



RSA Legislative Update

BY NEAH M. SCOTT, LEGISLATIVE COUNSEL

The 2024 Regular Session of the Alabama Legislature will end on or before May 20, 2024. The Legislature took up numerous controversial bills during the first half of the session, including comprehensive gaming bills that were passed by the House, and a school voucher bill that has been enacted. The second half of the session has focused on budgets, which include full funding for the ERS, TRS, and PEEHIP, and working through the backlog of bills filed throughout this session.

There has been a lot of discussion this session regarding benefit increases for RSA retirees. The Alabama Retired State Employees' Association (ARSEA) is advocating for legislation to create a new process for granting and funding retiree

benefit increases. The legislation (HB201) has passed the House and is currently pending consideration in the Senate.

No bills have been filed this session to continue improvements to Tier II benefits for all state and education employees, despite a recommendation to return to Tier I for all state employees from the Governor's Study Group on Efficiency in State Government. Past legislation has chipped away at this issue by allowing conversion of sick leave to retirement credit for TRS Tier II members and providing 30-year retirement with an early retirement penalty for TRS and ERS Tier II members.

A resolution was introduced to create "the State Employee and Education

Employee Health Insurance Joint Interim Study Commission." The stated purpose of the commission is to determine if the benefits of PEEHIP and the State Employees' Insurance Board (SEIB) are competitive with surrounding states and private industry and to determine if any cost-savings could be realized. The 13-member commission includes representatives from PEEHIP and SEIB. The commission is tasked with meeting to examine and review benefits and consolidation and to report to the Legislature with its findings on or before January 1, 2025.

Check out the RSA's legislative webpage for weekly summaries and our bill tracking chart at www.rsa-al.gov/about-rsa/legislation/. ●

The RSA's Role in Establishing the Aerospace Industry in Alabama

BY MARK FAGAN

The RSA began working in 1999 to establish the aerospace industry in Alabama, targeting the European Aeronautic Defence and Space Company (EADS) for production in Alabama. EADS changed its name to Airbus Group in 2014.

In 2001, the RSA jointly funded a new project with British-owned GKN Aerospace and EADS for the development of the Wing Trailing Edge Panels for the Airbus A380 (the world's largest passenger plane). In 2005, GKN Aerospace opened a plant in Tallassee, Alabama, which designs, tests, and assembles composite structures for civil, military, commercial, and space programs. They manufacture

parts for the Sikorsky Blackhawk, Airbus A330/340 and A380 jetliners, the F-A022 Raptor for Lockheed-Martin, and the GenxEngine for General Electric.

In 2005, EADS selected Mobile for its Airbus Engineering Center, its CASA North America Aircraft Service and Delivery Facility, and the KC-30 Final Assembly Facility. The 48,000 sf high-tech center employs aerospace engineers for Airbus. The RSA began recruiting EADS to make Mobile their future assembly center for their new A330 Flight Refueling Tanker. In 2012, Airbus announced plans for a \$600 million assembly plant for their A320 family at Mobile's Brookley Aerospace (their first American aircraft

production plant).

Bob Riley, Congressman from 1996-2000 and Governor of Alabama (2003-2011), played a significant role in convincing EADS to locate an aircraft assembly plant in Mobile. He stated to me, "[RSA] introduced me to Allan McArtor, Vice President of Airbus, when I was in Congress, and I started building a relationship with Allan. That relationship culminated years later with Airbus building an aircraft assembly plant in Mobile and adding a second line in 2019. Now, Alabama is on the verge of being the fourth largest commercial aircraft producer in the world,

Is RSA-1 the Same as My RSA Retirement?

RSA-1 is an Internal Revenue Code Section 457 deferred compensation plan for public employees. This voluntary plan allows you to save and invest extra tax-deferred retirement money. Not only can you defer taxes immediately, but your contributions and any earnings will also grow on a tax-deferred basis. All the money you defer and all investment earnings are placed into your account and managed by RSA Investment Staff.

Your RSA retirement is a defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. A defined benefit plan provides you with a specific benefit at retirement by calculating the retirement benefit based on a formula. Benefits are payable monthly for the member's lifetime, possibly continuing for the lifetime of their beneficiary. **Participation in RSA is mandatory** if a person is employed in a position eligible for

coverage in a non-temporary capacity on at least a one-half-time basis and is earning at least the federal minimum wage.

