

The background features a large, faint watermark of the official seal of the Alabama Department of Finance. The seal is circular and contains the text "STATE OF ALABAMA" at the top and "DEPARTMENT OF FINANCE" at the bottom. In the center of the seal is a shield with a scale of justice, a sword, and a crown.

2025 LEGISLATIVE SESSION

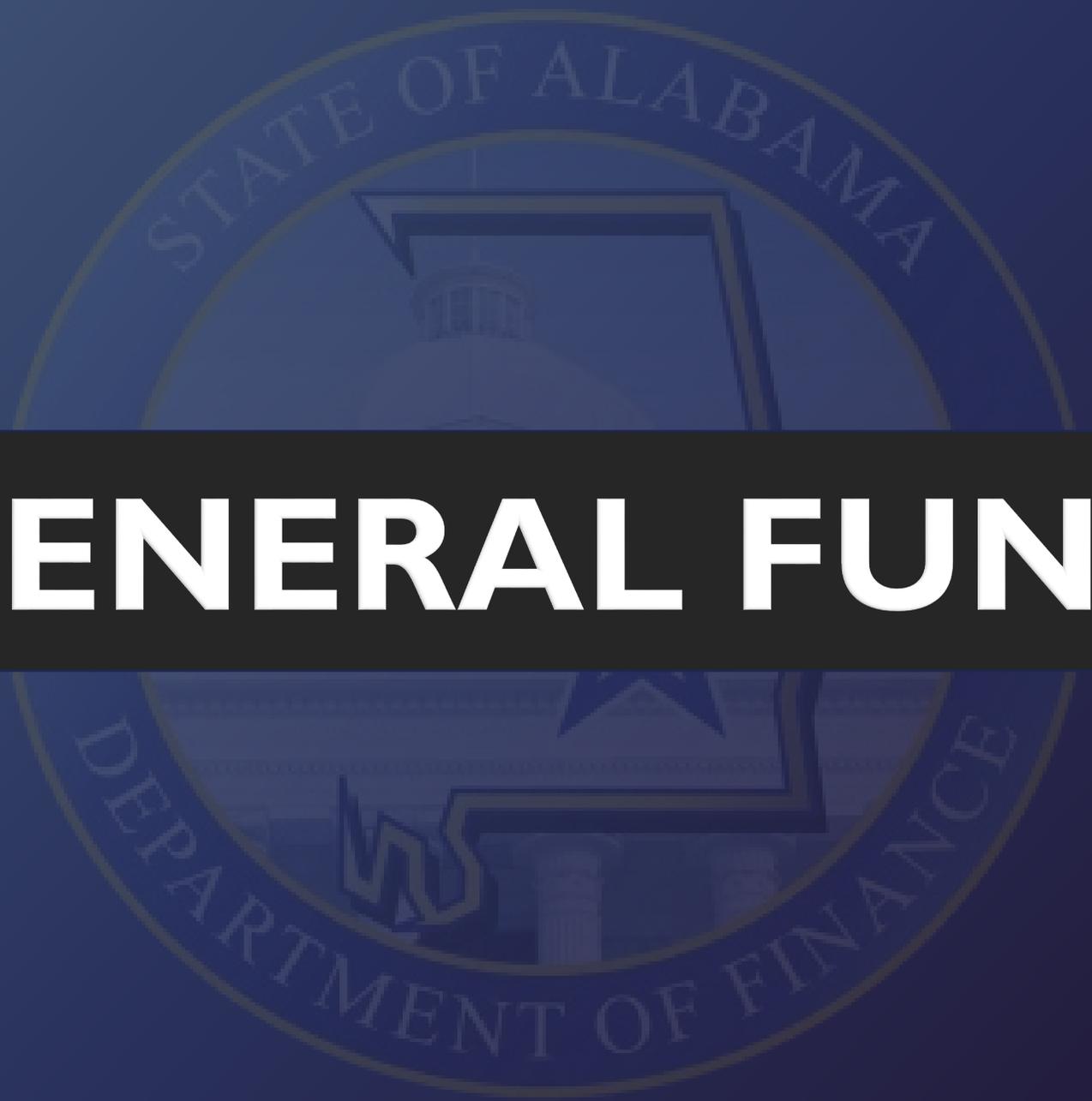
Finance Director Bill Poole

February 5, 2025

State Budgeting Process

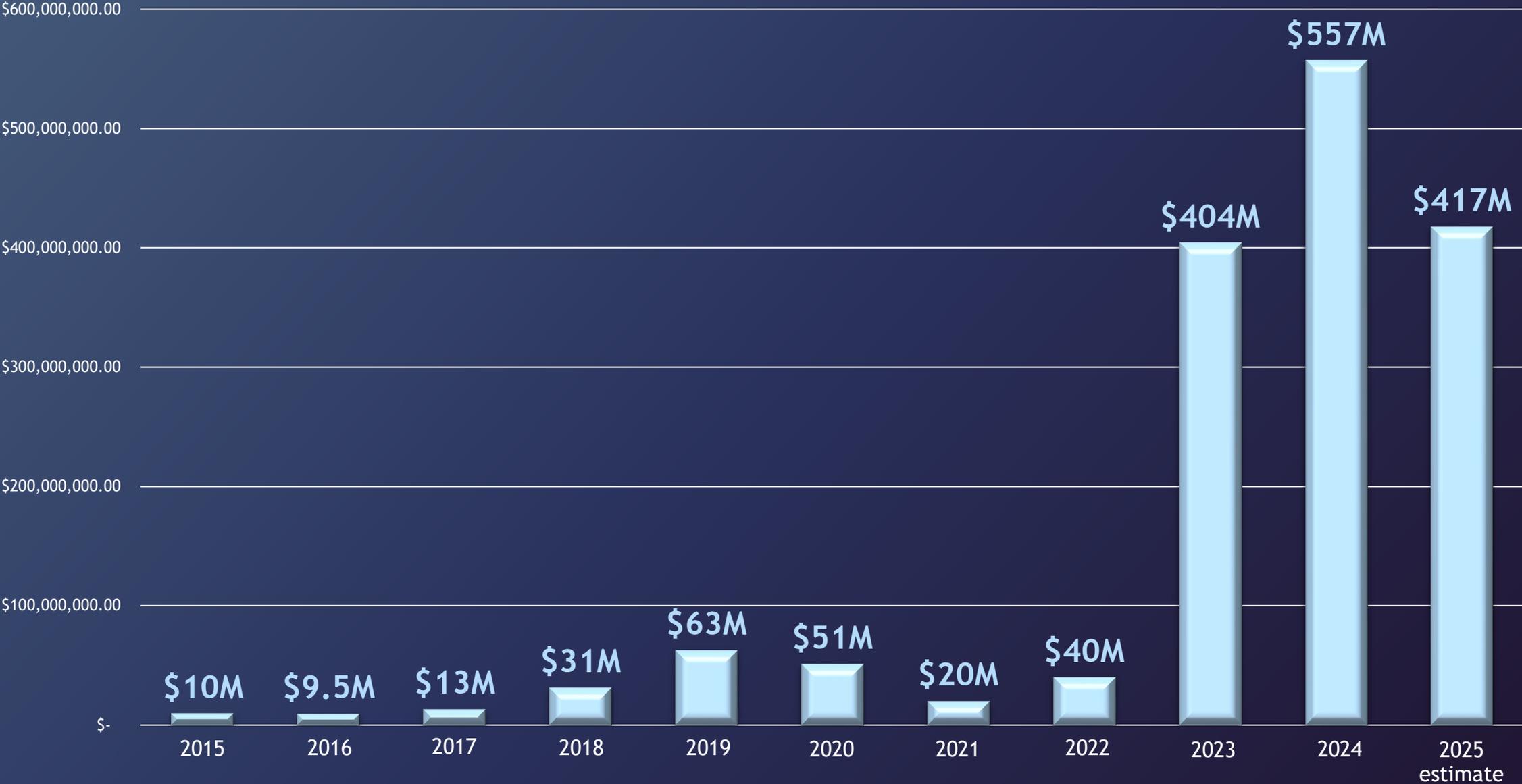


- **September** – Process begins with revenue estimating
- **November 1st** – Agencies submit budget requests
 - Executive Budget Office (EBO) staff receive and analyze requests
- **November/December** – Meetings with agencies to discuss their budget requests, discussion of priorities with Governor Ivey, and formulating early drafts of the budgets
 - Follow up meetings with agencies as necessary
 - Governor Ivey meets with legislative leadership for input on policy matters
 - Budgets are finalized and prepared in the last week before the Regular Session begins

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GENERAL FUND

Interest on State Deposits into General Fund



FY 2025 GF Supplemental



FY 2025 General Fund Supplemental

- Governor Ivey is not proposing a traditional supplemental appropriation for the 2025 fiscal year.
- The proposed supplemental appropriation will only authorize the transfer of existing funds between several agency accounts.

