

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 and a sword.

# 2026 LEGISLATIVE SESSION

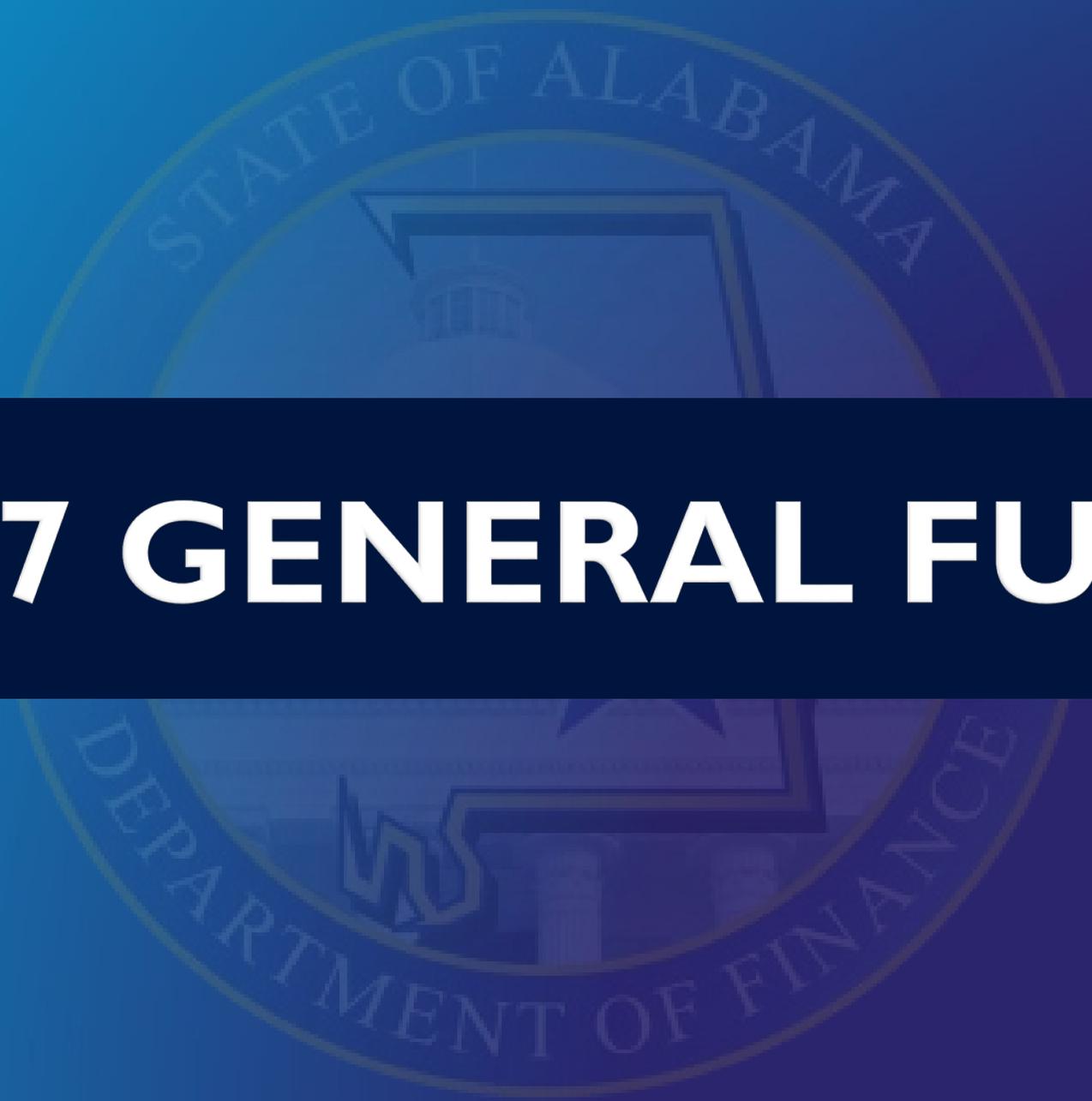
**State Finance Director Bill Poole**

January 14, 2026

# State Budgeting Process

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- **September** – Process begins with revenue estimating
- **November 1<sup>st</sup>** – 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

The background features a large, faint, circular seal of the State of Alabama Department of Finance. The seal contains the text "STATE OF ALABAMA" at the top and "DEPARTMENT OF FINANCE" at the bottom. In the center, there is a depiction of a building with a dome and a star above it, with a stylized "WS" logo below the building.

