

# advocate for SCHOOLS



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



## PRICE Act Back Again

The Senate Finance and Taxation Education (FTE) Committee will hold a public hearing Wednesday, May 10 at 10 a.m. on the PRICE Act ([S.202](#)) by Sen. Larry Stutts.

This voucher bill is damaging to public education and would divert millions of dollars from the ETF. Supporters of the PRICE Act are actively working legislators for its passage. Lawmakers need to hear from school board members about the harm this legislation would cause to school systems if public school dollars are funneled to private, church and home-school students.

## [PRICE Act Summary](#)

## Senate FTE Committee Members

Contact the following Senators at (334) 261-0800

- Arthur Orr, Chair
- Gerald Allen, Vice Chair
- Rodger Smitherman
- Greg Albritton
- Tom Butler
- Donnie Chesteen
- Vivian Davis Figures
- Garlan Gudger
- Kirk Hatcher
- Jay Hovey
- Tim Melson
- Dan Roberts
- Clay Scofield
- David Sessions
- Bobby Singleton
- Jabo Waggoner

## ETF Budget Package Passed in Senate, Goes to House

The record-breaking \$8.8 billion FY24 Education Trust Fund (ETF) budget and related appropriations bills moved at lightning speed, with approval by the Senate Finance and Taxation Education Committee Wednesday and passage in the full Senate Thursday.

As expected, several changes were made to Gov. Kay Ivey's recommendations for the ETF budget, one-time tax rebate and \$2.8 billion ETF supplemental appropriation.

➤ **ETF Budget - FY24 ([S.88 Orr](#))** - The budget represents a 6.5% increase over current year which includes a 2% across-the-board pay raise for educators. The Senate also added the following line items:

- **\$4.6 million** - Special Ed Teacher Stipend (\$1,000/per special ed teacher)
- **\$15 million** - Support Staff Salary Increase
- **\$15 million** - School Nurses Program Increase (goal is to have a nurse in every school)
- **\$500,000** - Speech Therapist Stipend
- **\$850,000** - Principals PD Plan
- **\$500,000** - Grants for Special Ed Classroom Cameras
- **\$300,000** - High School Athletic Trainers Incentive Program

## [ETF Spreadsheet, Senate Passed](#)

➤ **Tax Rebate ([S.86 Orr](#))** - While the governor recommended a one-time \$400/per taxpayer rebate totaling \$966.8 million, the Senate settled on a one-time rebate of **\$105/per taxpayer**, bringing the price tag down to **\$273 million**.

## K-12 Capital Grant Program Fund

Local school boards have been puzzled by the absence of an Education Advancement and Technology (EAT) supplemental appropriation this year. In response, **Sen. Arthur Orr** introduced [S.269](#) Tuesday to provide a new approach to distributing funds for typical EAT expenditures. The bill was fast-tracked through Senate committee and received Senate passage Thursday.

Under [S.269](#), the lieutenant governor's office would oversee this \$180 million capital grant program (or \$5 million per senator and lieutenant governor). According to the fiscal note, K-12 school systems can apply for grants up to \$5 million to assist with: (1) capital projects; (2) debt service; (3) deferred maintenance; (4) school security and safety; and (5) technology and equipment.

## FY23 Supplemental Appropriation Gets Makeover

The **\$2.8 billion supplemental appropriation ([S.87 Orr](#))** allocating excess ETF receipts looks substantially different from the governor's original proposal. The Senate diverged from **Ivey's** recommendations, primarily by eliminating several non-education-related projects like the water park in Montgomery County. Overall, the bill reduced non-education expenditures from 50% to 19%. ([See comparison chart on page 2](#))

**K-12 education saw marginal enhancements** in the Senate version. The \$150 million initially earmarked for rural capital projects was replaced by a **\$180 million K-12 Capital Grant Program ([S.269 Orr](#))** to be overseen by the lieutenant governor. These grant funds can be used for the same qualifying costs outlined in an Education Advancement and Technology (EAT) supplemental appropriation local boards have been receiving since 2018.

