

advocate for SCHOOLS



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



Legislative Conference Committee

Conference Committee reports and required legislative fiscal updates needed time to be completed Thursday. Both chambers gavelled into session after midnight which burned a full legislative day.

According to joint rules of the Alabama Legislature, a Conference Committee shall be appointed to reconcile the difference on pending legislation between the two houses and consists of six members, three from the House and three from the Senate. A Conference Committee on an appropriation bill can only address differences in monetary amounts or language differences between the House- and Senate-passed versions of the legislation. Conferees for the FY24 Budget and other budget-related bills:

Sen. Arthur Orr
Sen. Clay Scofield
Sen. Bobby Singleton
Rep. Danny Garrett
Rep. Joe Lovvorn
Rep. Anthony Daniels

Upcoming Legislative Schedule

May 31: Two-day week

2023 Regular Legislative Session

3 Days Remain

ETF Budget Crosses Finish Line, Goes to Governor

After a late night of conference committee meetings, the House and Senate concurred Thursday on a hefty **\$8.8 billion Education Trust Fund (ETF) budget for FY24, providing an additional \$537 million over the current fiscal year.** There were no substantial changes for K-12 line item allocations from the Senate-passed to House-passed versions and only a minor change was made by conferees to language for classroom materials and supplies.

Included in the FY24 ETF Budget now headed to the governor are a 2% across-the-board pay raise for educators, an increase in the Foundation Program for reconfiguring support personnel salary schedules and an expanded school nurses salary matrix.

Support Personnel - An additional **\$15 million** has been embedded in the Foundation Program for Other Current Expense (OCE) to be allocated to each school system with the requirement schools pay support personnel no less than \$15 per hour.

School Nurses - The **\$65.5 million** allocation for FY24 includes an **additional \$15 million** for an expanded school nurse salary matrix that now reflects additional steps up to 35 years of experience and degree levels. Included in the budget is a pledge by the Legislature to provide funding for every school to have a school nurse by FY29 (an estimated additional cost of \$60 million).

FY24 ETF Budget

Increases over FY23:

- Transportation - **\$26.6 million**
- Alabama Numeracy Act - **\$25 million**
- Computer Science - **\$3 million**
- Career Tech Initiative (focusing on middle school grades) - **\$4.5 million**
- Career Coaches - **\$6.5 million**
- Jobs for AL Graduates (JAG) - **\$1.5 million**
- Student Info Mgmt. System - **\$4 million**

- Bullying Prevention - **\$1 million**
- Arts Education - **\$300,000**
- Gifted Students Program - **\$500,000**
- High Hopes - **\$1 million**

New Line Items:

- Afterschool/Summer Learning Program Grants - **\$2.8 million**
- College and Career Readiness (CCR) grants - **\$15 million**
- Special Ed Teacher Stipend (\$1,000/per special ed teacher) - **\$4.6 million**
- Speech Therapist Stipend - **\$500,000**
- Principals Leadership Program - **\$850,000**
- Office of School Improvement - **\$950,000**
- Office of Specialized Treatment Centers - **\$800,000**
- Grants for Special Ed Classroom Cameras - **\$500,000**
- High School Athletic Trainers Incentive Program - **\$300,000**

Also included:

- **Middle school divisors** lowered to **20.06** (from 20.43)
- **Classroom Materials & Supplies (\$1,000/unit)** - Half of this amount to be pre-funded in the ETF Supplemental Appropriation so teachers can use funds before the 2023-24 school year begins. Language was amended in Conference Committee stating 100% of funds allocated for classroom materials and supplies shall be used for in-classroom expenses.
- **FY24 ETF Budget - [S.88 Orr](#)**
- **[FY24 ETF Spreadsheet](#)**
- **Pay Raise - [S.85 Orr](#)**

K-12 Funds Restored

The House Ways and Means Education (HWME) Committee Wednesday approved an amended version of the \$2.8 billion ETF Supplemental Appropriation that would have diverted money from K-12 to increase the amount of a one-time taxpayer rebate. The House had approved giving individual tax-

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payers a rebate of \$210/\$420 per couple which doubled the amounts recommended by the Senate and carried a **\$550 million** price tag. To help fund the House rebate proposal, **\$76 million was taken from the K-12 Capital Grant Program**, which dropped available dollars for school systems to **\$104 million**. The House also cut the amount going to the newly-created Rolling Reserve Savings Account to **\$279.2 million** - almost half of what the Senate had originally allocated. The House changes required concurrence by the upper chamber, which did not happen, sending the bill to conference. Once there, the joint committee settled on **one-time taxpayer rebates of \$150/per individual and \$300/per couple**, costing **\$393 million**. With \$157 million saved from reducing the rebate amounts, conferees were able to add **\$74.7 million** into the Rolling Reserve Savings Account, bringing the total to **\$354 million** and steer **\$75 million back into the K-12 Capital Grant Program**, upping the **total to \$179 million** which will be available for school systems through a grant process.