# 2027 GENERAL FUND

# FY 2027 State General Fund

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## FY 2027 Direct Budget

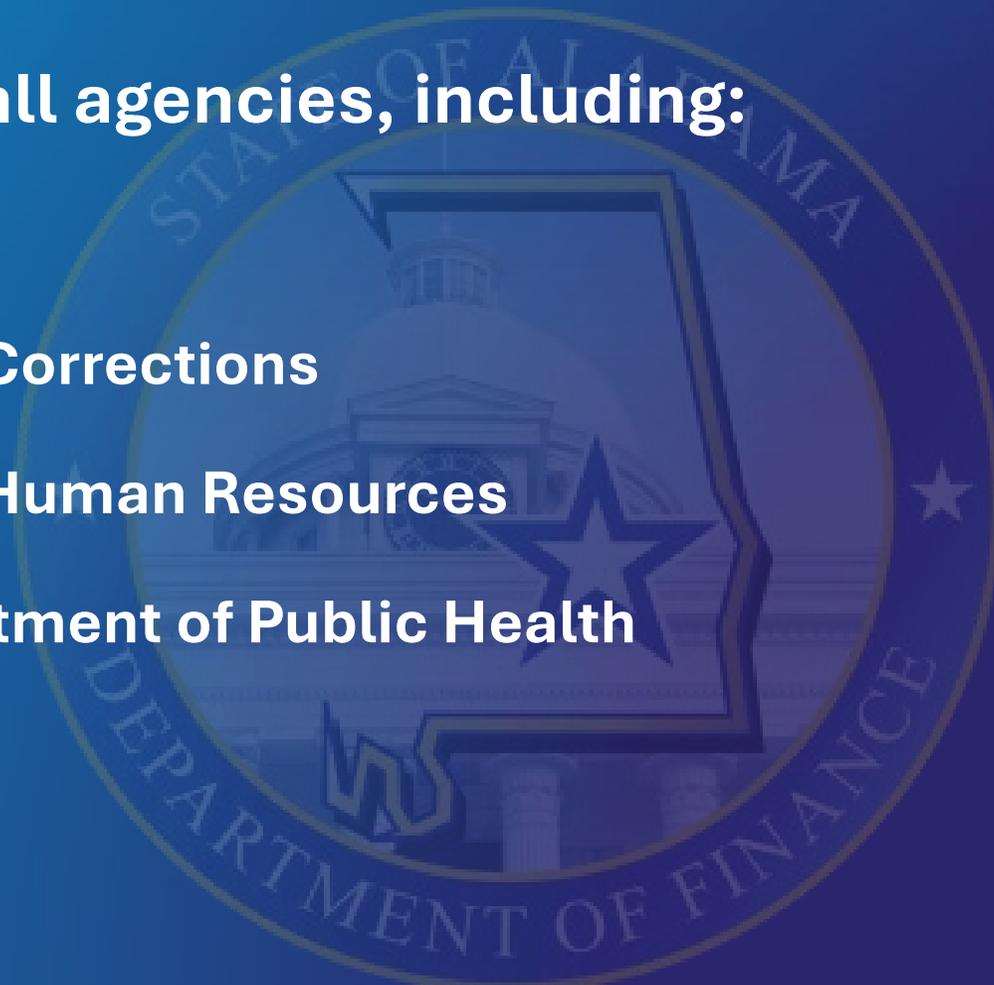
- Total FY 2027 GF Appropriations: \$3.69 Billion
- FY 2027 YOY Estimated Receipts Decline: (4.15%)

# FY 2027 State General Fund

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## Level funding for all agencies, including:

- Medicaid
- Department of Corrections
- Department of Human Resources
- Alabama Department of Public Health
- Mental Health



