The ADVISOR
TEACHERS, EMPLOYEES, and JUDICIAL

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Between a Rock and a Hard Place

BY NEAH M. SCOTT, LEGISLATIVE COUNSEL

Last session, the Legislature increased PEEHIP's funding for fiscal year 2026 by $124 million to prevent out-of-pocket increases for members. However, that additional funding came at a cost: lawmakers were unable to also provide a salary increase for educators, in part because of PEEHIP's large budget need.

Unfortunately, the additional $124 million did not fully solve PEEHIP's rising cost issues and the program needs an additional $380 million for fiscal year 2027. (See "PEEHIP's Rising Costs: A Nationwide Issue" in the October *Advisor*.)

Normally, after foregoing a raise to fund insurance, the Legislature would give a salary increase the following year. But with PEEHIP's looming deficit, both the Legislature and Alabama's educators are between a rock and a hard place. If lawmakers approve a raise without new PEEHIP funding, insurance increases could quickly absorb any pay increases. Yet even if the Legislature foregoes a raise to shore up PEEHIP, there is not enough new money in the Education Trust Fund to fully close the gap. This problem is even more exacerbated for retirees, who have not had a cost-of-living adjustment since 2007.

Unlike the federal government, Alabama cannot borrow money to fund state government. State revenues are softening due to recent tax cuts, there will be no large federal windfalls like those seen in recent years, and efforts to increase revenues through gambling legislation have repeatedly failed.

Ultimately, Alabama faces difficult choices. Without new revenue, the state cannot fully fund both competitive salaries and stable health coverage. We are all in this together. The governor, legislators, and educators will have to work together to come up with the best solution to an almost impossible problem.

Do It Again

BY DAVID G. BRONNER

Last month's *Advisor* sent our very best to Alabama's Senators and Representatives in Washington for their outstanding effort to work together to bring the U.S. Space Command to Huntsville, Alabama.

We need your cooperation again for South Alabama. Not for new jobs, but for solving an old problem that still exists. That problem hangs over all of Alabama, like a knife to your throat: the coal ash dump that sits next to Mobile Bay. No one should forget what the Tennessee coal ash dump did to that state. A breach of the Mobile site would clearly damage Mobile Bay for decades.

A huge victory when Alabama leaders work together!

We do not need finger-pointing; we need to, jointly, with Alabama Power, our Washington team, and our state team, unite and start the long process to solve this huge environmental bomb NOW, NOT IGNORE IT until Mother Nature decides to let it bust loose and damage Mobile Bay, affecting not just Mobile Bay but the entire state.

We do not want what happened to the Ohio River, which was actually on fire at one time, and have a repeat of major pollution problems Lake Erie suffered years ago.

We need to discuss how this problem can be solved before the damage is done to Alabama.

Boost your savings with RSA-1

RSA-1 Returns for the Period Ending September 30, 2025

Investment Options	1 Year	Last 3 Years	Last 5 Years	Last 10 Years
	Annualized Investment Returns			
Short-Term Investment Portfolio	4.64%	5.06%	3.19%	2.24%
Fixed Income Portfolio	3.37%	5.58%	0.56%	2.50%
Equity Portfolio	17.59%	24.90%	16.47%	15.26%

CONTINUED ON PAGE TWO

Boost Your Savings with RSA-1

continued from page one

The Retirement Systems of Alabama (RSA) administers the RSA-1 Deferred Compensation Plan, a Governmental 457(b) Plan offered to all public employees in Alabama. With RSA-1, you can **set aside a portion of your paycheck** to help build your financial future. You decide how much to contribute and whether to make **pre-tax, after-tax (Roth), or a combination** of both types of contributions. Your money is then invested in one or more of **three investment options**, giving you flexibility based on your goals and comfort level.

Although there is no minimum amount required to contribute, there are maximum annual contributions limits based on the participant's age. All contributions and investment earnings are held in the participant's account for the exclusive benefit of the plan participants and their beneficiaries. By state statute, there are **no fees charged** to those who elect to participate. This benefit keeps more money in your pockets. IF you are not currently contributing some of your salary into these accounts, you may want to consider doing so.