FY 2026 State General Fund



FY 2026 Direct Budget

- Total FY 2026 GF Appropriations: \$3.7 Billion
- FY 2026 YOY Estimated Receipts Decline: (1.65%)

FY 2026 State General Fund



ALEA - \$141.8 Million Total Recommended Appropriation

- *\$3.8 Million:* In-car Cameras and Body Camera Storage
- *\$3 Million:* Alabama Metro Area Crime Suppression Unit

ADECA - \$43.7 Million Total Recommended Appropriation

- *\$500 K:* Airport Development Grant Program

SEEDS Site Development Grant Program - \$20 million

FY 2026 State General Fund



Medicaid - \$1.18 Billion Total Recommended Appropriation

Public Health - \$158.3 Million Total Recommended Appropriation

- *\$28.7 Million:* CHIP Full Funding for FY26
- *\$500 K:* Office of Emergency Medical Services Rural Matching Grants

State Employees' Insurance Board (SEIB)

- Increase Funding to \$1,025/pmpm from \$1,005/pmpm

FY 2026 State General Fund



Dept of Human Resources – \$150.2 Million Total Recommended Appropriation

- *\$1.9 Million:* Enriched Community-Based Homes Waiver through Medicaid
- *\$100 K:* Child Advocacy Centers
- *\$150 K:* Family Resource Centers

Mental Health - \$248.2 Million Total Recommended Appropriation

- *\$10 Million:* Civil Commitment/Residential Services

FY 2026 State General Fund



Emergency Management – \$9.1 Million Total Recommended Appropriation

- *\$400 K:* Emergency Management Disaster Response Contracts

Senior Services - \$50.3 Million Total Recommended Appropriation

- *\$1.2 Million:* Inflationary Funds for Elderly Nutrition Program

FY 2026 State General Fund



Department of Corrections - \$826.7 Million Total Recommended Appropriation

- *\$23.6 Million:* 221 Staff Hirings for the Governor Kay Ivey Correctional Complex
- *\$8.9 Million:* Inmate Medical Services Contract Increase
- *\$1.5 Million:* Inmate Medical Services for the Governor Kay Ivey Correctional Complex
- *\$1.8 Million:* 15 Constituent Service Employees Hirings
- *\$1.5 Million:* St. Clair Correctional Facility Camera Equipment
- *\$10 Million:* Estimated Food Service Contract Increase
- *\$1.9 Million:* Maintenance Contract for the Governor Kay Ivey Correctional Complex
- *\$811 K:* Engineering Staff – Lock Team Hiring
- *\$40 Million:* Conditional Appropriation– Hiring Correctional Officers or Construction

FY 2026 State General Fund



Judicial Branch – \$216.5 Million Total Recommended Appropriation

- *\$2.5 Million:* Unified Judicial System Operational Increases
- *\$250 K:* Supreme Court Operational Increases
- *\$100 K:* Court of Civil Appeals Operational Increases
- *\$100 K:* Court of Criminal Appeals Operational Increases
- *\$266 K:* Judicial Retirement Fund Increases for Probate Judges
- *\$156 K:* Supreme Court Library – Software Subscriptions



EDUCATION TRUST FUND

FY 2025 ETF Supplemental



Total Supplemental Appropriation - \$524 Million

- K-12 Funding - \$348 Million (66.31%)
- Higher Ed Funding - \$142 Million (27.1%)
- Other Funding - \$34 Million (6.59%)

FY 2025 ETF Supplemental



K-12 Funding -

- *\$50 Million:* School Safety Initiative – Training, Services, & Materials
- *\$100 Million:* Transportation/Fleet Renewal
- *\$5 Million:* Ed Farm Coding Workforce Training
- *\$500 K:* Civics Course of Study
- *\$7.5 Million:* North Alabama STEM Center
- *\$5 Million:* Automated External Defibrillators (AEDs) in School
- *\$10.3 Million:* Charter School Grants
- *\$28 Million:* Textbooks Adoption

FY 2025 ETF Supplemental



K-12 Funding

- *\$30 Million:* Summer and After School Programs
- *\$10 Million:* Struggling Readers Beyond Grade 3
- *\$3.5 Million:* American Village Semiquincentennial Programs
- *\$5 Million:* Heman Drummond Center for Innovation
- *\$20 Million:* College and Career Readiness Grants
- *\$5 Million:* TEAMS
- *\$14 Million:* Principals/Asst Principals Supplements (to fulfill current obligations)
- *\$50 Million:* CHOOSE Act
- *\$1 Million (each):* Specialty High Schools (Safety & Deferred Maintenance)

FY 2025 ETF Supplemental



Higher Education Funding

- *\$7 Million:* Marine Environmental Science Consortium
- *\$29 Million:* Community College System for Capital Projects and/or Deferred Maintenance
- *\$1.2 Million:* Fire College & Muscle Shoals Regional Training Center
- *\$3 Million:* Tuskegee University School Security & Address Deferred Maintenance
- *\$102 Million:* Universities for Capital Projects and/or Deferred Maintenance