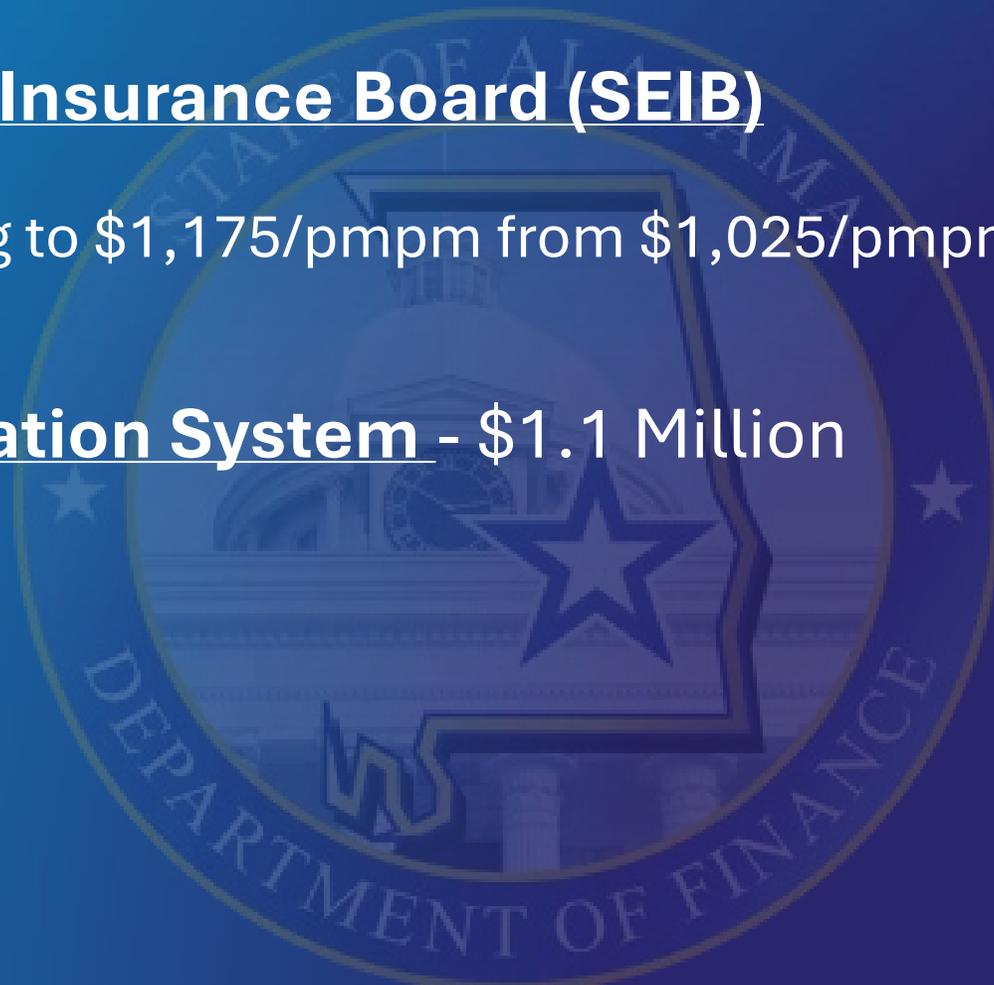
# FY 2027 State General Fund

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## State Employees' Insurance Board (SEIB)

- Increase Funding to \$1,175/pmpm from \$1,025/pmpm

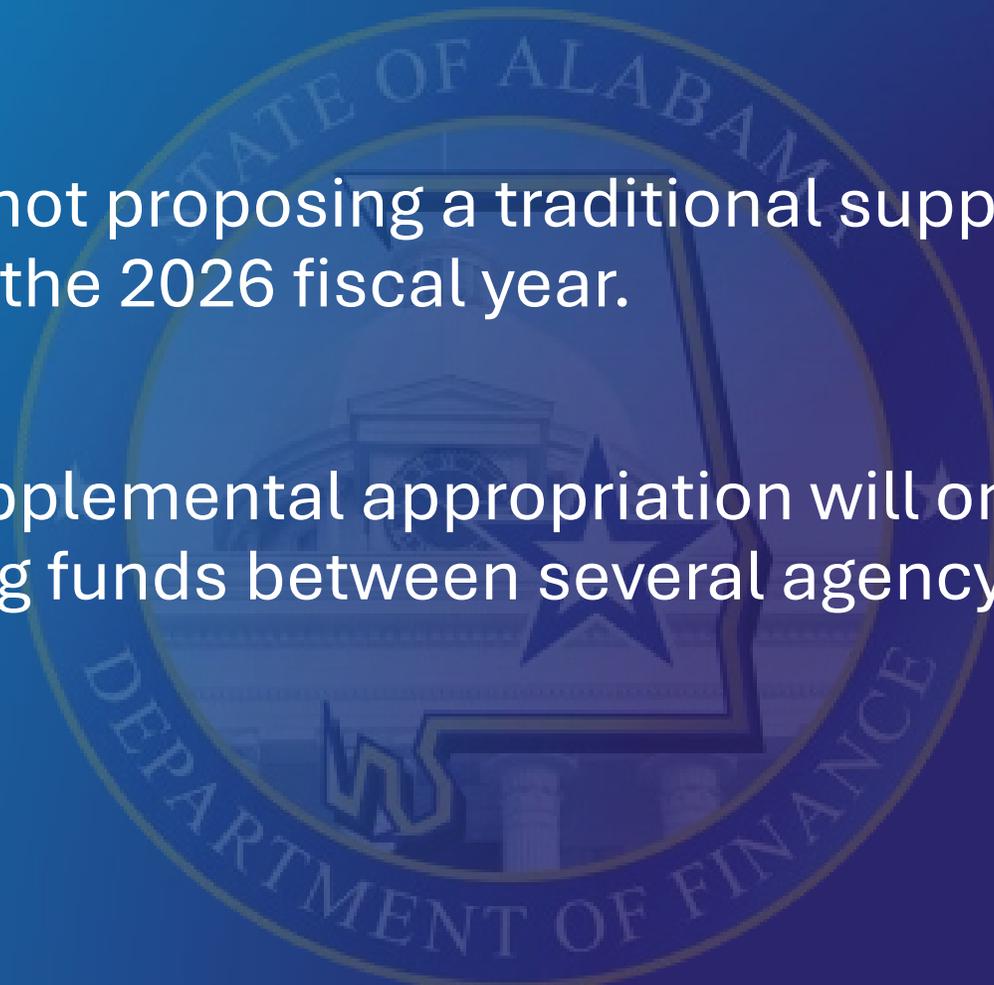
## Statewide Notification System - \$1.1 Million



