



# **ALABAMA HOUSE MAJORITY CAUCUS**

**ALABAMA STATE HOUSE**

**MONTGOMERY, ALABAMA 36130**

**NATHANIEL LEDBETTER  
MAJORITY LEADER**

**To: Alabama House Republican Caucus Members**

**From: Majority Leader Nathaniel Ledbetter**

**Date: February 5, 2021**

## **HOUSE REPUBLICAN CAUCUS TALKING POINTS MEMO FOR THE WEEK OF FEBRUARY 1 - 5**

### **2021 Regular Session**

- As required by the 1901 Constitution of Alabama, lawmakers convened in Montgomery on Tuesday, February 2, in order to pass mandatory spending plans for public education and state agencies, address pressing issues, and revisit unresolved business from the 2020 session that was abruptly shortened by the COVID-19 pandemic.
  - The session will be more difficult than usual because of COVID-19 protocols, social distancing guidelines, House Chamber capacity, a limitation on available committee meeting spaces, and lack of public access to the Alabama State House, among other reasons.

### **State of the State Address**

- Alabama Gov. Kay Ivey presented her “State of the State” to the Legislature, which is also constitutionally-required, but rather than holding the traditional joint session in the Old House Chamber, the speech was presented in the Capitol rotunda and simulcast to the Alabama State House because of COVID-19 concerns.
  - Ivey touted the importance of improving Alabama’s prisons in order to avoid a federal takeover of the corrections system, but she was once again short on details and offered no additional information.
    - On Monday, Ivey signed a 30-year lease agreement for new prison facilities in Escambia and Elmore counties to house state inmates, but the action avoided legislative oversight and offered no data on long-term costs, the amount of potential annual increases, or other information that is critical to lawmakers’ ability to plan state spending needs.

- A lease for a third facility in Bibb County is currently being negotiated, and if the controversial plan is carried out, the new prisons are expected to begin operations at some point in 2025.
- The governor also used her speech to propose 2% pay raises for both educators, which would cost roughly \$90 million, and state employees, at a cost of about \$13 million.
- Though she took no solid position on the issue, Ivey noted that her gambling task force had released its report on potential state revenues from legalized lottery, casinos, and other forms of gaming and suggested it is an issue the Legislature should consider but urged transparency on all fronts.

### **Ivey Executive Budget**

- Gov. Ivey released her state budget recommendations on Wednesday, but because the Legislature possesses the constitutional authority to make appropriations, her spending plans are merely suggestions.
- Her proposed Education Trust Fund increases spending by roughly \$440 million over FY2021, while her General Fund actually reduces spending by about \$31 million.
- Interesting line items include:
  - 2% pay raises for state employees, public school educators, and support personnel as noted above.
  - An increase in teacher classroom supplies from \$600 to \$1,000.
  - A \$27 million increase for Alabama's nationally-recognized First Class pre-K program, which would allow an additional 207 classrooms to serve 3,276 more students.
  - A \$27 million increase for the Alabama Department of Corrections, most of which would fund healthcare and mental health services.
  - A \$37.8 million conditional appropriation to ADOC for the hiring of additional corrections officers if a sufficient number of qualified candidates can be recruited.

- A large increase for the Alabama Board of Pardons and Paroles, which is currently facing a significant backlog in parole hearings.
- A one-time expenditure to upgrade Alabama's cybersecurity system, which is vitally necessary in this age of hacking on the international level.

### **Federal Stimulus Tax Exemption**

- The Alabama House on Thursday approved House Bill 170 by State Rep. Danny Garrett (R - Trussville) that would, among other things, exempt federal CARES Act dollars and other COVID relief funding from state tax liability.
  - More than \$7.2 billion in federal CARES Act funding was distributed to businesses and individuals in 2020, and another round of economic stimulus checks was awarded in 2021.
  - The payments to individuals and businesses have already been exempted from federal taxes, but no mechanism has yet been passed that will exempt the dollars from Alabama tax liability.
  - Garrett's bill, which now goes to the State Senate, would exempt stimulus payments, business loans, SBA subsidies, and other COVID funding that has already been distributed, and it also covers future COVID relief funding that may be awarded throughout the rest of 2021, as well.

### **Economic Development Tax Credit Extensions**

- The Alabama House also approved on Thursday a bill by State Rep. Bill Poole (R - Tuscaloosa) that would renew and improve job creation incentives found in the Alabama Jobs Act and Growing Alabama Act.
  - The incentives require businesses to achieve minimum benchmarks, such as number of jobs created, before going into effect.
  - The Alabama Jobs Act alone has been credited with attracting 183 projects and more than 32,000 jobs to the state.
  - An example of the program's success is the Toyota Mazda plant in Huntsville, which was recruited to Alabama with the help of the Jobs Act and promises to hire 4,000 people at full production.

### **Limited Liability from COVID Lawsuits**

- The Alabama State Senate approved a bill on Thursday that would protect businesses and other groups from frivolous lawsuits related to COVID-19, which has been deemed a high priority by the legislative leadership and governor.
  - The bill is designed to provide “safe harbor” to entities that took proper steps and followed Center for Disease Control and Alabama Department of Public Health recommended protocols to mitigate the spread of COVID-19.
  - Businesses and other groups that failed to mandate and maintain social distancing or take other basic precautions would not fall under the bill’s umbrella.
  - Entities covered by the legislation include businesses and nonprofit groups, health care providers, educational institutions, churches, governmental bodies and cultural institutions.

### **Military Stability Legislative Package**

- The State Senate on Thursday also approved a legislative package that is designed to retain, protect, and improve the federal military presence and investment across Alabama.
  - Among the bills in the package are measures that will allow military dependents attending public colleges and universities in Alabama to pay in-state tuition while stationed here, expand services for military veterans, guarantee the acceptance of out-of-state occupational licenses for military dependents in various professions, and others.
  - The legislative package is the result of work by the Alabama Military Stability Commission, a panel that was created by state statute in 2011.
    - In addition to several elected officials and cabinet members, the commission also includes regional appointees from areas across the state with a heavy defense concentration.