



BUSINESS COUNCIL  
O F A L A B A M A

*Making a sweet home for business*

## **2018 STATE LEGISLATIVE AGENDA**

## EDUCATION AND WORKFORCE PREPAREDNESS

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The Business Council of Alabama supports adopting policies and processes that ensure sound, sustainable funding for public education. The BCA advocates that adequate and equitable funding for effective public education at all levels is essential if the system is to effectively prepare Alabama's children and young adults to meet the challenges of an increasingly complex economy and competitive workforce. Therefore, the BCA supports policies that promote access to quality education and strengthen public awareness that further educational investment as not only necessary, but also essential, in ensuring personal income growth and economic opportunity for all Alabamians.

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### THE BCA SUPPORTS:

- Fully implementing the recommendations of the Business Education Alliance's reports, *Student Achievement Matters*, *Exceeding Expectations: Keys to Alabama Students Success*, *Teachers Matter*, and *Obstacles Into Opportunities*. These reports reveal the strategies and tools necessary for graduates to be College- and Career- Ready.
  - The BEA recommends the financial support of the following programs: the Alabama Reading Initiative, High Quality Pre-K programs and assessments, Dual Enrollment, Career Coaches, ACCESS Distance Learning, AMSTI, Advanced Placement, At-Risk and Community Grants, Teacher Professional Development and Recruiting Incentives, Teacher Mentorship, National Board of Certified Teaching, Professional Pathways Pilot, and Rewards for Schools.
  - The BEA report *Student Achievement Matters* recommends selecting a testing system that accurately reflects the progress of all students in all grades required by federal law and rankings compared to peer states and national averages.
- Maintaining funding for seamless training programs for existing industries (including, but not limited to, automotive, aerospace, and construction) and businesses to help employees advance on technical career paths, and ensuring that adequate numbers of trainable workers are available to backfill existing jobs as experienced employees are hired and promoted by new and emerging industries. These training programs must align with and award nationally recognized credentials.
- Continuing to advocate for student-centered policies that expand parental options for the education of all children in Alabama.
- Continuing and maintaining the regional and state workforce training development councils as the process for determining how to spend workforce training money.
- Continuing the consolidation of workforce development programs and activities, as necessary, into an efficient, focused, and responsive system of workforce education and training (such as the Manufacturing Skills Standards Council) which utilizes all of the resources available through the use of career coaches at the secondary and postsecondary levels as well as adult education programs in the Alabama Community College System. This streamlining should align with and recognize the consolidation ongoing in the Department of Commerce in ADECA, AIDT, and the Regional Councils, as well as federal programs under the Workforce Innovation and Opportunity (WIOA) Act.

- Strengthening adult education programs to ensure more adults will earn a GED for those who do not complete high school and encourage the lifelong learning process.
- Encouraging public high schools and institutions of higher education to promote greater understanding of personal financial management, emphasize *soft skills*, and reduce chronic absenteeism and truancy.
- Efforts to align statewide and national, industry-recognized credentials with educational curricula and pathways in K-12, community college, and four-year college programs of study, leading to high-wage, high-growth technical careers.
- Efforts that utilize an Alabama longitudinal database system to drive informed decision-making on education programs to ensure a skilled workforce that addresses current and future demands of business and industry.
- Ensuring that the education and job training programs available to Alabama students culminate in nationally recognized credentials specifically relevant to job opportunities that are or will be available in the state, and that state resources be allocated to support such credentials at the secondary and postsecondary level.
- Continuing to advocate for alternative methods of compensating and retaining teacher professionals that are proven to be fair and valid, and which allow for pay differentials and incentives based on performance, the teaching of subjects that are difficult to staff, and work in underserved areas.
- Encouraging legislation that provides for the appointment of all city and county superintendents of education by their local boards of education and monitoring any research related to this issue.
- Maintaining high academic standards and expectations for all Alabama students such as those found in the Alabama College and Career-Ready Standards.
- Efforts to improve preparation of high-quality teachers and to respond to K-12 workforce needs.

## THE BCA OPPOSES:

- Efforts to remove the responsibility and exclusive jurisdiction of setting academic standards from the Alabama State Board of Education.

## ENVIRONMENT AND ENERGY

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The Business Council of Alabama will work for sound environmental and energy legislation consistent with continued economic growth within the state. The BCA has a long-standing policy that applicable state environmental laws and regulations should be no more stringent than federal environmental laws and regulations, and the Environmental Protection Agency and all 50 states should adopt and implement regulations in a manner so that no state's industry has an unfair advantage. The BCA believes that smart, sensible policies that encourage new growth and innovation in energy will benefit us all and usher in a new and long-lasting era of energy abundance.

