

To the Alabama Senate
Alabama State House
Montgomery, Alabama 36130

Ladies and Gentlemen:

I respectfully transmit to you a message from the Governor, returning Senate Bill 323, without the Governor's signature and with a suggested Executive Amendment.

Done this the 28th day of March, 2018.

Respectfully submitted,

BRYAN M. TAYLOR,
General Counsel.

MESSAGE FROM THE GOVERNOR

To the Alabama Senate
Alabama State House
Montgomery, Alabama 36130

Ladies and Gentlemen:

I received Senate Bill 323 and believe that the bill should be amended to provide also for temporary emergency assistance funding authority for the repair of damages to public schools and institutions of higher education resulting from a natural disaster.

For this reason, I am returning to you, the body in which it originated, Senate Bill 323 without my signature and with the below Executive Amendment, as requested, for your consideration.

EXECUTIVE AMENDMENT TO SENATE BILL 323:

Please amend Senate Bill 323 as follows:

On page 1, delete lines 5-9 in their entirety and insert in lieu thereof the following: "To amend Sections 29-9-4 and 29-9-5, Code of Alabama 1975, relating to the Education Trust Fund Rolling Reserve Act to allow the Education Trust Fund Budget Stabilization Fund to be used to provide temporary

emergency assistance funding to the public schools and institutions of higher education to repair damages resulting from a natural disaster declared by the Governor and to allow funds in the Education Trust Fund Advancement and Technology Fund to be used for school security."

On page 1, line 11 after "29-9-4" insert "and Section 29-9-5".

On page 1, line 11, delete "is" and insert "are" in lieu thereof.

On page 3, after line 24, insert the following:

"§29-9-5.

"(a) Except as provided in Section 29-9-3, and in subdivision (b) below, amounts in the Education Trust Fund Budget Stabilization Fund may be withdrawn only to prevent proration in the Education Trust Fund. The Governor must certify to the state Comptroller and notify the Legislature that proration would occur in the Education Trust Fund before funds may be withdrawn to prevent proration. Following the certification and notification by the Governor, withdrawals may be made from the Education Trust Fund Budget Stabilization Fund to prevent proration; however, the withdrawals shall be limited to the amount of the anticipated proration and funds allotted only to the extent necessary to avoid proration of appropriations from the Education Trust Fund. Any funds withdrawn from the Budget Stabilization Fund in excess of the amount necessary to avoid proration shall be transferred back to the Budget Stabilization Fund within 30 days after the end of the fiscal year in which withdrawals are made.

"(b) Amounts in the Education Trust Fund Budget Stabilization Fund may be withdrawn upon certification by the Governor that a natural disaster for which the Governor declared a state of emergency caused damage to public schools and/or institutions of higher education and funds are needed to provide emergency temporary funding for repairs of the damages. The Governor must certify to the state comptroller and notify the Legislature the amount of funds needed for emergency repairs before funds may be withdrawn and distributed to the impacted public school or institution of higher education. In certifying the amount of funds needed for emergency repairs, the Governor shall take into account any emergency funding provided to the impacted public school or institution of higher education by an insurance provider, including, but not limited to, the State Insurance Fund.

Following the certification and notification by the Governor, withdrawals may be made from the Education Trust Fund Budget Stabilization Fund; however, withdrawals shall be limited to the amount necessary to provide emergency repairs and shall not exceed a total of ten percent (10%) of the current balance of the fund, and at no time shall more than ten percent (10%) of the total cumulative amount of revenues distributed to the Budget Stabilization Fund be outstanding. Any funds withdrawn from the Budget Stabilization Fund pursuant to this subdivision must be repaid by the public school or institution of higher education receiving the funds as expeditiously as possible, but no later than the conclusion of the second fiscal year of the state following withdrawal. The repayment shall be made from the first insurance settlement proceeds received by the public school or institution of higher education; provided, however, that if the insurance settlement proceeds received are less than the emergency repair funding received by the public school or institution of higher education, then the remaining repayment shall be made from any other funds available to the public school or institution of higher education. Any public school or institution of higher education that receives emergency repair funding pursuant to this subdivision and fails to repay the amount received within the two-year period shall be ineligible to receive any additional emergency repair funding pursuant to this subdivision or any appropriations from the Education Trust Fund Advancement and Technology Fund until such time as the funds are repaid. Any amount not repaid within the two-year period referenced above shall accrue interest at the rate of 8 percent annually until the total amount, including accrued interest, is fully repaid."

The adoption of the above suggested Executive Amendment will remove my objections to this bill.

Done this the 28th day of March, 2018.

Respectfully,

KAY IVEY,
Governor.