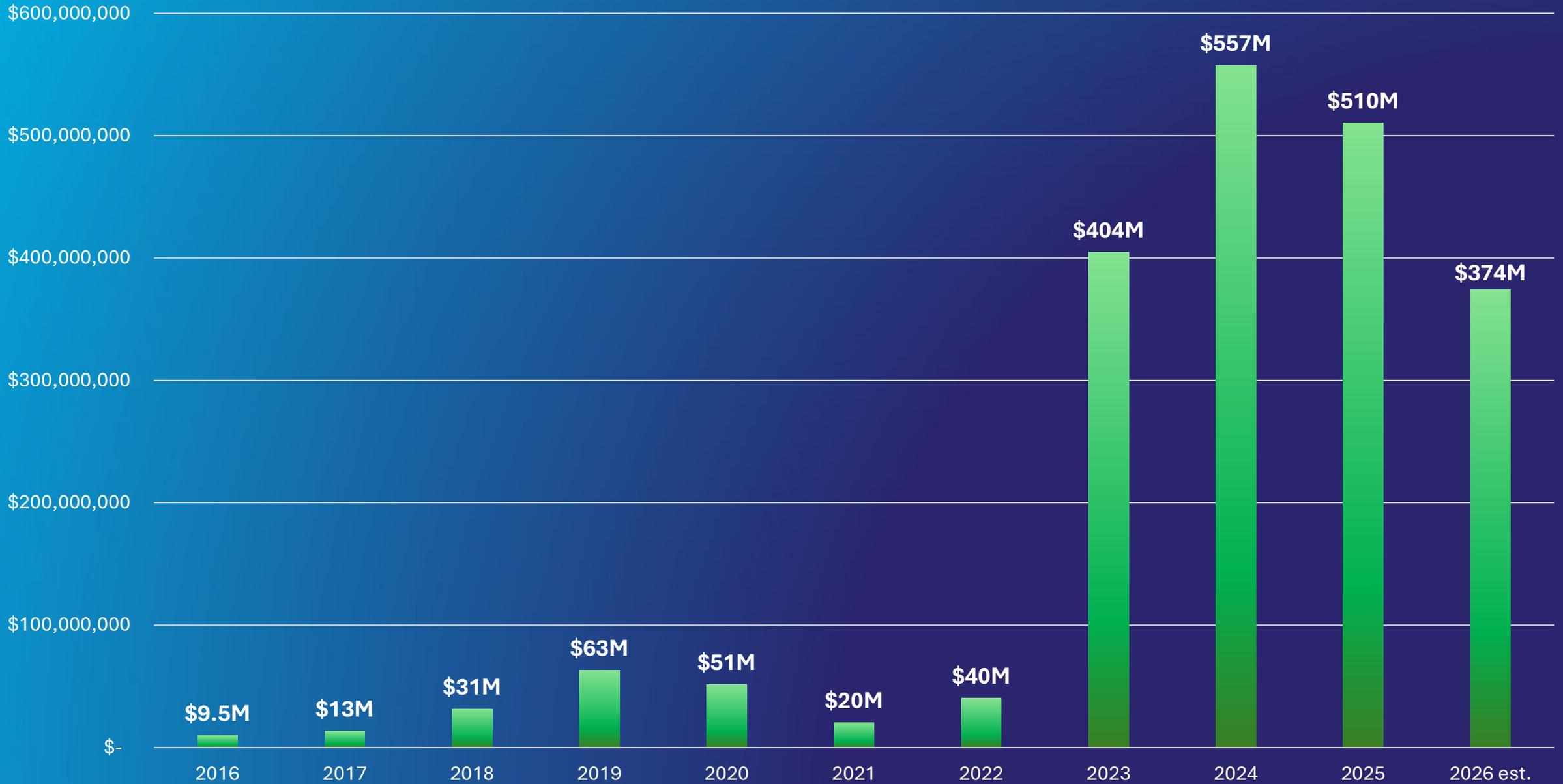
# FY 2026 GF Supplemental

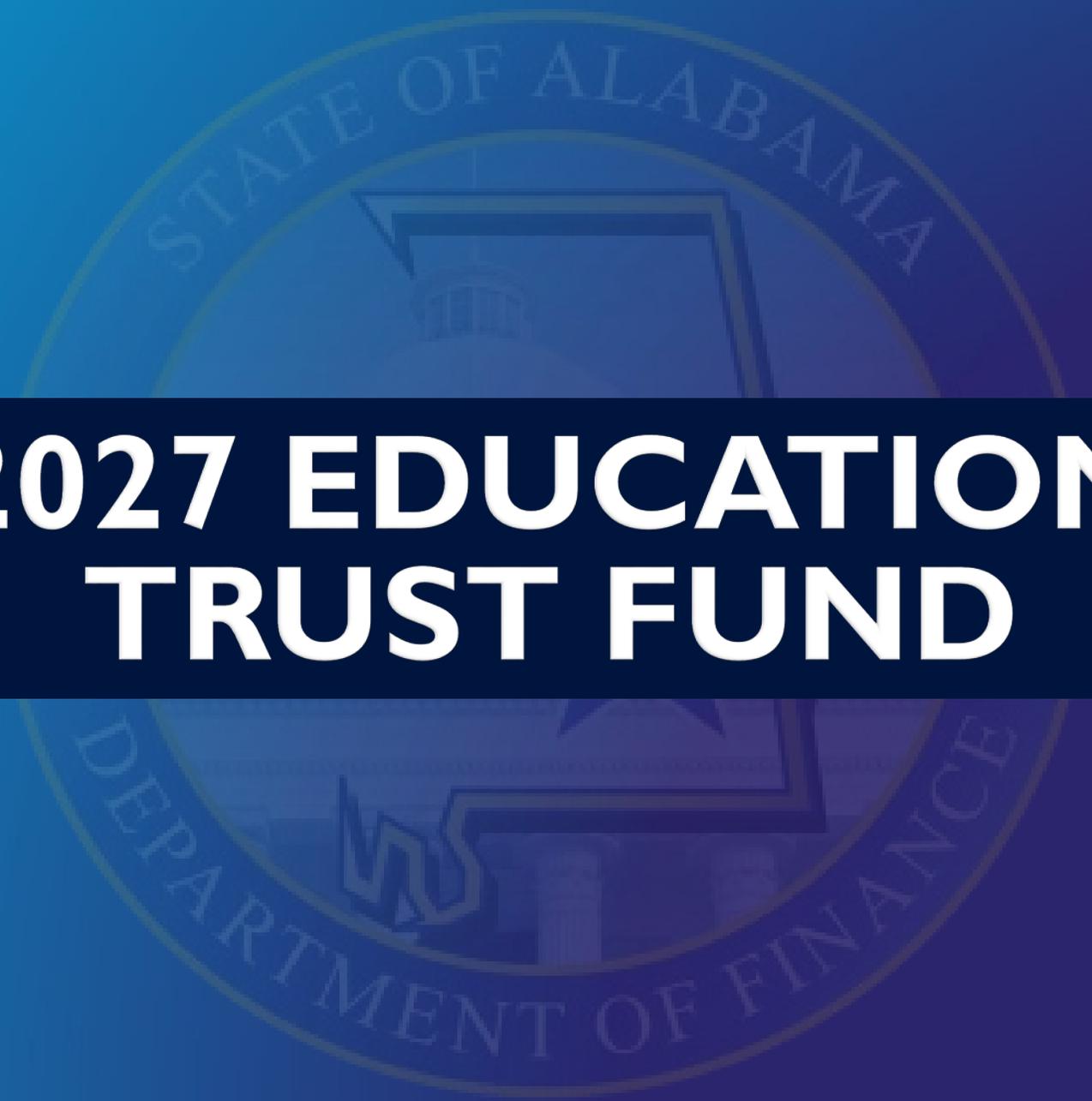
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- Governor Ivey is not proposing a traditional supplemental appropriation for the 2026 fiscal year.
- The proposed supplemental appropriation will only authorize the transfer of existing funds between several agency accounts.



