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[Alabama's Scuttled Prison Deal Spurs Pivot to Bonds, U.S. Aid.](#)

- **Ivey calls legislature back into special session next week**
- **Lawmakers to mull plan to use American Rescue aid for prisons**

Alabama may seek to use debt and federal aid to fix longstanding issues with its prisons after a controversial financing plan fell apart earlier this year.

Governor Kay Ivey, a Republican, announced on Thursday that the legislature would meet in a special session on Sept. 27 to address the state's "longstanding" issues with correctional facilities, according to a statement from her office. Alabama and its corrections department were sued by the U.S. Department of Justice in December 2020 for failing to protect male prisoners from violence and unsanitary conditions.

As part of plans to modernize correctional facilities, lawmakers could consider legislation authorizing the sale of up to \$785 million in bonds for prison projects, according to the governor's proclamation. It could also consider a bill that would authorize using up to \$400 million in federal aid from the Biden administration's American Rescue Plan and up to \$154 million from the state general fund.

Earlier this year, the state abandoned its plan for prison company CoreCivic Inc. to build and own new prisons after a controversial debt financing didn't move forward in the municipal-bond market. The state's corrections department terminated its 30-year lease with CoreCivic in August.

"I am pleased and extremely hopeful that we are finally positioned to address our state's prison infrastructure challenges," Ivey said in a statement. "I appreciate the hard work of the legislative leadership and the many members who have worked diligently with my team to put us in position for a bipartisan proposal."

In July, the state asked the Treasury Department whether Covid-19 relief aid can be used to fund correctional system projects. Alabama is eligible to receive \$2.12 billion from the American Rescue Plan's aid package for states.

Bloomberg Markets

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September 23, 2021, 2:03 PM MDT