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### THE BCA SUPPORTS:

- Retaining state primacy for federal programs by coordinating with state regulatory agencies to obtain the necessary funds and authority to properly administer the programs.
- Funding the Alabama Department of Environmental Management (ADEM) so it may provide experienced personnel to carry out necessary services. This includes the support of General Fund appropriations to ADEM. A clean environment is a benefit to all Alabamians; therefore, the cost to sustain it should be equitably borne by all.
- Ensuring that state agencies are proactively involved in activities of the Environmental Protection Agency (EPA) and other federal agencies that impact the regulated community. This includes challenging actions taken by federal agencies that are not based on sound science or actions that exceed the authority granted by the U.S. Congress.
- Funding and gathering data associated with surface water, groundwater, and in-stream flows/ecosystems to provide a full understanding of the state of Alabama's water resources as well as supporting and funding the protection of our interstate water resources, implementation of Alabama's drought management program, and the State Climatology program.
- Efforts to combat third parties from illegally accessing the regulated community's facilities or properties for the purpose of obtaining information and prohibit the use or dissemination of any illegally obtained information.

### THE BCA OPPOSES:

- Any efforts by ADEM or the EPA to overreach their authority. This includes implementing environmental policy or regulations on the state level that would put Alabama business, manufacturing, and/or economic development at a disadvantage.
- Enacting legislation or regulations that would have an unnecessary detrimental effect on existing industry and that may have a negative effect on economic development.

- Enacting legislation that attempts to adversely affect a particular business-related activity. This includes efforts that would make it more difficult for any specific industry to obtain the government approvals necessary to permit, expand, or operate the industry.
- Redirecting funds from ADEM, such as remediation funds, to the General Fund. These funds support specific environmental programs and should not be used to supplement losses in other state agencies.
- Enacting legislation that imposes specific mandates for agencies to use certain products, formulas, or analyses that would give select industries a competitive advantage over other Alabama industries.
- Implementing changes to Alabama's environmental or water laws, regulations, or policies that are not based on a scientific demonstrated need. This specifically includes any changes to Alabama's intrastate water policy prior to the completion of comprehensive statewide water assessments.

## HEALTH

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The Business Council of Alabama strongly supports and will work to protect employer-sponsored health care coverage through private insurers and self-insured/ERISA plans. In that effort, the BCA encourages innovative solutions that increase employers' choices in purchasing affordable, quality health care and prescription coverage while decreasing health care costs through free-market competition without government interference. To be successful, health care coverage, both in the public and private sectors, must encourage consumer involvement, promote wellness and prevention, and reward quality. The BCA opposes all health care- and insurance- related mandates on employers and/or individuals because they increase costs without improving the quality of care, and the BCA opposes proposals for any type of single-payer system.

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### THE BCA SUPPORTS:

- Encouraging the Governor and Legislature to provide adequate and predictable Medicaid funding to ensure a strong health care infrastructure for all Alabamians. As one of the largest employers in the state, the health care sector depends on stable funding to protect jobs and access to care. In the ever-changing health care landscape, the BCA supports responsible health care reforms and encourages our elected leaders to pursue any federal funding available to provide health coverage to more Alabamians. Such efforts will return federal tax dollars to the state and will minimize the detrimental effects of reduced federal payments to health care providers, professionals, and facilities that are already occurring.
- Maintaining the Certificate of Need process and the current composition of the Certificate of Need Review Board or efforts to increase payer and consumer business representation on the CON Board.
- Increasing representation of payers of health care services to state health and medical boards.
- Developing innovative solutions for prescription drug coverage at a reasonable cost while opposing mandated prescription drug pricing.
- Alabama's Healthy Food Financing program, which incentivizes small businesses such as grocers, farmer's markets, co-op extensions, and other food retailers to renovate, expand, or locate in underserved communities.

### THE BCA OPPOSES:

- Mandating employer-provided health care benefits or any legislation, resolution, or regulation that would increase health plan costs.
- Measures aimed at pharmacy benefit managers (PBM) that drive up the cost of health plans or otherwise impair the ability of PBMs to effectively manage health benefit costs.
- Enacting or expanding licensure laws where there is no evidence-based impact on quality of care or outcomes.

## JUDICIAL AND LEGAL REFORM

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The Business Council of Alabama supports transparency in all aspects of the judiciary and the judicial system and advocates for the current open and democratic election process for Alabama's judges. The BCA also supports the right to exercise free speech in all aspects of the political process and the timely and easily accessible reporting of all political contributions, financial commitments, or expenditures. The BCA is a strong advocate for reducing the filing of frivolous lawsuits and striking an appropriate balance between protecting consumer and business interests with the goal of having a fair business climate in Alabama.