More than **40,000 Alabamians** are already taking advantage of this great benefit. If you're not yet contributing to RSA-1, now is a great time to start! Visit www.rsa-al.gov/rsa-1 to learn more and enroll today.

For any investment option you choose, remember that past performance does NOT guarantee future performance.

Alabama Hospitals to Face Millions in Losses if ACA Subsidies Expire

BY WESLEY WALTER, *ALREPORTER.COM*

…Alabama healthcare providers will be among the most negatively impacted nationwide should certain Affordable Care Act premiums expire.

The report conducted by the Robert Wood Johnson Foundation (RWJF's report) projects billions of dollars in lost revenues for healthcare providers alongside uncompensated care spikes if Congress allows ACA enhanced premium tax credits to expire at the end of 2025.

Enhanced premium tax credits, or ePTCs, are federal subsidies for health insurance enacted by the American Rescue Plan Act and extended by the Inflation Reduction Act.

The credits have been administered yearly since 2021 through the ACA's Health Insurance Marketplace; however, they are currently set to expire at the end of 2025.

RWJF's report . . . found that if Congress allows ePTCs to expire, hospitals, physicians and other providers will face roughly $32.1 billion in lost revenue nationwide in 2026.

"The negative effects of allowing these tax credits to expire couldn't be more stark," said RWJF Senior Policy Advisor Katherine Hempstead. "Millions of people will lose coverage, and providers will face the one-two punch of losing revenue and increasing uncompensated care."

"Healthcare institutions are often the economic engines of entire communities. If the credits expire, the ripple effects will be felt for years to come," Hempstead added.

…The report found that the loss of ePTCs in Alabama would bring about a 2.8 percent total decrease in healthcare spending for nonelderly patients by insurers and households, with hospitals expected to see a 3.5 percent decrease. The overall spending decrease would constitute a loss of $939 million in revenue for healthcare providers across the state.… RWJF also found that Alabama would see an 18.3 percent increase in demand for uncompensated care from nonelderly patients statewide, and an 18.8 percent increase for hospitals.

…The report found that ten of the 11 states that would be hit by the largest decreases in total healthcare spending have not expanded Medicaid and are concentrated in the South. Meanwhile, nine of the 15 states projected to be most impacted by uncompensated care increases are non-expansion states. Alabama ranks in the top ten most impacted states in both categories.

Research conducted using the Urban Institute's Health Insurance Policy Simulation Model also projected that, without ePTCs, net premiums in ACA's Marketplace would "significantly increase."

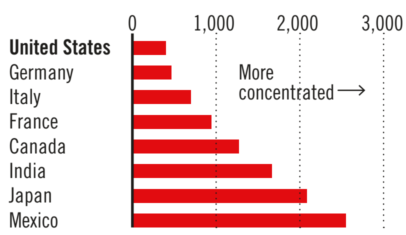
Researchers found that 7.3 million fewer people would receive subsidized coverage in 2026, resulting in 4.8 million more nonelderly adults becoming uninsured compared to 2025.

"If these subsidies expire, it will be important for federal, state, and local policymakers to consider the potential adverse effects on healthcare access and affordability, as well as revenue losses for providers of all types," said Urban Institute Principal Research Associate Fred Blavin.

The Media

As fragmented as they come

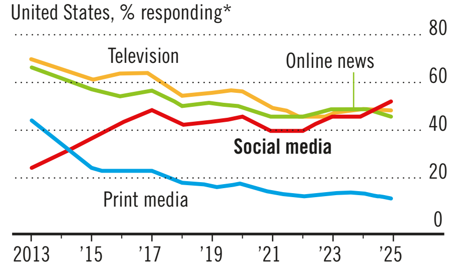
Media-industry market concentration*
Selected countries, 2023†



*Herfindahl-Hirschman index. 10,000=maximum concentration where one company owns all media †Or latest
Source: Global Media and Internet Concentration Project

Social Success

"Which, if any, of the following have you used in the last week as a source of news?"
United States, % responding*



*Approximately 2,000 survey respondents
Source: Reuters Institute

Alabama Success Story

Hydroponic Farms in Birmingham Classrooms Aim to Tackle Food Deserts and Transform Education

WWW.BHAMCITYSCHOOLS.ORG/O/BHSA

In a classroom-turned-greenhouse at Birmingham's Bush Hills STEAM Academy, students are learning science and helping fight hunger by creating hydroponic farms. Hydroponic farms grow plants without soil. Instead of soil, mineral nutrient solutions in water-based systems are used, often in a vertically stacked or greenhouse setup. The hydroponic labs offer a year-round, indoor alternative that's scalable and consistent.