RSA-1 is a powerful tool to help you reach your retirement dreams. As a supplement to other retirement benefits or savings that you may have, this voluntary plan allows you to save and invest extra money for retirement.

Begin saving more money for later while reducing taxes with RSA-1. Any public official or employee of the state of Alabama or any political subdivision is eligible to enroll, regardless of age or participation in the RSA. The RSA-1 program is voluntary and can help you plan for a secure financial future.

For more information about RSA-1, including how you can enroll, call 877.517.0020, email RSA-1.Info@rsa-al.gov, or visit our website at www.rsa-al.gov/rsa-1/. ●

THE RSA'S ROLE IN ESTABLISHING THE AEROSPACE INDUSTRY IN ALABAMA

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behind France, Germany, and the state of Washington.”

Jo Bonner, Jr., President of the University of South Alabama, Congressman from 2003-2013, and Chief of Staff for Alabama Governor Kay Ivey from 2018-2021 stated to me, “[RSA] brought Airbus to my attention when I was in Congress and eight years later, Airbus located their A320 aircraft Final Assembly Line in Mobile. [They were] instrumental in helping us build this relationship with Airbus and get their plant in Alabama.”

Allan McArtor, Chairman of Airbus Americas from 2001-2017, provided strategy for Airbus companies throughout the U.S., Canada, and Latin America. He established the A320 and A220 aircraft assembly lines in Mobile. McArtor told me, “Doc Bronner and I go back many years. He is the best ‘salesman’ for Alabama, and he played a significant role in making our Airbus executive team aware of the success of Alabama’s auto industry and aerospace industry. Doc took me around Alabama to show me the remarkable impact the RSA has made on the quality of life.”

Airbus has invested over \$1 billion in its Mobile facility. As of May 2023, Airbus has produced more than 375 aircraft since its first assembly line (A320) became operational in 2015. Production of the second assembly line (A220) started in 2019. The Mobile plant builds planes for American, Delta, JetBlue, Frontier, Spirit, Allegiant, JetSMART, Volaris, and Hawaiian Airlines. Airbus recently celebrated the delivery of

Delta Airlines’ 100th plane assembled in Mobile. These aircraft cost approximately \$100 million each. In 2023, Airbus announced an expansion for a third assembly line (second A320) and a new paint shop. By 2025, Airbus will add 1 million sf to the plant’s production area and 1,000 jobs (bringing the total to 2,800).

Following the presence of GKN and Airbus in Alabama, over 300 aerospace companies from 30 countries have chosen Alabama for operations. These companies supply aircraft parts, software design, systems engineering, space vehicle components, navigation systems, and injection moldings/plastics. Some of these companies are Boeing, Lockheed Martin, GE Aviation, Raytheon, Collins Aerospace, Northrup Grumman, and Sikorsky. Since Airbus began assembling aircraft in Mobile, 22 Airbus suppliers have relocated to Mobile.

In January 2024, the RSA sold its railcar plant in the Shoals to AEI Industrial Partners (AEI). AEI

plans to convert the 2.27-million-sf plant on 638 acres to an aerospace hub for aerospace, space, and defense markets. AEI will work to establish North Alabama as an aerospace corridor. The corridor from the Shoals, extending east to Huntsville, is already home to a growing cohort of aerospace engineers and technology professionals. In Huntsville, Redstone Arsenal houses the Army’s missile defense and aviation programs. The Arsenal is also home to NASA’s Marshall Space Flight Center. ●



*Airbus Plant in Mobile with RSA buildings at the top
(Flight Global)*

Alabama Success Stories

Alabama ABLE Savings Plan

Helping Alabamians with disabilities invest in their future

The Alabama ABLE (Achieving a Better Life Experience) Savings Plan is celebrating seven years of success in helping to provide secure funding for individuals with physical, developmental, or intellectual disabilities and their families. The Alabama ABLE Savings Plan is a tax-advantaged savings account that allows qualifying disabled individuals and their families to save up to \$100,000 without impacting other state and federal benefits such as Supplemental Security Income (SSI), Medicaid, Supplemental Nutrition Assistance Program (SNAP), and housing assistance programs. As of December 2023, 890 Alabama ABLE accounts have been opened with total balances of \$4,027,960.

