

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT
2023 SPECIAL SESSION • WEEK TWO
2023 REGULAR SESSION
MARCH 17, 2023

SPECIAL SESSION SUCCESS: COVID-19 FUNDING PLAN ENACTED

The Alabama Legislature completed its special session Thursday by passing a **\$1.06 billion American Rescue Plan Act (ARPA) appropriation**. Gov. Kay Ivey's swift approval yesterday authorizes distribution of those funds. The biggest beneficiaries are water/sewer projects, healthcare and broadband expansion, as this breakdown shows:

Infrastructure — \$660 million

- \$400 million for water, sewer and wastewater improvements, including \$195 million for a grant program for high-need projects of water and sewer systems, \$100 million for matching grants, \$100 million for matching grants in growing communities and \$5 million for septic improvement in the Black Belt region
- \$260 million for broadband expansion

Healthcare — \$339 million

- \$100 million to hospitals
- \$100 million to nursing homes
- \$5 million to veterans' hospitals
- \$40 million to the health insurance program for state employees
- \$40 million to the health insurance program for educators
- \$25 million for mental health programs and services
- \$20 million for voluntary clinical trial and health care research program to give Alabamians more access to personalized medicine
- \$9 million for telemedicine
- \$175,000 for a coronavirus vaccine voucher program for college students

Community Services — \$55 million

- To be divided among food bank programs, mental health and behavioral analysis services and housing security programs, as well as certain programs for families, domestic violence victims, senior citizens, and school-aged children

Alabama Department of Labor — \$5 million

- For expenses related to administering unemployment benefits during the pandemic

ARPA Administrative Costs — \$1 million

The Senate made minor changes to HB1 by Rep. Rex Reynolds (R—Huntsville), which had passed the House without objection. The Senate Finance and Taxation Committee on the General Fund added an amendment to make stormwater projects eligible for funding alongside other water and sewer projects and set a minimum match for certain projects. Then on the floor, Sen. Rodger Smitherman (D—Birmingham) offered this amendment to require state agencies, if they have the capacity, to help funding applicants correct any technical deficiencies in their applications.

The second priority of the special session was a **\$60 million supplemental appropriation from the General Fund to the Alabama Trust Fund**. SB1 by Sen. Greg Albritton (R—Atmore). It was signed into law Thursday. The measure pays back debt, taken on during a previous budget shortfall, in full and ahead of schedule.

Despite special session activity last week on this **healthcare facility visitation** measure, SB2 by Sen. Garlan Gudger (R—Cullman) did not advance.

REGULAR SESSION TO RECONVENE ON TUESDAY

Lawmakers will resume the 2023 regular session on Tuesday, at which time Gov. Kay Ivey is required to release her 2024 budget recommendation, which will put numbers on the initiatives she proposed in her “State of the State” address last week. Thus far, her office has only released budget totals for 2024 — **\$8.79 billion for the Education Trust Fund** (a 6.5% increase) and **\$2.97 billion for the General Fund** (an 8.42% increase).

In other action next week, the state’s existing ban on **price gouging during a state of emergency** would be clarified with passage of SB62 by Sen. Sam Givhan (R—Gurley), which is expected to be considered by the Senate Fiscal Responsibility and Economic Development Committee.

At this time, it does not seem the Senate Judiciary Committee will take up the proposed measure to **regulate indemnification agreements in some construction contracts** next week. The bill concerns the business community. Current law allows owners to shift work site liability to general contractors through contracts, but SB24 by Sen. Greg Albritton (R—Atmore) would take away that freedom. Opponents of the measure have requested a public hearing should the committee decide to consider it.

Looking ahead, legislators will take a spring break recess during the last week of March. The leadership has indicated that the work schedule will be aggressive beginning in April. The regular session could last through June 19, but lawmakers have the option to wrap up early and have indicated a desire to do so.

The Alabama Legislature will reconvene on Tuesday, March 21, for the 2nd of 30 possible working days in the regular session.