# Interest on State Deposits into General Fund



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# **2027 EDUCATION TRUST FUND**

# FY 2027 Education Trust Fund

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## FY 2027 Direct Budget

- Total FY 2027 ETF Appropriations: \$10.48 Billion
  - 5.75% increase over FY 2026
  - FY 2026 Supplemental Appropriations: \$446 Million
- FY 2027 YOY Estimated Receipts Growth: 2.35%

# FY 2026 ETF Supplemental

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## Total Supplemental Appropriation - \$419.7 Million

- K-12 Funding - \$274 Million (65.23%)
- Higher Ed Funding - \$109 Million (26.03%)
- Other Funding - \$36 Million (8.75%)

# FY 2026 ETF Supplemental

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## K-12 Funding

- *\$50 Million:* School Safety
- *\$66.5 Million:* Fleet Renewal
- *\$15 Million:* Ed Farm Coding Workforce Training
- *\$10 Million:* Charter School Grants

# FY 2026 ETF Supplemental

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## K-12 Funding

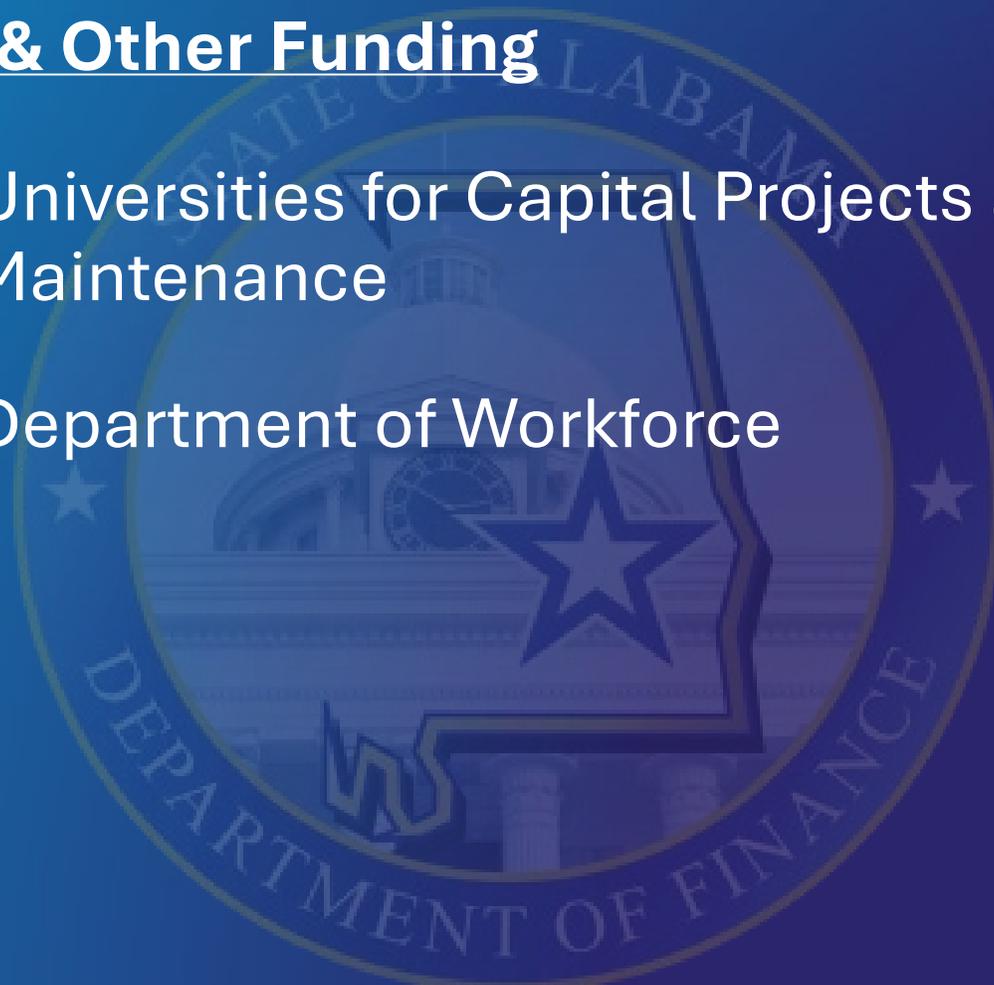
- *\$30 Million:* Summer and After School Programs
- *\$45 Million:* Struggling Readers Beyond Grade 3
- *\$15 Million:* Career Tech
- *\$20 Million:* College and Career Readiness Grants
- *\$1.5 Million (each):* Specialty High Schools (Deferred Maintenance, Capital Expenses and School Safety)