The vision for the Alabama ABLE Savings Plan is to best serve the disabled community's needs, goals, and dreams for the future by providing them with the opportunity to obtain financial stability. The program was launched in 2017 by the Alabama State Treasurer's Office after Congress enacted the Stephen Beck, Jr., Achieving a Better Life Experience Act (ABLE Act) in December 2014, which permitted states to establish tax-advantaged savings programs for disabled individuals (under Section 529A of the Internal Revenue Code).

ABLE funds can be used for various Qualified Disability Expenses (QDEs) such as health and wellness, assistive technology, living expenses, housing, education, employment training, transportation, and more. There are no federal or state taxes on the earnings while the funds are in the ABLE account, and there



are no taxes on the withdrawals if the funds are used for QDEs. The plan has easy online enrollment and online account management. The account management interface is designed to be ADA Accessibility compliant. The platform also allows you to set a savings goal to help you monitor your progress and stay on track.

Anyone can contribute to an Alabama ABLE account, such as a family member, friend, or the account holder. The annual contribution limit is \$18,000 per year. The ABLE to Work Act allows beneficiaries who are employed to contribute an amount equal to their current year's gross income (up to a maximum of \$14,580 in 2024) each year to their ABLE accounts in addition to the annual standard contribution limit of \$18,000. Contributions can be made

up to a maximum account value of \$475,000 over the life of the account. Alabama taxpayers have an income tax deduction of up to \$5,000 annually for contributions into an ABLE account.

The program is available to any individual who has developed a qualifying disability before age 26 or meets the Social Security definition of a disability. If someone can't open an account themselves, an Authorized Legal Representative (ALR) can do it for them. Learn more about the Alabama ABLE Savings Plan online at www.alabamaable.gov or by calling 833.711.2253.

This is a series of articles about Alabama Success Stories. Please let us know if you have a similar success story you would like to share with the RSA membership. You may contact us at communication.correspondences@rsa-al.gov. ●



Stepped Up Environmental Protection for Coastal Alabama

BY LANCE LEFLEUR, DIRECTOR OF ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT (ADEM)

Thanks to a partnership with local and state leaders, the Alabama Department of Environmental Management (ADEM) recently cut the ribbon on a new Coastal Office in Mobile that will allow for more efficient environmental protection services in Alabama's coastal region and add to the city's redevelopment of the South Broad Street area.

Construction of the \$13 million, 15,000-square-foot building began in 2022 and was funded in collaboration with the Alabama Gulf Coast Recovery Council (AGCRC). The 10-member AGCRC, which includes Gov. Kay Ivey, local mayors, county commission chairs, and other officials, contributed \$7.9 million in settlement money from the 2010 BP Deepwater Horizon oil spill. The Alabama Legislature

allocated \$3 million, and ADEM covered the remaining costs.

Because of its commitment to protecting human health and the environment, ADEM led the efforts of a dozen state agencies in responding to the unprecedented 2010 oil spill. ADEM employees contributed more than 30,000 hours of uncompensated work to the effort. The response highlighted the critical need for adequate facilities to serve the rapidly developing coastal area.

This new facility is the result of 13 years of teamwork by a number of parties who united behind the mission of protecting Alabama's coastal areas. Many of those partners joined ADEM officials in celebrating the office's opening. Among them were the mayors of Mobile,

Fairhope, Dauphin Island, and Bayou La Batre; Mobile County Commissioner Merceria Ludgood; representatives for U.S. Sens. Tommy Tuberville and Katie Britt, and U.S. Rep. Jerry Carl; officials with Alabama Department of Conservation and Natural Resources, the Alabama Port Authority, the U.S. Army Corps of Engineers; and various environmental organizations and businesses.

