

## May 31 Legislative Update:

The Legislature adjourned sine die on Friday, May 31, after finalizing budgets and passing bills to reform the Board of Pardons and Paroles, proposing a constitutional amendment to change the State Board of Education, and to encourage investments in opportunity zones in Alabama.

The House and Senate concurred in conference committee reports on both the General Fund and Education Trust Fund budgets. TRS, ERS, and PEEHIP are fully funded at the requested employer rates in the budgets as passed. The budgets are pending signature by the Governor.

The Senate also considered HB77, which would improve retirement benefits by creating a Tier III for TRS. The Finance and Taxation Education committee gave a favorable report to the bill last Tuesday, despite stated concerns from both budget chairs. In the final hours of session, the Senate proposed an amendment to the bill which would restrict Tier III to only active teachers instructing in classrooms.

The RSA objected to this amendment on numerous grounds. As drafted, it did not accomplish the stated intent. More time was needed to properly draft it. Additionally, a major policy change such as the one proposed needs due consideration and must be reviewed by the RSA's experts (actuaries, accountants, lawyers, etc.) to ensure that such changes would not be harmful to the system and to ensure that the RSA can administer such plan changes. That was not possible as the Senate waited until the last day of session to bring the proposal to limit Tier III to active teachers, despite having had the bill pending in the Senate for over a month.

Despite the RSA's objections, the Senate passed HB77 with the amendment. However, the bill did not make it to the House floor for concurrence before the Legislature adjourned sine die.