



# 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: March 8, 2021**

## **HOUSE REPUBLICAN CAUCUS TALKING POINTS MEMO FOR THE WEEK OF MARCH 8 - 12**

### **General Fund Budget**

- The Alabama House on Tuesday approved a record-setting, \$2.47 billion General Fund budget for Fiscal Year 2022 that includes across-the-board increases for state services and agencies.
  - House Ways and Means General Fund Chairman Steve Clouse (R - Ozark) credited much of the additional spending, which totals \$78.5 million more than FY2021, to increased revenues from the state's sales tax on Internet purchases, 75% of which are earmarked for the General Fund.
  - In addition, the healthy General Fund, which often struggled financially under Democrat rule, results from conservative budgeting practices and reforms that Republicans have implemented since taking control of the Alabama Legislature in 2010.
  - A recent study released by Moody's Analytics also showed that Alabama's economy is recovering faster than those in most other states, and we currently rank fifth in the nation on the survey's rebound ratings.
    - With an unemployment rate of almost 13% at the height of the COVID-19 pandemic, Alabama had a 3.9% jobless rate at the end of December 2020, which is the most up-to-date monthly statistic currently available.
    - Alabama's economy grew by 35% in the third quarter of 2020, 4% in the fourth quarter, and 3.1% growth is forecasted for 2021.

- Even with the record General Fund spending, Clouse said the budget still “leaves some money on the table that will help us get ready for any other surprises that are coming down the road,”
- Some of the more notable appropriates in the FY2022 General Fund budget are:
  - The Alabama Department of Corrections received a \$26.3 million increase, most of which will be used to improve healthcare and mental health services provided to inmates.
    - A federal judge last year ordered the state to improve its medical and mental health care within the prison system after ruling both to be “horribly inadequate.”
  - A \$10 million increase was awarded to the Alabama Department of Mental Health in order to provide an additional crisis intervention center in the Birmingham/Tuscaloosa metropolitan area, which will join other new centers being opened in Huntsville, Mobile, and Montgomery.
  - The Alabama Law Enforcement Agency will receive an additional \$7.9 million in order to fund tighter State House security and improve services in the Drivers License Division, under the House-approved spending plan.
  - Following years of higher and higher funding demands needed to meet federal requirements and generate matching dollars in the Alabama Medicaid Agency, the state will spend \$51 million less on the healthcare program in FY2022.
    - An adjustment in the Federal Medical Assistance Percentage, or FMAP, which determines the ratio that states must pay for Medicaid services, reduced Alabama’s Medicaid obligation by roughly \$51 million, and state spending requirements in the Children’s Health Insurance Program, more commonly known as CHIP, fell by \$12 million,
  - The budget also included an expected 2% cost-of-living pay raise for employees in General Fund state agencies.
    - The salary increase would equate to \$867 a year for a state employee earning an average salary of \$43,346.
- The budget now goes to the Senate for consideration.