This hands-on learning is part of a new initiative placing hydroponic farming labs in eight Birmingham public schools: Bush Hills STEAM Academy, Central Park Elementary School, Charles A. Brown Elementary School, Wylam K-8 School, Minor Elementary, Green Acres Middle School, South Hampton K-8 School, and Jackson Olin High School.

The program, led by a coalition that includes Jones Valley Teaching Farm, NY Sun Works, Birmingham City Schools, and the city of Birmingham, aims to address food insecurity and educational gaps in neighborhoods considered food deserts. Jones Valley Teaching Farm is a Birmingham nonprofit founded in 2002 and has long operated outdoor teaching farms in Birmingham. NY Sun Works builds state-of-the-art Hydroponic Classrooms, teaches the science of sustainability and climate change, and transforms learning in K-12 city schools.

Experts say hydroponic farms can help address food insecurity, which is extremely important to the city of Birmingham. Over 70% of Birmingham residents lack access to affordable, fresh food. A Bush Hills STEAM Academy student said, "When I first saw this in the greenhouse, I thought about how helpful it could be and how many lives it could change...I kept thinking about the food deserts and how many people it could help in them." Another student explained that

she lives in a food desert with no grocery stores near her home.

The in-school systems can yield up to 4,000 pounds of produce annually, much of which will stay within the communities where students live — areas where access to affordable, fresh food remains limited.

Executive director of Jones Valley Teaching Farm, Amanda Storey, said, "There's this really unique thing that happens when young people are in charge of something and they have agency…They're caring and nurturing for something as small as a seed, but the output of that is something bigger."

The initiative is a first of its kind in Alabama and brings food-based STEM education to nearly 4,000 students across elementary, middle, and high schools. Each participating school houses a working hydroponic lab, where students manage everything from planting and maintenance to harvest and distribution.

The program also helps students draw connections between their studies and the real world. Manuela Zamora, executive director of NY Sun Works, says the model encourages kids to ask critical questions about food access, health, and sustainability — and to see themselves as problem-solvers. "They are farming in the classroom and understanding the science behind it, making connections and having a hands-on approach to learning and being engaged in a project," Zamora said. "They also start to question like, 'Why don't we have access, regular access, to these types of fresh vegetables'…That leads to civic engagement and advocating for what they should have access to."

"We've had a long history of seeing how this is a game changer for kids when you're allowed to be outdoors, or indoors but surrounded by living things. It just makes you see what your world is made of," Storey said.

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.

A Majority of U.S. Children Rely on Medicaid or CHIP, New Study Finds

SOURCE: NADA HASSANEIN, *STATELINE*

A majority of children in the United States rely on Medicaid or the Children's Health Insurance Program at some point by their 18th birthday, and many experience periods of coverage loss, according to a study published [in September] in the journal JAMA.

By their 18th birthday, about 3 in 4 children nationwide relied on Medicaid, CHIP (which subsidizes healthcare for children and pregnant women in families that earn too much for Medicaid), or the subsidized insurance marketplaces established through the 2010 Affordable Care Act – or experienced a period during their childhood without health insurance, the study found.…

The study comes as states grapple with federal Medicaid cuts under President Donald Trump's One Big Beautiful Bill Act. The tax and spending law will reduce Medicaid funding by $1 trillion and cut enrollment by 10 million to 15 million people over the next decade, according to projections by the Congressional Budget Office.

About 42% of children suffered a period of losing health coverage at any point in time by their 18th birthday[.]