FY 2025 ETF Supplemental



Other Funding

- *\$20 Million:* ADECA – Broadband
- *\$5 Million:* Department of Workforce – Veterans Transition to Workforce Education Services
- *\$1.4 Million:* Supercomputer – Data Center Renovation Project
- *\$600 K:* Supercomputer – K12 Cybersecurity Pilot Project
- *\$1 Million:* AIDB – Deferred Maintenance & School Safety
- *\$4 Million:* Educational Television – State House & Madison Ave. Studios
- *\$200 K:* Supreme Court Library

FY 2026 Education Trust Fund



FY 2026 Direct Budget

- Total FY 2026 ETF Appropriations: \$9.9 Billion
 - 6.00% increase over FY 2025
 - FY 2025 Supplemental Appropriations: \$524 Million
- FY 2026 YOY Estimated Receipts Growth: 1.82%

FY 2026 Education Trust Fund



Total Appropriations - \$9.9 Billion

- K-12 Funding - \$6.7 Billion (68.05%)
- Higher Ed Funding - \$2.6 Billion (25.75%)
- Other Funding - \$614 Million (6.20%)

FY 2026 Education Trust Fund



K-12 Funding – Early Childhood Education (\$213M Total Appropriation)

- *\$12 Million:* First Class Pre-K Expansion & Increased Per Unit Funding
- *\$668 K:* Dolly Parton Imagination Library
- *\$632 K:* Strong Start/Strong Finish

FY 2026 Education Trust Fund



K-12 Funding – Local Boards of Education

- *\$39.8 Million:* TRS Rate Increase
- *\$99.2 Million:* Increase PEEHIP to \$904/pmpm
- *\$72 Million:* Other Current Expense (OCE) Increases
- *\$25 Million:* Transportation Operations Increases

FY 2026 Education Trust Fund



K-12 Funding – State Department of Education

- *\$101 Million:* CHOOSE Act Funding
- *\$10 Million:* Turnaround Schools
- *\$27 Million:* Numeracy Act for 220 Math Coaches
- *\$7.3 Million:* Math, Science & Technology Initiative
- *\$14.4 Million:* Summer & After School Programs

FY 2026 Education Trust Fund



K-12 Funding – State Department of Education

- *\$2 Million:* Jobs for Alabama Graduates
- *\$5 Million:* Behavior Analyst for Autism Support
- *\$700 K (each):* Operational Increases for Specialty High Schools
- *\$10 Million:* English Language Learners

FY 2026 Education Trust Fund



Alabama Community College System

- Total Community College System Funding: ***\$621.9 Million***
 - *\$6.9 Million:* Prison Education Funding
 - *\$3 Million:* Dual Enrollment Program
 - *\$21 Million:* Operations and Maintenance
 - *\$2 Million:* ACCS Innovation Center

FY 2026 Education Trust Fund



4-Year Colleges/Universities Appropriations

- All universities will receive at least a 5.67% Operations and Maintenance increase for the 2026 fiscal year.

FY 2026 Education Trust Fund



Other Agency Funding

- *\$10 Million:* Commission on Higher Education – Alabama Law Enforcement Officers’ Family Scholarship Program

- *\$7 Million Increase:* Department of Human Resources
 - *\$3 Million* – transition children from psychiatric inpatient to home-based services
 - *\$3 Million* – increase in QRIS STAR Childcare facility funding
 - *\$300 K* – Child Advocacy Centers
 - *\$785 K* – Alabama Childcare Development Initiative

FY 2026 Education Trust Fund



Other Agency Funding

- *\$2 Million Increase:*

Department of Mental Health

- *\$1 Million* – School Based Mental Health Services adding 4 new systems and assisting 6 existing systems
- *\$1 Million* – Ongoing adult day services and compliance requirements

- *\$19.8 Million:*

Department of Workforce – Transitioning Programs

- *\$6.7 Million* – STEM Council
- *\$1.6 Million* – Alabama Workforce Council
- *\$2.5 Million* – Alabama Office of Apprenticeship
- *\$1.5 Million* – Skills Enhancement and Employment Opportunities Program
- Transition Workforce Development programs from the Department of Commerce to the Department of Workforce

FY 2026 EORF



Education Opportunities Reserve Fund (EORF)

- Total FY 2026 EORF Appropriations: \$133 Million
 - *\$100 Million*: State Department of Education
 - *\$15 Million*: Alabama Department of Workforce
 - *\$3 Million*: Alabama Department of Workforce – Community College Career Pathways Partnership
 - *\$15 Million*: Higher Education Research Institutions

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QUESTIONS?

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