The new coastal office will bring under one roof more than 30 ADEM staff who previously worked in two locations in the Mobile area. The new location is closer to area headquarters for the U.S. Coast Guard and the Corps of Engineers, which will enhance cooperation between the

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Travel Looks to Be Very Busy, Start Planning Your Getaways at RSA's Outstanding Hotels, Spas, and RTJ Golf



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ENJOY YOUR SPRING/SUMMER A Special Deal FOR RSA MEMBERS

The Battle House,

A Renaissance Hotel \$129

- May 1-3, 5-8, 12-14, 16-19, 24-31
- June 1-8, 12-17, 21-24, 28-30
- July 1-6, 12-14, 26-31

The Battle House RSA Spa Package \$244

- May 1, 6-8, 13-14, 27-29 • June 3-5, 12, 17, 24
- July 1-3, 29-30

Riverview Plaza \$119

- May 1-3, 9-11, 17-19, 24-28
- June 1-2, 7-8, 12-16, 21-24
- July 1-6, 12-14, 26-28

Grand Hotel \$137 (plus a 15% resort fee)

- May 12-14, 21-22, 28-29 • June 2-4, 25-27, 30
- July 1, 15-16, 28-30

Grand Hotel RSA Golf Package \$209 (plus a 15% resort fee)

- May 12-14, 21-22, 28-29 • June 2-4, 25-27, 30
- July 1, 15-16, 28-30

Grand Hotel RSA Spa Package \$285 (plus a 15% resort fee)

- May 12-14, 21-22, 28-29 • June 2-4, 25-27, 30
- July 1, 15-16, 28-30

Marriott Shoals \$119

- May 1-2, 6-7, 12, 20, 27-28
- June 5-6, 16-17, 23-25, 30
- July 1-2, 7, 14-15, 21-22, 28

Marriott Shoals RSA Spa Package \$229

- May N/A (Closed for Renovation)
- June N/A (Closed for Renovation)
- July N/A (Closed for Renovation)

Renaissance Ross Bridge \$129

- May 1-2, 5-6, 12, 15, 19-20, 26-31
- June 1-2, 5, 13, 16-17, 23, 26-27, 30
- July 2-3, 7-8, 14, 21, 23-24, 28, 31

Renaissance Ross Bridge RSA Spa Package \$260

- May 5-6, 26-29 • June 16-17, 23, 26 • July 14, 23

Auburn/Opelika Marriott Resort \$119

(plus a 10% resort fee) Web reservation will show \$144, including \$25 resort fee. Guest will only be charged RSA rate at checkout.

- May 1, 12-13, 19, 24-30 • June 2-4, 16-17, 25-27, 30
- July 3-4, 7-10

Auburn/Opelika Marriott Resort RSA Spa Package \$234 (plus a 10% resort fee)

- May 1, 12-13, 19, 24-26, 29-30
- June 2-3, 16-17, 26-27, 30 • July 3, 7-8, 10

Prattville Marriott \$109

- May 10-12, 17, 22-23, 26-27, 29
- June 1-4, 12-13 • July 1-2, 7, 28-31

Renaissance Montgomery \$129

- May 5, 9-10, 27-31 • June 1, 7-9, 13-16, 20, 28-31
- July 1-7, 21-23, 31

Renaissance Montgomery RSA Spa Package \$244

- May 9-10, 27-31 • June 1, 7-8, 13-15, 20, 28-31
- July 2-6, 23, 31

Specific room requests may require additional charge.
Rates available the 1st of the month and are not applicable to groups.

Corporate/Promotional Code: R2A
on www.rsa-al.gov

Book Online and Save RSA \$4.

STEPPED UP ENVIRONMENTAL PROTECTION FOR COASTAL ALABAMA

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various agencies. This will make for more streamlined operations with ADEM's nearby partners, making the site more visible and accessible to the public.

An architectural feature of the building, a curved front façade, was designed to produce a changing effect as the sun and shadows move through the day, reflecting the dynamics of the hydrological cycle.

The facility also showcases a number of environmentally friendly features. The parking lot is paved with rubber-modified asphalt produced with recycled old tires. A walking trail will also be made from shredded tires and feature plants native to the region. "Rain Chains" will take water from the building's metal roof to underground cisterns for storage, and a retention pond will help manage stormwater.

An electric vehicle charging station, LED lighting, automatic light switches, and design functions that maximize natural lighting also contribute to efficiency.

Mobile is making a considerable investment in the redevelopment of this section of South Broad Street, which is the main link between downtown and the airport. The location of ADEM's new Coastal Office contributes to those redevelopment efforts and helps make a favorable impression for visitors to Mobile. ●

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