

Strong investments in schools, housing and transit improve life for all Alabamians

By Carol Gundlach, senior policy analyst (carol@alarise.org) | January 2026

Strong funding for public services like education and public health broadens opportunity for everyone, especially for Alabamians with low incomes. Alabama Arise members for decades have urged robust and secure state funding for these services. Arise members' top budget priorities for 2026 include:

Public school funding

Lawmakers made important improvements to Alabama's K-12 funding formula last year by passing the RAISE Act. The law provides additional funding for public schools that serve larger shares of students who are experiencing poverty or who have special needs. But because local property tax collections vary greatly, large resource gaps still remain in many districts.

The CHOOSE Act poses a major and growing threat to adequate funding for public schools. This law allows parents to receive up to \$7,000 per child for private school and up to \$2,000 for homeschooling each year. The law diverts \$100 million of state money from public schools each year. But legislators could face intense pressure to increase that amount once the income limits for eligibility disappear starting in 2027.

Another key step to invest more in education would be to end or limit the state deduction for federal income tax (FIT) payments. Alabama is the only state that still allows this deduction,

which is a tax break skewed heavily in favor of wealthy households.

Affordable housing

Alabama lacks more than 73,000 homes for households below the federal poverty line, leaving many residents without a safe, affordable place to live. Lawmakers created the Alabama Housing Trust Fund in 2012, but they have failed thus far to fund it. Arise will continue working to secure state funding for affordable housing and identify policy changes to strengthen housing support statewide.

Public transportation

Inadequate public transportation prevents thousands of Alabamians from meeting basic needs. Unreliable public transit can cause workers to be late for work, putting their jobs at risk. It can also force patients to miss critical medical treatments, worsening their health and adding to the state's rural health crisis.

The Legislature created the Alabama Public Transportation Trust Fund in 2018 but has failed to fund it. A constitutional amendment also prevents gas tax money from being used for public transit. Arise will continue advocating for state funding for public transportation and will explore innovative solutions for both funding and service provision across Alabama.