

Knowles unveils ambitious education incentive program

by  *Tundra Times* staff

Gov. Tony Knowles wants to make it easier for benefactors to donate to Alaskan universities and public schools.

At a recent Fairbanks presentation, he announced a proposal to increase tax credits to educational institutions.

Currently, corporate contributions to Alaska post-secondary institutions such as the University of Alaska, Alaska Pacific University and Sheldon Jackson College are eligible for credits against various corporate taxes. The first \$100,000 of contributions are eligible for a 50 percent tax credit, and the second \$100,000 of contributions are eligible for 100 percent tax credit. Last year the tax credit taken totaled about \$2.3 million.

"Under my proposal, we'll establish a new third tier that allows an additional \$150,000 contribution—beyond the first \$200,000—eligible for a 50 percent tax credit," Knowles said. "In essence, we'll be encouraging more giving to Alaska's universities.

"I am also proposing for the first time a new tax credit program for contributions to public school districts. Such an incentive would stimulate contributions to the K-12 level, including vocational and technical education," said Knowles.

Under the K-12 component, contributions of up to \$100,000 would be eligible for a 50 percent tax credit. Credits claimed under this program would be in addition to those under the post-secondary program.

• Knowles unveils ambitious education incentive program

"Alaska's students must be smart, innovative and at the cutting edge of rapidly changing technology to be prepared for the increasingly competitive challenges of the international marketplace," the governor said. In today's climate of declining revenues and reduced budgets, it is vital we provide incentives to stimulate increased private contributions for our post-secondary institutions."

The fate of Knowles' education proposal in the Legislature is uncertain. A number of bills addressing education issues have been introduced this session, including revisions in the states formula for funding public schools.

Last month, Republican lawmakers put forth a package of bills they billed as a comprehensive effort to reform Alaska's schools. Their proposals would:

- require applicants for teacher certification to pass a competency exam before they can be issued an Alaska teacher certificate;

- require high school seniors to pass a competency test before receiving a diploma;

- allow school districts to start charter boarding schools;

- revise the public school foundation program on a per pupil basis.

Education Commissioner Shirley Holloway said all of the bills have potential and said she would work with legislators. She charged that the proposal to revise the foundation formula did not contain sufficient provisions to assure accountability. She also said it does not contain the \$12.5 million incentive for the Quality Schools Initiative that is a centerpiece of the Administration's foundation proposal.

Holloway expressed concern that the bill requiring a pre-graduation exam lacks a requirement for periodic assessment along a student's public school career, and a way to help students who encounter difficulties.