for contracts subject to competitive bid for city and county boards of education. **Bill goes to full Senate for final passage**

**H.164 (Whitt) - Financial Literacy** - would require students to complete a personal financial literacy and money management course and exam before graduation. **Bill goes to full Senate for final passage**

**H.333 (Garrett) - Modified School Calendar Grants** - would offer school boards the option to voluntarily extend school calendar by 30 instructional days, with the goal of enhancing student achievement. The grant program would be established and administered by the State Department of Education to financially support the extended school year. **Approved by House committee**

**H.364 (Hurst) - School sporting events payment options** - would require public schools to accept all forms of payment, including cash, for admission to school-sponsored sporting events. **Approved by House committee**

### Gone to Governor

**S.52 (Orr) - Alabama Safe at Schools Act** - would amend the Alabama Safe at Schools Act to apply to students with adrenal insufficiency. **Awaiting Governor’s signature**

## AASB LEGISLATIVE TEAM



**Sally Smith, J.D.**  
Executive Director

ssmith@AlabamaSchoolBoards.org



**Bart Reeves, Ed.D.**  
Assistant Executive Director  
for Governmental Relations

breeves@AlabamaSchoolBoards.org



**Tracey Meyer**  
Governmental Relations  
Coordinator

tmeyer@AlabamaSchoolBoards.org