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### TO REDUCE THE HIGH COSTS OF LITIGATION THE BCA SUPPORTS:

- Reducing the filing of frivolous lawsuits through modifications to the Alabama Litigation Accountability Act and the Alabama Rules of Civil Procedure.
- Reforming the civil discovery process to reduce costs to litigants and the court system and to promote the just and efficient resolution of disputes.
- Reforming non-economic damages.
- Efforts to enact and revive statutes of repose that will reduce the prejudice to parties that can arise from the litigation of stale claims.
- Legislation that would treat as loans and regulate lawsuit lending under existing statutes governing fair lending practices to protect the interests of the public.
- Adopting the full *Daubert* standard for accepting expert testimony in Alabama courts that is consistent with the federal standard.
- Establishing an expedited dispute resolution system for Alabama's small businesses to provide for the efficient resolution of claims.

### THE BCA ALSO SUPPORTS:

- Clarifying the definition of what constitutes *the use of a product* with regard to product liability actions in which plaintiffs pursue defect allegations against one or more components of an entire product, rather than the product as a whole.
- Efforts to clarify that businesses which are victims of cybercrimes are not punished by the imposition of undue fines or criminal or civil penalties or subjected to additional liability for the criminal acts of other parties.
- Reforming laws related to nuisance actions to ensure that the standards and statute of limitations for such actions do not undermine economic development efforts.
- Establishing a business dispute resolution system that will provide a stable and reliably informed system for resolving business and commercial disputes.

*2018 BCA State Legislative Agenda*

- Establishing or maintaining a privilege for accountant work papers, self-critical analyses, risk analyses, self-evaluation activities, and reports provided to a regulator containing any such work papers, analyses, or proprietary information.
- Legislation to amend Alabama law to ensure uniform protections for Alabama businesses and corporations.
- Legislation that will align Alabama with those states that disallow claims of alleged second-hand exposure to asbestos or silica.
- Participating in proactive, collaborative efforts to help ex-offenders rejoin the workforce and society without unfairly penalizing or burdening the business community with new mandates or regulations related to hiring.



## LABOR AND EMPLOYMENT

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The Business Council of Alabama strongly supports Alabama's right-to-work status for its benefits to economic growth, industrial recruitment, and job creation. To this end, the BCA works to protect Alabama's competitive edge nationally and internationally by fighting efforts to create a state minimum wage above the national minimum wage and opposing attempts to negatively influence the current balance between business and labor as it relates to unionization and contract negotiations. Employer-subsidized lockouts, whereby locked-out employees are eligible for unemployment compensation, prolong labor disputes and have a chilling effect on industrial recruitment.

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### THE BCA SUPPORTS:

- Fair representation of employers and the business community in any efforts to revise Alabama's workers' compensation statute.
- Efforts which promote cost savings in the administration of workers' compensation programs and decrease fraud in unemployment and workers' compensation claims.
- Efforts which address Alabama's opioid and prescription drug abuse problems.
- Workers' training initiatives that assist businesses in the employment of a trained workforce.
- Efforts to ensure the provision of clear and consistent guidance from the Alabama Departments of Labor and Revenue with regard to any attempts to reclassify independent contractors as employees.
- Ensuring that immigration laws impacting Alabama businesses do not impose additional burdens on, or penalize, Alabama employers.
- Monitoring any efforts to change the provisions of H.R.1982, the Medicare Secondary Payer and Workers' Compensation Settlement Agreements Act, which establishes clear standards and guidelines for an administrative process that provides reasonable protections for injured workers and Medicare.

### THE BCA OPPOSES:

- Expanding state unemployment compensation benefits that impose increased taxes on Alabama businesses.
- Legislation that attempts to limit employers' freedoms to implement *employment at-will* policies.
- Any legislation that would infringe on employers' rights to provide a safe workplace by restricting unauthorized firearm possession on company property and/or creating any new causes of action against employers because of such policies.

## SMALL BUSINESS

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The Business Council of Alabama recognizes that small businesses provide the majority of Alabamians' jobs and that protecting entrepreneurial efforts sustains job growth. The BCA supports protecting economic development funds currently allocated for small business development programs and encourages recognition of, and support for, entrepreneurial enterprises as essential to the state's economic development program. The BCA will not support unjustified reallocation of existing economic development funds already committed for specific projects.