# FY 2026 ETF Supplemental

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## Higher Education & Other Funding

- *\$84.7 Million:* Universities for Capital Projects and/or Deferred Maintenance
- *\$6.5 Million:* Department of Workforce



# FY 2027 Education Trust Fund

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## Total Appropriations - \$10.48 Billion

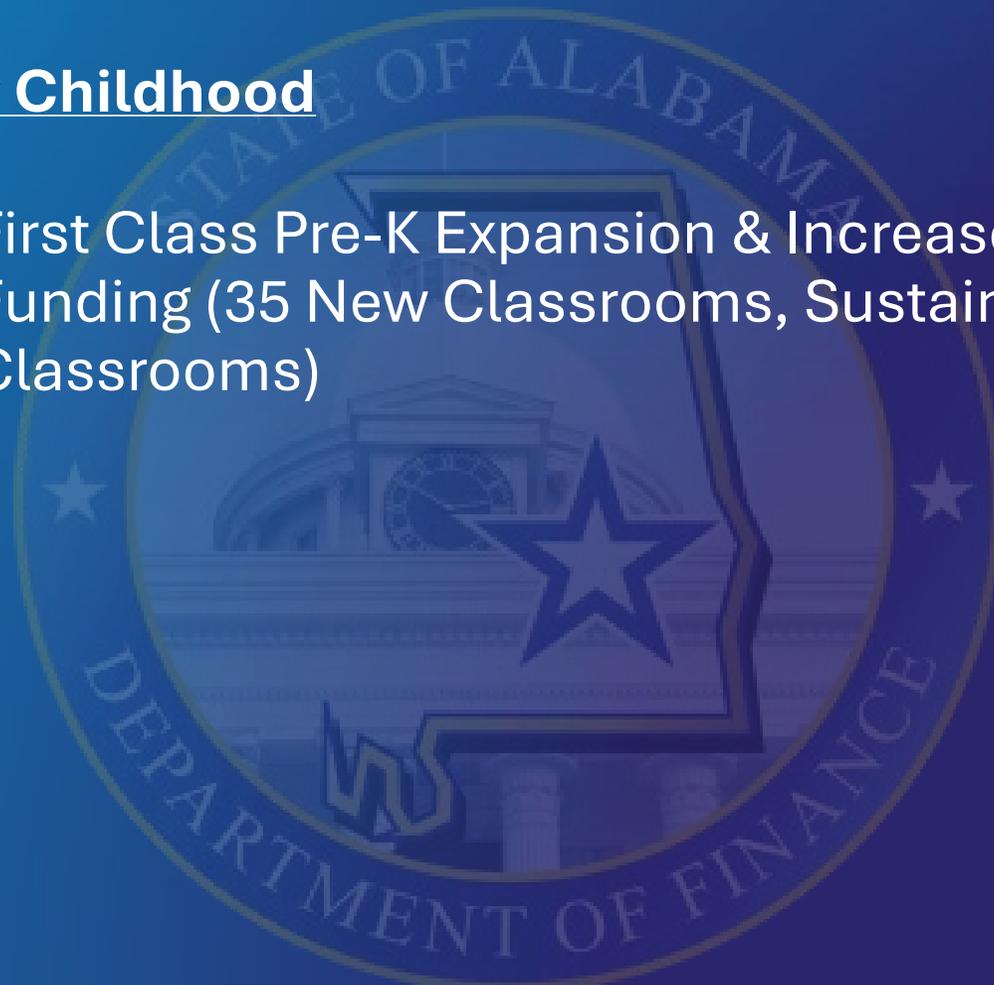
- K-12 Funding - \$7.1 Billion (68.02%)
- Higher Ed Funding - \$2.7 Billion (25.82%)
- Other Funding - \$646 Million (6.17%)

# FY 2027 Education Trust Fund

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## Pre-K Funding – Early Childhood