**Other increases for K-12 include:** \$30 million for school safety grants (**\$40 million total**), \$3 million each for School of Math and Science, School of Fine Arts, and School of Cyber Technology (**\$6 million total/each**) and \$5 million to fully fund the Foundation Program Salary Matrix for FY23 (**\$23.6 million total**).

**2023 Regular Legislative Session**

**12 Days Remain**

## AASB LEGISLATIVE TEAM



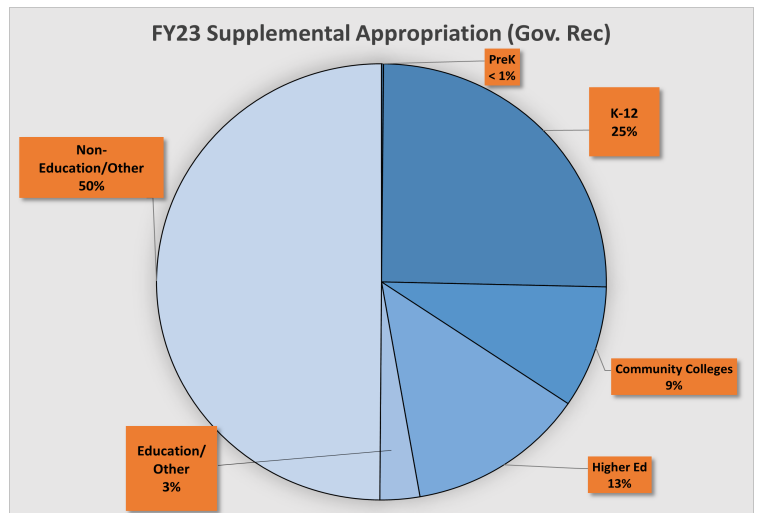
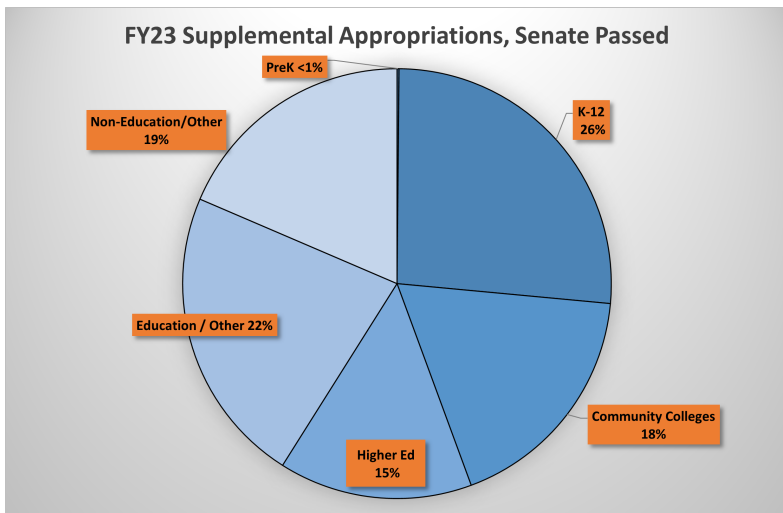
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### FY23 Supplemental Appropriation Gets Makeover, contd...

**The Senate reduced** transportation fleet renewal funding from \$40 million to \$20 million for highest need systems and reduced the Saban Discovery Center's budget to \$15 million (originally \$25 million). Funding for a proposed healthcare-focused magnet high school in Demopolis was replaced by a feasibility study.

**Also included in the supplemental** is \$500 million for an Educational Opportunities Reserve (EOSR) Fund (for K-12/higher ed) and \$20 million to prefund half the amount for classroom materials and supplies money to be used at the beginning of the 23-24 school year rather than waiting until October to receive. **Included in K-12 are:** \$7 million for American Village's Independence Hall, \$200,000 for the Holocaust Commission, \$237,504 for Ed Farm, \$200,000 for McWane Center STEM programs and \$1 million for Children's Trust Fund one-time software expenses.

