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A WEEKLY UPDATE

LEGISLATION AND POLICY

ON EDUCATION



#### TO SEE A LIST OF BILLS TRACKED BY AASB DURING THE 2024 REGULAR SESSION, CLICK ON BILL TRACKER BELOW:

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Hefty ETF Budget Heads to Senate



#### Advocacy Days

A big THANK YOU to all school board members, CSFOs and superintendents who traveled to Montgomery to take part in AASB's Advocacy Days. A special acknowledgment to those who participated Wednesday in our inaugural legislative committee day. School board members had a front row seat to committee action and got to hear from lawmakers as well as proponents and opponents of education-related bills. We want to also give a huge shout out to AASB District 7 **Director Randy Smalley** who did a great job speaking on behalf of local school boards in the House Education Policy Committee.

## Will Alabama Get A Lottery After All?

A conference committee of House and Senate members has been appointed to find a compromise on gambling legislation. With legislative days dwindling and a disagreement as to when to place the gambling measure on a ballot for Alabama voters, it remains to be seen whether lawmakers will take a gamble on gambling.

#### 2024 Regular Legislative Sessio

7 Days Remain

The House passed a \$9.3 billion FY25 Education Trust Fund (ETF) budget this week - a \$550 million increase over current year. House Ways and Means Education (HWME) Chair Rep. Danny Garrett told lawmakers the FY25 budget adopted by the HWME Committee was "closely aligned" with Governor Kay Ivey's recommendations. However, increases were made for K-12 schools and other educational initiatives such as the state's First Class Pre-K program.

The FY25 ETF budget, (H.145 Garrett), allocates \$6.3 billion for K-12, which includes increases for an across-the-board 2% pay raise, (H.146 Garrett), for educators and support personnel, 200 new assistant principals and additional reading coaches, mental health coordinators, career coaches and technology coordinators in K-12 schools.

The House also approved two supplemental appropriations bills which would provide one-time funding for the current FY24 fiscal year. The ETF supplemental appropriations bill, (H.144 Garrett), allocates \$651.2 million in excess ETF receipts for various initiatives and education agencies including local school boards and the State Department of Education (SDE). It also allocates a conditional increase of \$15 million for the Lieutenant Governor's K-12 Capital Grant Program, in addition to its current appropriation of \$20 million. The second bill, (H.147 Garrett), provides a \$726.3 million Education Advancement and Technology (EAT) supplemental appropriation for local school boards to use for repairs and maintenance. classroom instructional support, insurance for facilities, transportation, technology and school security.

Having cleared the House, the ETF budget package now goes to the Senate Finance and Taxation Education (SFTE) Committee for further consideration and changes. **SFTE**  **Committee Chair Sen. Arthur Orr** told members to expect the bills in committee by the end of the month.

## **Tax Credits Galore**

To date, 32 tax credit and exemption proposals have been filed, totaling more than \$100 million in revenue that would be diverted from the ETF in FY25. This amount balloons to more than \$320 million in FY27.

AASB and partner education groups have made it abundantly clear: While some of these tax credits are well-intentioned, non-public education expenses should not be funded with K-12 dollars.

Even more worrisome, some of these tax credit and exemption bills have an unknown cost to the ETF. We have seen previously enacted tax credits and exemptions actually cost much more than anticipated. For instance, a law passed last year to exempt overtime pay from income tax is now proving to have a much higher cost than the originally estimated amount of \$34 million. The projected hit to the ETF is \$190 million, more than quadruple the original estimate. In discussing the negative impact of the overtime income tax exemption with the media, SFTE Chair Sen. Arthur Orr said, "It will significantly affect education revenues, and members should be mindful of this as they are asked to vote on a slew of tax credit, exemption and reduction legislation that is pending in the legislature for passage during the last days of session."

COMMITTEE ACTION House Education Policy (HEP) ► Chaplains, Internet Safety/Cell Phones, Technology Coordinators, Paraprofessionals and Local Board Compensation \* H.316 Gidley - K-12 School Chaplains would authorize a public school to employ or



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have a volunteer chaplain on campus. The bill was discussed at length in committee. Voting no, HEP Committee member Rep. Van Smith stated the bill could put local boards in the difficult position of "putting a seal of approval on a specific chaplain or type of faith." Also voting against the bill, HEP Committee member Rep. Frances Holk-Jones raised a related concern, citing that anyone can become a recognized chaplain simply by paying a nominal online fee. AASB has concern with language in the bill that would require local boards to vote on whether to adopt a policy authorizing employment or accepting volunteer chaplains at schools.