- *\$9.7 Million:* First Class Pre-K Expansion & Increased Per Unit Funding (35 New Classrooms, Sustaining Existing Classrooms)

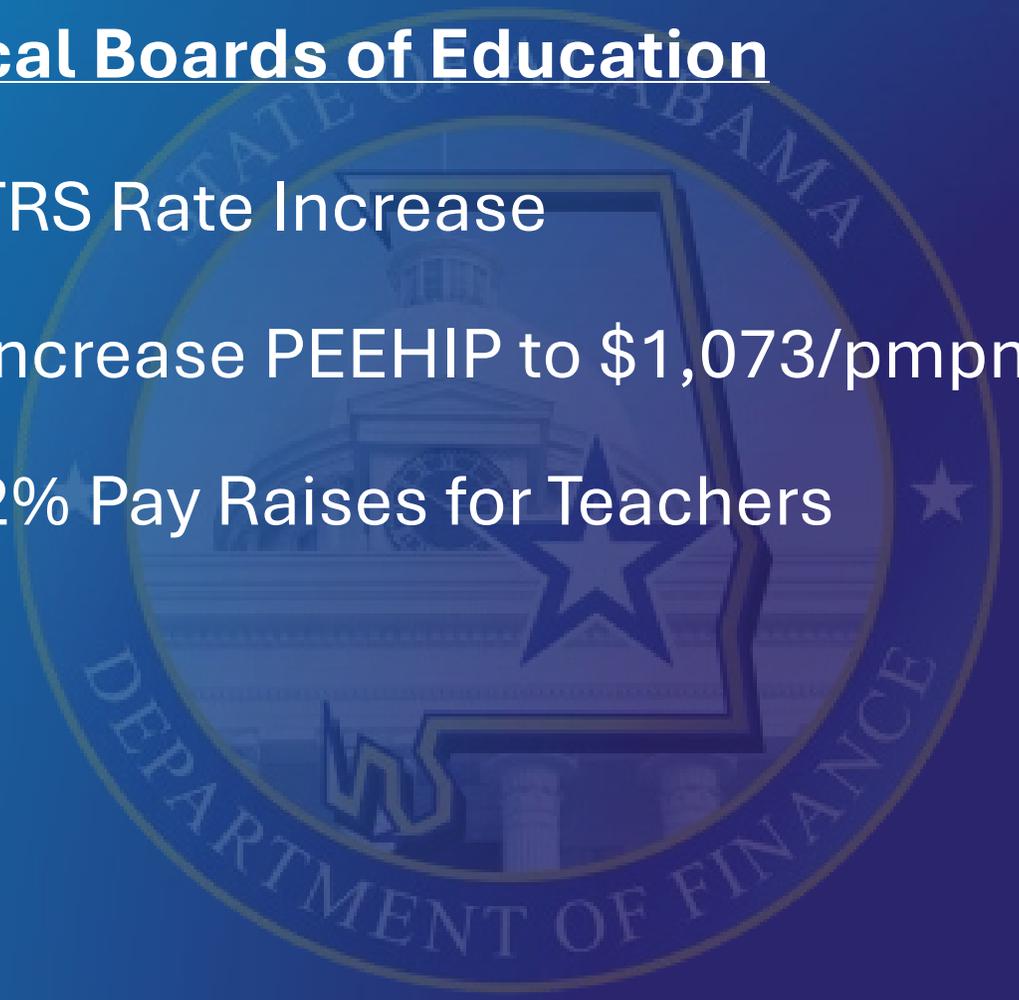


# FY 2027 Education Trust Fund

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## K-12 Funding – Local Boards of Education

- *\$3.6 Million:* TRS Rate Increase
- *\$162 Million:* Increase PEEHIP to \$1,073/pmpm
- *\$99.4 Million:* 2% Pay Raises for Teachers



# FY 2027 Education Trust Fund

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## K-12 Funding – State Department of Education

- *\$22 Million:* Numeracy Act for 33 Regional Math Specialists
- *\$100 Million:* CHOOSE Act

## 4-Year Colleges/Universities Appropriations

- All universities will receive at least a 4.18% Operations and Maintenance increase for the 2027 fiscal year.

# FY 2027 Education Trust Fund

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## Alabama Community College System

- Total Community College System Funding: **\$35.7 Million (new money)**
  - *\$10 Million:* Dual Enrollment Program

## Other Agency Funding

- *\$12.6 Million:* Department of Workforce



# QUESTIONS?

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