CONTINUED ON PAGE FOUR

You Need to Start Planning a Holiday Break at RSA's Outstanding Hotels, Spas, and RTJ Golf

Member Hotel Discounts Webpage

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MONTGOMERY, ALABAMA 36130-2150

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A Special Deal
FOR RSA MEMBERS

The Battle House, A Renaissance Hotel $129
- November 7-12, 16-18, 23-30
- December 1-3, 7-9, 17-19, 21-29
- January 1-6, 18-23

The Battle House RSA Spa Package $244
- November 10-12, 17-18, 24-26
- December 1-3, 8-9, 17, 22-23, 29
- January 5-6, 19-21

Riverview Plaza $119
- November 15-20, 28-30 • December 1-3, 7-9, 17-29
- January 1-6, 16-21

Grand Hotel $137 (plus a 15% resort fee)
- November 2-3, 16-17, 23-24, 30
- December 1-2, 7-8, 14-15
- January 6-8, 11-12, 18-21

See RSA website for Holiday Stroll Package.

Grand Hotel RSA Golf Package $209 (plus a 15% resort fee)
- November 2-3, 16-17, 23-24, 30
- December 1-2, 7-8, 14-15 • January 6-8, 11-12, 18-21

Grand Hotel RSA Spa Package $285 (plus a 15% resort fee)
- November 2-3, 16-17, 23-24, 30
- December 1-2, 7-8, 14-15 • January 6-8, 11-12, 18-21

Renaissance Shoals $119
- November 9-10, 23-26 • December 21-30
- January 1-4, 8-15, 18-19

Renaissance Shoals RSA Spa Package $229
- November 9-10, 23-26 • December 21-30
- January 1-4, 8-15, 18-19

Renaissance Ross Bridge* $129 (plus a 15% resort fee)
- November 2-3, 9, 16, 20, 23-30
- December 4, 7-8, 14-18, 21-25, 30
- January 1-4, 11-12, 24-25

Renaissance Ross Bridge* RSA Spa Package $260 (plus a 15% resort fee)
- November 3, 24-25 • December 8, 15-17
- January 11-12, 25

Auburn/Opelika Marriott Resort* $119 (plus a 10% resort fee)
- November 2-3, 12-13, 23-24
- December 15-16, 21-22, 24-25
- January 4-5, 13-14, 20-21

Auburn/Opelika Marriott Resort* RSA Spa Package $234 (plus a 10% resort fee)
- November 2-3, 12-13, 23-24
- December 15-16, 21-22, 27-28
- January 4-5, 13-14, 20-21

Prattville Marriott $109
- November 2, 8-9, 16-17, 28-30 • December 19-31
- January 1-5, 11-12, 24-25

Renaissance Montgomery $129
- November 2-3, 25-26, 29-30
- December 9-10, 21-22, 28-29 • January 4-9

Renaissance Montgomery RSA Spa Package $244
- November 2-3, 25-26, 29-30
- December 9-10, 21-22, 28-29 • January 4-9

Rates available the 1st of the month and are not applicable to groups.

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U.S. Children Rely on Medicaid or CHIP

continued from page three

… Rates of children who lost insurance coverage were higher in states that hadn't expanded Medicaid income eligibility under the Affordable Care Act, often known as Obamacare. Roughly 59% of children in non-expansion states had periods without any insurance coverage – compared with 36% in expansion states.…

"Upcoming changes to Medicaid could affect a significant portion of children and worsen already substantial insurance gaps," senior author Nicolas Menzies, an associate professor of global health and faculty member in [Harvard]'s Center for Health Decision Science, said in a statement.… ●

Candidates Sought for Two TRS Board Positions

Candidates are being sought for two positions on the TRS Board of Control: Superintendent Position, held by Jason Davidson, and Retired Position No. 2, held by Anita Gibson. The election will take place in January 2026. Elected members will begin their three-year term of service on July 1, 2026.

Nomination packets are available at www.rsa-al.gov or by contacting the Elections Coordinator at 334.517.7192 or 877.517.0020. The completed packet must be returned to the TRS office no later than 4:00 p.m., December 2, 2025. ●

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