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### THE BCA SUPPORTS:

- Establishing a cabinet-level position in the executive branch for a small business advocate to oversee and coordinate the creation and expansion of small business in Alabama.
- Educating its members on the implementation of the Affordable Care Act by hosting webinars, seminars, and other educational outreach meetings.
- Legislation that defines *small business* as a business entity, including any affiliates that are independently owned and operated and employ fewer than 100 full-time employees.
- Evaluating and examining, in conjunction with the BCA's Health Committee, initiatives that aim to address the bottom-line challenge of rising health care costs.
- Forming coalitions with associations and other groups to bring more awareness and focus on resolving the challenges that threaten the economic viability of small businesses.
- Workers' training initiatives that assist businesses in the employment of a trained workforce.
- Legislation that establishes state small business procurement goals/set-asides that are in line with those of the federal government.
- Legislation that encourages investment in early stage, innovative, wealth- and job-creating businesses that will remain headquartered, along with the majority of their workforce, in the State of Alabama.
- Legislation that establishes a small business revolving loan fund supported by tax credits for participating financial institutions, modeled after a similar law in Tennessee.
- Legislation that expands opportunities for the New Markets tax credits by increasing the individual project cap (currently \$10 million) and the aggregate cap (currently \$20 million).
- Raising awareness about the efforts of the Alabama Departments of Revenue and Labor and the Internal Revenue Service to reclassify independent contractors as employees and requesting clear and consistent guidance from ADOR and ADOL to Alabama employers on this issue.

- Monitoring small business government contracts to ensure that such government contracts are awarded to small businesses instead of subsidiaries of large companies.

## **THE BCA OPPOSES:**

- New state and local laws, regulations, or ordinances that negatively impact small businesses by mandating costly or onerous compliance requirements, particularly those involving labor issues already regulated at the federal and state levels such as immigration, the minimum wage, and leave/benefits policies.

## TAX AND FISCAL POLICY

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In keeping with long-standing Business Council of Alabama policy, should any tax or tax reform initiatives be proposed, the BCA will not consider supporting such legislation or regulation unless it is applied fairly without levying a disproportionate burden on any individual segment of Alabama's economy. Any tax reform proposal must be tied to governmental accountability and elimination of wasteful spending. It is further the policy of the BCA that taxes and regulatory fees be properly aligned such that they are commensurate with the actual costs of performing the necessary day-to-day functions of the affected state agencies.

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### THE BCA SUPPORTS:

- Increasing Alabama's public investment in transportation infrastructure to sustain and promote economic growth, job creation, quality of life, and public safety by implementing the Alliance for Alabama's Infrastructure policy principles and recommendations.
- Enacting compromise legislation to resolve the Alabama Department of Revenue's litigation and regulatory framework centered around the income tax credit available to resident individuals for taxes paid to other states—including certain taxes paid by partnerships, S corporations, limited liability companies, and other *pass-through* entities, which earn income both within and outside of Alabama—and address any related income tax refund claims.
- Reauthorization and extension of proven economic development incentives and tax credits, including the New Markets Tax Credit, the Small Business Investment Company Tax Credit, and the recently reauthorized Historic Tax Credit (to sunset in 2022).
- Legislation to provide for a Research and Development tax credit parallel to the federal R&D credit, with an extra incentive if a qualified research institution performs the research.
- Effective and accountable proposals for economic development incentives for the recruitment and retention of business and industry.
- Reforming state-county-city business license statutes to provide a simpler and more uniform process for businesses to apply for and receive a business license.
- Streamlining and simplifying the sales and use tax system so that in-state and out-of-state retailers are on a level playing field and to increase compliance by Internet and other out-of-state vendors.
- Implementing a unified audit process to stop businesses from being audited by the Alabama Department of Revenue, and then by cities, counties, and private auditing firms for the same tax and same tax periods.
- Reducing the administrative burden and streamlining the process by which non-profit organizations that are exempt from paying sales and use tax receive their certificate of exemption from the Alabama Department of Revenue and file information returns.

- Monitoring efforts to regulate and set minimum standards for individual tax preparers.
- Monitoring the Alabama Legislature's Joint Legislative Task Force on Budget Reform.
- Monitoring tax reform efforts in Congress and the potential impact that any such legislation, or related Alabama legislation, would have on the Alabama income tax liability of our members.

## **THE BCA OPPOSES:**

- Establishing unitary combined reporting in Alabama.
- Any attempts by state taxing authorities to require disclosure, beyond those made in federal income tax returns, for uncertain tax positions or tax shelter items. Specifically, the BCA opposes any state-specific disclosures.
- State and local efforts to authorize and fund government-owned broadband networks that would directly compete with the private sector outside of the jurisdiction allowed under current law, which would create an un-level playing field.
- The unilateral expansion of existing taxes and revenue measures through the regulatory process and/or agency interpretations of existing laws beyond the constitutional and statutory authority of the agency or regulatory body.