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Alabama House panel's planned ETF budget would devote up to \$70M to new school tax credits, offer 2% teacher raises

Up to \$70.5 million of Education Trust Fund (ETF) money could help subsidize private school tuition for some K-12 students in Alabama next year under a proposed ETF budget that the House's education budget committee will consider this week. The committee held a public hearing on the \$5.8 billion budget plan Tuesday morning and is expected to vote on it Wednesday afternoon.

Private school credits, teacher pay raises funded in ETF budget

The \$70.5 million – slightly less than this year's combined ETF spending on adult education and the Alabama Reading Initiative – would help the ETF pay for income tax credits under the Alabama Accountability Act, said Rep. Jay Love, R-Montgomery, who chairs the committee. The act [provides credits to help parents of children zoned for "failing schools" pay for private school tuition or a transfer to another public school](#). The law won swift legislative approval in February after virtually no debate and is the subject of ongoing legal challenges.

The credits probably will cost less than \$70.5 million, Love said. A portion of that money also likely could help the ETF offset federal funding losses under automatic spending cuts known as sequestration, Love said. Any remaining funds also could help the state repay the ETF's rainy day fund, Love said.

K-12 teachers and support staff would receive a 2 percent cost-of-living raise next year under the proposal. It would be education employees' first pay increase since fiscal year (FY) 2008. The raise would be smaller than the 2.5 percent that Gov. Robert Bentley recommended and far less than the 5 percent increase that Alabama Education Association (AEA) executive secretary Henry Mabry urged. Any increase would help offset the higher health insurance and retirement costs that have slashed teachers' take-home pay in recent years, Mabry said.

Alabama also would devote \$5 million of ETF money next year to providing liability insurance for teachers under the proposal, Love said. Vi Parramore, president of the Jefferson County American Federation of Teachers (AFT), criticized the idea as a "union-busting" plan targeting the AEA and AFT.

Slight increases not enough to undo years of deep cuts

State education spending would increase by \$257 million, or 4.6 percent, next year under the proposed ETF budget. Alabama's pre-K program would see its funding boosted by \$12.5 million, an increase of nearly two-thirds over this year's ETF support. Two-year colleges and four-year universities both would get 1.4 percent funding increases. The plan also would shift \$16 million of mental health spending and

\$8.7 million of debt service costs for higher education bonds from the perennially ailing General Fund (GF) to the ETF. Those shifts were built into the [GF budget that cleared the Senate last month](#).

The Alabama Reading Initiative would take a \$10 million funding hit under the proposal, a 17.2 percent decrease that Bentley recommended. Other programs that would receive less funding next year include adult education, prison education, and the High Hopes program to reduce high school exit exam failure.

Next year's funding increases would not come close to reversing Alabama's enormous education cuts since the Great Recession. Alabama's 21.7 percent cuts to state K-12 education funding since FY 2008 were the nation's second worst, according to [a study by the Center on Budget and Policy Priorities \(CBPP\)](#). The state's \$1,318 per-pupil K-12 funding decrease was more than \$200 worse than in any other state, the CBPP found. Alabama's 39.8 percent higher education cuts since FY 2008 were the nation's sixth worst, [according to another CBPP study](#). The state's \$4,546 per-student higher education funding decrease was the country's third largest, trailing only Louisiana and New Mexico.

'They do not feel like you support education'

Legislators spent no time Tuesday discussing new revenue possibilities to help undo those funding cuts. State school Superintendent Tommy Bice and other education stakeholders who testified Tuesday said they had no opinion on the budget because they had not had a chance to review it. The K-12 budget request is designed to make progress toward many ambitious goals by 2020, Bice said, including boosting the state's high school graduation rate from 75 percent to 90 percent.

Public broadcasting is among the services struggling to stay afloat amid the deep budget cuts of the last five years, Alabama Public Television (APT) director Roy Clem told lawmakers. APT's state funding has fallen 58 percent since 2008, Clem said, and the agency is \$1.5 million short of what it needs to continue offering educational shows, virtual field trips and other current programs. "For most of the children in Alabama, APT is the only pre-K they have," Clem said.

AFT's Parramore said years of education funding cuts and frozen pay have left many of her members frustrated and disheartened. "They do not feel valued, they do not feel like you support the children, and they do not feel like you support education," Parramore said. "Our responsibility to the child in the classroom has not been met by this legislative body in many, many years."

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