**K-12 allocations that remained unchanged** from Ivey's recommendation include \$360 million for construction inflation costs related to 2020 PSCA bond issue which also may be used for school resource officers, insurance and other allowable uses under the EAT, \$24 million for summer math camps, \$10 million for charter schools and \$10 million for College and Career Readiness (CCR) Grants.

### Rolling Reserve Act Revisions

The Senate ETF Budget Committee Wednesday made substantial changes to the Rolling Reserve Act, a budget reform measure enacted by the Legislature in 2011 to prevent proration and limit annual education spending based on prior years' revenue.

**S.101** sponsored by **Senate FTE Budget Chair Sen. Arthur Orr** would amend the Rolling Reserve Act with two primary objectives according to Orr:

➤ **Objective #1** - Establish a savings account referenced as an Educational Opportunities Reserve Fund that would provide a financial cushion during economic downturns. This savings account would allow the Legislature to meet obligations related to the Literacy and Numeracy Acts and other education-related expenses without requiring the governor to declare proration.

➤ **Objective #2** - Address historical surpluses in the ETF and modify last session's changes to the Rolling Reserve. When revenue surpasses ETF appropriations the Rolling Reserve process would be triggered, leading to cascading transfers to the Rainy Day Account, Budget Stabilization Account, Education Advancement and Technology (EAT) Fund and the newly created Educational Opportunities Reserve (EOSR) Fund.

Last year, the Legislature amended the Rolling Reserve wherein excess revenue could remain in the ETF as non-recurring revenue if appropriations fall below the appropriation cap. Anticipating a slowing economy, the Legislature conservatively budgeted below the ETF appropriation cap each of the last three years, and last year's Rolling Reserve revision could allow the Legislature to keep all excess revenue in the ETF, prohibiting the cascading effect for supplemental appropriations. Changes also made the EAT Fund permissible rather than mandatory, which explains the absence of an EAT appropriation this year. If enacted, the proposed changes in **S.101** would reduce funds currently going into the EAT Fund. For ex-

ample, if \$1 billion in ETF surplus or excess revenue, the allocations would be allocated as follows:

- 50% or \$500 million to the EAT
- 30% or \$300 million remaining in the ETF for supplemental appropriations
- 20% or \$200 million allocated to the newly created EOSR Fund

**AASB supports the savings account concept**, recognizing there might be instances when the economy experiences a slowdown which may not result in proration. **We also thank Sen. Orr for working with AASB** on an amendment that strengthens restrictions in the Rolling Reserve, ensuring education dollars are used for education.

### PRICE Act, Take Two

The PRICE Act, a bill threatening the future of public schools by diverting public education funds for vouchers for private, church and homeschool students, demands urgent attention and action by school board members.

Public hearings have been held on companion bills (**S.202 Stutts** and **H.295 Yarbrough**) in both the House and Senate. **Montgomery Public Schools Chief School Financial Officer Arthur Watts**, speaking on behalf of AASB, emphasized the financial peril this legislation could pose to public education. **Watts** warned committee members that funneling funds away from public schools into private institutions could lead to the loss of up to 8,500 teachers once the act takes full effect.

**AASB Executive Director Sally Smith** also urged legislators to consider the countless laws enacted over the years in support of public education to protect students and produce informed citizens. She noted the unregulated PRICE Act offers no protections for students or Alabama taxpayers because students could be taught anything or nothing at all.

## AASB CALL TO ACTION on the PRICE Act

With further committee discussions scheduled for next week, the future of the PRICE Act remains uncertain. However, one thing is crystal clear: **Now is the time to act!** Contact your lawmakers and make them aware of the destruction the PRICE Act would wreak on your schools. Consider the already underfunded areas in your system such as capital needs, transportation, maintenance, and special education. The PRICE Act would deal a crushing blow to public education. Supporters of the PRICE Act are making their voices heard. **School leaders MUST SPEAK OUT!** Silence equals approval.

