

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT
2023 REGULAR SESSION · WEEK ONE
2023 SPECIAL SESSION · WEEK ONE
MARCH 10, 2023

*COVID-19 FUNDING BILL ADVANCES: PRIORITY GIVEN TO
WATER/SEWER PROJECTS, HEALTHCARE AND
BROADBAND EXPANSION*

Alabama's plan to allocate \$1.06 billion from the American Rescue Plan Act (ARPA) was unveiled to the public Wednesday and approved in committee the next day. The first day of the Alabama Legislature's Regular Session was Tuesday but that work was put aside with Gov. Kay Ivey's call for a special session which began Wednesday. The special session is an expected procedural move designed to isolate and prioritize ARPA spending from other issues. HB1 by Rep. Rex Reynolds (R—Huntsville) was approved unanimously Thursday morning by the House Ways and Means Committee on the General Fund. It would distribute federal pandemic relief dollars as follows:

Infrastructure — \$660 million

- \$260 million for broadband expansion
- \$400 million for water and sewer improvements, including \$200 million for matching grants to water and sewer systems in growing communities, \$195 million for a grant program targeting high-need projects of water and sewer systems, and \$5 million for septic improvement programs in the Black Belt region

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
- \$9 million for telemedicine
- \$20 million for personalized medicine
- \$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 proposed plan is positioned for consideration on the House floor on Tuesday. The governor’s call also included a **\$60 million supplemental appropriation from the General Fund to the Alabama Trust Fund**. SB1 by Sen. Greg Albritton (R—Atmore) passed the Senate Finance and Taxation Committee on the General Fund on Thursday. Albritton’s bill and its House companion use part of the General Fund’s budget surplus for the current year to accelerate repayment of a debt.

Progress was also made this week by another pandemic-related proposal. SB2 by Sen. Garlan Gudger (R—Cullman) regarding **healthcare facility visitation** was approved by the Senate Healthcare Committee on Thursday. The bill, which has been revised since lawmakers considered it last year, was prompted by concern for citizens who were not able to visit loved ones in hospitals or nursing homes during the pandemic.

REGULAR SESSION HIGHLIGHTS

As noted previously, the week featured only one day of regular session action. In addition to ARPA work, the legislative budget office and state finance director released fiscal year 2024 revenue forecasts on Tuesday. Gov. Ivey’s proposed budgets for the upcoming year total **\$8.79 billion in the Education Trust Fund** (a 6.5% increase) and **\$2.97 billion in the General Fund** (an 8.42% increase).

Gov. Ivey delivered her annual “State of the State” address on Tuesday, outlining her priorities. Her major proposals focused on paying off state debt, economic development (including renewing the Alabama Jobs Act and the Growing Alabama Act) and education from pre-K through high school (with continued support for the Alabama Numeracy and Literacy Acts). She also pushed for legislation to address the fentanyl crisis.

Procedurally, lawmakers could not cast votes on any bills Tuesday, but many measures were introduced. A bill to **regulate indemnification agreements in some construction contracts** has drawn concern in business circles. SB24, sponsored by Sen. Greg Albritton (R—Atmore), is assigned to the Senate Judiciary Committee.

The Alabama Legislature will reconvene on Tuesday, March 14, for the 3rd working day of the special session. The regular session is scheduled to resume on Tuesday, March 21, for the 2nd of 30 possible working days.