@H.364 Hulsey - Internet Safety/Cell Phone Use Policy - would require each local board to adopt an Internet safety policy. The bill was substituted in committee to include prohibiting student cell phone usage in board policy. The sponsor is open to working with AASB on a House floor amendment to ensure this does not restrict a local board's ability to make policy and allow exemptions. @H.439 Baker - Information Tech Coordinators - a priority bill for Alabama Leaders in Educational Technology (ALET), would provide minimum qualifications and training requirements for school technology coordinators (to be renamed technology directors).

S.217 Chesteen - Credit for Paraprofessionals would allow certified teachers hired after June 1, 2024, to receive service credit for previous experience as a classroom aide or paraprofessional. Teachers would be able to apply for one year of experience credit for every two years as a classroom aide or paraprofessional.

S.175 Chesteen - Board Compensation Increase this is the Senate companion of AASB's priority bill to authorize local boards to increase their maximum monthly compensation rate from \$600 to \$900 and to incent compliance with training requirements in the School Board Governance Improvement Act of 2012. The Senate and House bill (H.83 Estes) are in position for final passage.

# House Ways & Means Education (HWME) Tax Credit

@H.310 Collins - Rural Hospital Tax Credit - would provide funds for rural hospitals through tax credits. A substitute bill was presented to lower the tax credit cap from \$80 million to \$30 million with a four-year sunset provision. The substitute also would allow for insurance premium and utility tax credits (which come from the General Fund) instead of wholly diverting revenue from the ETF as originally proposed. HWME Chair Rep. Danny Garrett cautioned against taking on any tax credit bills that would divert funds from the ETF, even for such a critical issue as rural healthcare. "These tax credits are going to hit the ETF. We already know school choice [at an annual minimum cost of \$100 million] is going to hit the ETF in the future," Garrett said. Although he recommended the bill be reassigned to the House Ways and Means General Fund committee because of the General Fund impact, the committee did not act on the substitute.

## **Student Discipline: Due Process**

The Senate Education Policy (SEP) Committee unanimously approved both the Senate and House companion bills, H.188 Collins/S.165 Smitherman, that would create a uniform system of procedural due process for students. These bills would provide procedures intended to protect student rights throughout the disciplinary process, including a hearing before the local board prior to recommendation for long-term suspension, expulsion or alternative school placement. While both bills will now go to the full Senate for vote, the House bill is in position for final passage.

## **PUBLIC HEARINGS**

#### House Education Policy (HEP) ► Teachers' Bill of Rights

A public hearing was held Wednesday before the House Education Policy Committee on S.157 Orr, a bill that would make it easier for a teacher to remove a student from the classroom for disorderly conduct and creates a an appeal process for teachers to the local board if they do not agree with their principal's course of disciplinary action. AASB District 7 Director Randy Smalley testified in opposition to the current version of the bill, as it disregards local board policy and overrides local control over disciplinary procedures. "With this process that we have in play as our school policy, we have not had one parent come and argue in non-support of what the recommendation of expulsion or suspension is," he said. Smalley also shared with committee members the Teachers' Bill of Rights counters the intent of the two student due process bills pending before the legislature, which AASB supports, aimed at keeping students in the learning environment.

There are still some remaining changes to be made to ensure local boards are not fiscally responsible for legal claims that could be brought as a result of this bill. HWME Budget Chair Rep. Danny Garrett, who is carrying <u>S.157</u> in the House, told committee members an amendment is being considered that addresses AASB and partner education groups' concerns to ensure alignment with existing due process procedures.

## **FLOOR ACTION**

The House passed five of seven bills in Gov. Ivey's "Working for Alabama" legislative package Thursday. One of those bills, (S.253 Chesteen), the Workforce Pathways Act, would create a new high school diploma pathway for students entering the workforce immediately after graduation.

When the bill was before the House Education Policy Committee last week, there was extensive discussion about the potential implications of "watering down" the high school diploma by moving from the four math and four science credits (4x4) required for graduation to a workforce pathway with just two math and two science credits required. A floor amendment was adopted that would add an identifying seal on the high school diploma of a student who successfully completes the workforce pathway and also would ensure these students take an alternative assessment that may be considered in their school and school system's report card.



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