THE ALABAMA ACCOUNTABILITY ACT OF 2013

The Alabama Accountability Act of 2013 does three things:

1. Allows for flexibility contracts between the State Board of Education and local school districts
2. Creates tax credits for families with students in a (chronically) failing school to attend a nonpublic school or non-failing public school
3. Creates tax credits for taxpayers (individuals and businesses) who donate to a nonprofit “scholarship granting organization” that provides scholarships for students to attend a nonpublic school or non-failing public school

1. Allows for flexibility contracts between the State Board of Education and local school districts

- Local school systems create a flexibility plan that includes the particular laws, policies and regulations that they would like to flex out of, as well as the progress they will make as a result of that flexibility.
- The local system implements a thorough feedback process, including a public hearing, where stakeholders can give feedback on the plan.
- The local superintendent and local school board both sign off on the plan and submit it to the State Department of Education.
- The State Superintendent reviews each plan and makes a recommendation to the State Board of Education whether or not to approve or deny.
- The bill makes several stipulations:
    - No flexibility can be granted that forces any employee to involuntarily relinquish their tenure rights.
    - No flexibility can be granted that results in an employee making any amount less to their salary according to the State Minimum Salary Schedule.
    - A school system cannot waive requirements imposed by federal law, requirements related to the health and safety of students or employees, requirements imposed by open records or open meetings laws, requirements related to financial or academic reporting or transparency, requirements designed to protect the civil rights of students or employees, the state ethics law, or requirements related to the state retirement system or state health insurance plan.
    - No system can use this bill to authorize the formation of a charter school.
- Nothing in the bill prohibits a failing school from applying for flexibility to create a “dual-track” tenure system, where potential, current, or future employees are given the option to voluntarily waive their tenure rights, provided that the same employee is also given the option to acquire tenure under the Students First Act.
    - This type of flexibility is not granted to a school that isn’t a failing school.

    - A failing school is labeled as "persistently low-performing" on the state's School Improvement Grant application, is in the bottom 10% on statewide reading and math assessment scores, has earned three consecutive D's or one F on the school grading report card, or is designated by the Department of Education as failing.
- The bill has multiple checks and balances (local board, superintendent, State Superintendent, State Board) and explicitly ensures that flexibilities detrimental to the rights of teachers cannot be granted.

2. Creates tax credits for families with students in a (chronically) failing school to attend a nonpublic school or non-failing public school

- Objective: to provide families "stuck" in a failing school with another option.
- Families with students who are zoned for a chronically failing school may receive an income tax credit to offset the cost of sending a student to a **non-failing public school** or a **nonpublic (private or parochial) school**.
- The income tax credit is equal to 80% of the average annual state cost of attendance for a public K-12 student.
- Families will continue to receive the tax credit until their student completes the grade levels at that school.

3. Creates tax credits for taxpayers (individuals and businesses) who donate to a nonprofit that provides scholarships for students to attend a nonpublic school or non-failing public school

- The Department of Revenue shall setup a process to approve the formation of non-profit scholarship-granting organizations that pay for students in failing schools to attend nonpublic schools or non-failing public schools.
    - Businesses who donate to these organizations will get an income tax credit equal to 50% of their donation, up to 50% of their tax liability.
    - Individuals who donate to these organizations will get an income tax credit equal to 100% of their donation, up to 50% of their tax liability.
    - Combined, these tax credits cannot exceed $25 million annually.
- To remain certified by the Department of Revenue, these organizations must strictly adhere to the parameters set forth in the bill:
    - The organization must expend at least 95% of its funds on scholarships.
    - At least 75% of the funds must be used for scholarships for students who were enrolled in a public school.
    - The organization must allocate a large portion of its funds for low-income eligible students.