### Vouchers Approved by Budget Committee

The **House Ways and Means Education Committee** gave approval Wednesday to a school voucher bill (**H.334**) sponsored by **Rep. Danny Garrett** that would establish an Education Savings Account (ESA) for students with unique needs (SUN), including children of military parents, students with an Individualized Education Plan (IEP) or 504 accommodation, foster children or homeless children. The committee amended the bill to:

- Remove the Department of Revenue as program administrator and place it within the Department of Education
- Clarify that private schools include church schools and parochial schools.

With an estimated initial cost of \$3 million from the ETF, 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. **Bill now goes to full House for vote.**

### Charter School Bill Clears Committee

The **House Education Policy Committee** approved **H.363**, sponsored by **Rep. Terri Collins**, a bill seeking to improve charter school governance. Collins worked with many stakeholders on the bill and emphasized the legislation does not involve local funds following students. Key changes in **H.363** include:

- Clarifying funding procedures for start-up and conversion charters
- Providing geographic preference for high-risk students
- Altering the selection process for Charter School Commission members.

Collins offered an amendment requiring the commission to notify a school board authorizer when the commission overrides its denial of a charter in its jurisdiction. Under existing law, a local school board authorizer appoints a representative to the commission if a charter school applicant re-applies after being denied by the board. This bill would remove this provision.

The committee vote was close, 8 to 6. Voting **YES** were Reps. Collins, Baker, Dubose, Gidley, Holk-Jones, Paramore, Paschal and Woods. Voting **NO** were Reps. Daniels, Estes, Fincher, Gray, Morris and Smith. Absent for vote: Rep. Drummond. **Bill now goes to full House for vote.**

### AL Literacy Task Force

**Rep. Danny Garrett** has introduced **H.430**, a bill to reconfigure the Alabama Literacy Task Force and expand its scope. It would require the task force to vet content for

age appropriateness and alignment with state standards and ensure SDE oversight. The bill also calls for the literacy taskforce to be comprised of 12 teachers and administrators and removes AASB, AEA, CLAS and SSA from appointing members. **The bill will go before the House Ways and Means Education Committee Wednesday.**

### Committee Action

**S.238 (Allen) - Star-Spangled Banner [C/A]** - would propose an amendment to Alabama's Constitution to require local boards to adopt a policy requiring K-12 public schools to broadcast or sanction performance of the Star-Spangled Banner once per week during school hours.

**Approved by Senate committee - next goes to full Senate for vote**

**S.247 (Barfoot) - Divisive Concepts-** would prohibit local boards from promoting, endorsing or requiring affirmation of certain divisive concepts relating to race, sex or religion. **Approved by Senate committee - next goes to full Senate for vote**

**S.279 (Price) - County Superintendents Salaries-** would remove the requirement for superintendent's salary to be set before the beginning of term of office. **Approved by Senate committee - next goes to full Senate for vote**

### In Committee Next Week

#### ➤Senate Education Policy Committee

**H.30 (McC Campbell) - Failing Schools Designation** - for purposes of school grading under the Alabama Accountability Act (AAA), would change the term "failing school" to "lowest sixth percent school" and "nonfailing school" to "highest 94th percent school."

**H.364 (Hurst) - Cash for school sporting events** - would require public schools to accept cash as a form of payment for admission to school-sponsored sporting events, including post-season.

**S.297 (Barfoot) - Charter School Law Revisions** - would change appointment process for Charter School Commission, provide additional guidelines for authorizing and clarify funding process for start-up and conversion charters. **Companion bill to H.363**

#### ➤Senate Finance and Taxation Education Committee

**S.263 (Chesteen) - AAA Scholarships** - would broaden school choice options under the Alabama Accountability Act (AAA) for students with unique needs. **PUBLIC HEARING**

### Gone to Governor

**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. **Awaiting Governor's signature**

**H.164 (Whitt) - Financial Literacy** - would require students to complete a personal financial literacy and money management course and exam before graduation. **Awaiting Governor's signature**

### Enacted

**Act 2023-75 - Alabama Safe at Schools Act** - amends the Alabama Safe at Schools Act to apply to students with adrenal insufficiency.