- **ETF Supplemental Appropriation - [S.87 Orr](#)**
- **Taxpayer Rebate - [S.86 Orr](#)**

K-12 Capital Grant Program

In the absence of an Education Advancement and Technology (EAT) Supplemental Appropriation this year, school boards have advocated all session for additional dollars for K-12 capital projects. The ETF supplemental allocates \$360 million to help offset inflationary increases in capital projects, but it does not come close to the amount necessary to address K-12 capital needs across the state. The K-12 Capital Grant Program established in **S.269** (with earmarked funds in the ETF supplemental of \$179 million) enables school systems to apply for and use funds in the same manner as under the EAT appropriation for capital projects, debt service, deferred maintenance, school safety and technology and equipment. The Lt. Governor's Office will oversee the grant program.

- **K-12 Capital Grant Program - [S.269 Orr](#)**

Rolling Reserve Makeover

The bill amending provisions of the Rolling Reserve Act also went to Conference Committee. **S.101** would implement a change to the ETF appropriation cap by gradually lowering it from 6.5% to 5%. However, the Conference Committee agreed to set the cap at 5.75% with a scheduled .25% reduction over the next three years.

The bill's sponsor, **Senate Finance and Taxation Education Committee Chair Sen. Arthur Orr**, primarily crafted the legislation to create a savings account, accessible during lean economic years when revenue doesn't dip low enough for the governor to declare proration. When revenue surpasses the ETF appropriation, the savings account becomes the final "bucket" of funding to be activated in the Rolling Reserve process. This process initiates a series of cascading transfers to various funds such as the ETF Rainy Day Account, Budget Stabilization Account, Education Advancement and Technology (EAT) Fund and the newly proposed Rolling Reserve savings account (Education Opportunities Reserve Fund). The legislation also provides clear guidelines detailing the conditions under which lawmakers can utilize these funds.

- **Rolling Reserve Revisions - [S.101 Orr](#)**

Grocery Sales Tax Reduction

House Ways and Means Education (HWME) Committee Chair Rep. Danny Garrett introduced (**H.479**) with

99 of 105 House members signed on as co-sponsors to decrease Alabama's grocery sales tax. The first cut, from 4% to 3%, would occur on Sept. 1, 2023 and would be reduced to 2% on Sept. 1, 2025, but only if revenue to the ETF that year is at least 2% higher than the previous year. When fully implemented, a projected annual hit to the ETF of **\$318 million** is expected. The House passed the bill 103 to 0 Thursday. It now heads to the Senate where all 35 senators co-sponsored similar legislation, signaling overwhelming support for the tax reduction.

AAA One Step Closer to Final Passage

The **HWME Committee** approved **S.263**, a bill sponsored by **Sen. Donnie Chesteen** aimed at expanding the Alabama Accountability Act (AAA). Endorsed by the State Department of Education, this legislation:

- Expands AAA eligibility beyond students in failing schools to include students with unique needs, such as those with Individualized Education Plans (IEPs) and 504 accommodations
- Replaces the term "failing school" with "priority school"
- Brings the definition of priority schools in line with the state report card, applying to schools that receive a grade of "D" or "F"
- Reduces reporting requirements for designating underperforming schools solely to the state report card

Of Concern: This legislation also includes an increase in the AAA tax credit. The initial amount would rise from \$30 million to \$40 million, with an eventual cap of \$60 million based on participation. This increase in tax credits would lead to reduced ETF funding available for school systems. **Bill goes to House for final passage**

Mayor Prohibition on City BOE

AASB's endorsed bill (H.503), sponsored by **Rep. Tracy Estes** received unanimous approval by the **House Education Policy Committee** Wednesday. This legislation would prohibit mayors from serving on city school boards. Under existing law, city council members cannot serve on the city school board. A previous Attorney General's opinion stated that both positions qualify as an office of profit, meaning one cannot receive compensation from both. Even though some city school boards do not pay their board members, this legislation would still expand the prohibition to include mayors, regardless of whether a future Attorney General's opinion determines the school board seat is or is not an office of profit. **Bill goes to full House for vote**

Student Discipline Due Process

The **House Education Policy Committee** narrowly approved **H.269** by voice vote Wednesday. Sponsored by **Rep. Terri Collins**, the bill would establish a uniform due process system for students facing suspension or expulsion for conduct violations. During last week's public hearing, concerns were expressed prompting Collins to amend the bill. One of AASB's issues was a provision mandating an agreed-upon neutral party to oversee a hearing, requiring consensus between the school board and the student's parent. The amended bill removes this provision. Another amendment addressing AASB's concerns now includes language permitting school systems to suspend students who substantially disrupt the classroom environment. AASB commends Rep. Collins for her willingness to collaborate on this bill with concerned parties. **Bill goes to full House for vote**