

**A REPORT ON THE
FINANCIAL FEASIBILITY TO FORM
AN INDEPENDENT CITY SCHOOL SYSTEM
FOR THE MUNICIPALITY OF
FAIRHOPE, ALABAMA**

Presented

September 13, 2010

Prepared by:

Ira W. Harvey
2213 Hunters Cove
Vestavia Hills, Alabama 35216-2413

**A REPORT ON THE FINANCIAL FEASIBILITY TO
FORM AN INDEPENDENT CITY SCHOOL SYSTEM
FOR THE MUNICIPALITY OF FAIRHOPE, ALABAMA**

Prepared for

The Mayor and City Council of Fairhope, Alabama

Tim Kant..... Mayor

Members of the Council:

Debbie Quinn..... Place 1

Dan Stankoski Place 2

Lonnie Mixon Place 3

Mike Ford Place 4

Rick Kingrea Place 5

ACKNOWLEDGEMENTS

The author wishes to acknowledge the following individuals and organizations which provided invaluable assistance in the preparation of this report:

- The Mayor, Members of the City Council, and staff of the City of Fairhope, and members of the Advisory Committee who follow:
 - Ms. Terri Bishop
 - Mr. Jim Ketchum
 - Mr. Mike Lucci
 - Mr. Mike Keating
 - Ms. Amanda Vanderhayden;

Also Liaisons to the Advisory Committee who follow:

- Ms. Nancy Wilson, Finance Director
 - Mr. Chuck Zunk, Finance Advisory Committee
 - Mr. Gregg Mims, City Administrator
 - Ms. Lisa Hanks, City Clerk
 - Ms. Candace Antinarella, Assistant City Clerk
 - Mr. Bob Callahan, Baldwin County Board of Education member;
- City Councilwoman Ms. Debbie W. Quinn for her tireless efforts is providing student and financial information;
 - The Alabama State Department of Education and especially Mr. Craig Pouncy for his assistance in providing financial and student information;
 - The Alabama Department of Revenue for providing tax information;
 - Ms. Jean McCutchen, Director of Business and Finance of the Baldwin County School System and her staff, for providing financial information regarding the Baldwin County School System; also other staff of the Baldwin County School System who provided information;
 - Mr. Teddy J. Faust, Baldwin County Revenue Commissioner, and his staff for providing tax information from Baldwin County;
 - Mr. Tim Russell, Baldwin County Probate Judge, and his staff for providing tax information from Baldwin County; and
 - Mrs. Mary Beth Adams for her invaluable assistance in editing this report.

TABLE OF CONTENTS

| Chapter | Page Number |
|---|------------------------|
| ACKNOWLEDGEMENTS | iii |
| 1. INTRODUCTION | 1 |
| A. Laws Governing Public Education In Alabama | 1 |
| B. Municipal or City Public School Systems..... | 4 |
| 2. THE DEMOGRAPHICS AND GOVERNMENTAL BOUNDARIES OF THE CITY OF FAIRHOPE, ALABAMA | 13 |
| A. Demographics | 13 |
| B. Student Enrollment and School Sites | 22 |
| C. Taxes Levied and Collected In the City Of Fairhope | 40 |
| D. Conclusions..... | 47 |
| 3. STATE FUNDING OF PUBLIC SCHOOLS IN ALABAMA: A REVIEW OF THE TYPES OF STATE FUNDING | 49 |
| A. The 1995 Foundation Program Allocations | 49 |
| B. State Categorical Aid Programs | 61 |
| C. Line Item Appropriations for Local Boards of Education..... | 67 |
| 4. BALDWIN COUNTY SCHOOL SYSTEM TAXES FOR PUBLIC SCHOOLS | 69 |
| A. General Laws for Countywide Taxes for Schools..... | 69 |
| B. Special Ad Valorem Taxes for Baldwin County Schools..... | 73 |
| C. County and Municipal Excise, Franchise, and Privilege License Taxes for Schools of Baldwin County | 81 |
| D. Baldwin County School Tax Revenues Budgeted, FY 2009-2010..... | 87 |
| 5. FINANCING THE PROPOSED FAIRHOPE CITY SCHOOL SYSTEM | 94 |
| A. Local Revenues..... | 94 |
| B. Proposed Fairhope City School System Local Tax Revenues, FY 2009-2010..... | 103 |
| C. Proposed Fairhope City School System State Revenues, FY 2009-2010..... | 108 |
| D. Proposed Fairhope City School System Federal Revenues, FY 2009-2010..... | 115 |
| E. Proposed Fairhope City School System Total Revenues, FY 2009-2010..... | 116 |
| 6. SUMMARY AND CONCLUSIONS | 123 |

| | |
|---|------------|
| 7. APPENDICES | 127 |
| 7-1 Per Capita Income and Rank by County in Alabama for 2000 - 2008..... | 129 |
| 7-2 Rank by Per Capita Income and by Cities with School Systems In Alabama for 1999 | 130 |
| 7-3 Section 269, Constitution of 1901 as Amended with Proposed Amendment for November 2, 2010, Statewide General Election..... | 131 |
| 7-4 Amendment 3: Statewide Application 3.0 Mill Countywide and 3.0 Mill School District Ad Valorem Tax | 132 |
| 7-5 Amendment 162 Ratified: Additional Tax for School Purposes in Baldwin County | 133 |
| 7-6 Local Act Special Sales Tax for Baldwin County: Act Number 84-523 | 134 |
| 7-7 Franchise, Excise, and Privilege License Taxes for Baldwin County Schools Authorized by Section 40-12-4, <i>Code of Alabama 1975</i> | 136 |
| 7-8 Amendment 778: Minimum Ad Valorem Tax Rate for General School Purposes..... | 137 |
| 7-9 Calculation of Yield per Mill per ADM for County School Systems for FY 2009-10 | 140 |
| 7-10 Calculation of Yield per Mill per ADM for City School Systems for FY 2009-10 | 141 |
| 7-11 Calculation of Equivalent Mills for County School Systems for FY 2009-10 | 142 |
| 7-12 Calculation of Equivalent Mills for City School Systems for FY 2009-10 | 143 |
| 7-13 Capital Purchase Allocation for FY 2009-10 for County School Systems | 144 |
| 7-14 Capital Purchase Allocation for FY 2009-10 for City School Systems | 145 |
| 7-15 Unrestricted Local Tax Revenues per ADM for FY 2009-10 for County School Systems | 146 |

| | | |
|------|---|-----|
| 7-16 | Unrestricted Local Tax Revenues per ADM for FY 2009-10 for City School Systems | 147 |
| 7-17 | Fairhope K-1 Center School Site Facilities Summary | 148 |
| 7-18 | Fairhope Primary School Site Facilities Summary | 149 |
| 7-19 | Fairhope Intermediate School Site Facilities Summary | 150 |
| 7-20 | Fairhope Middle School Site Facilities Summary | 151 |
| 7-21 | Fairhope High School Site Facilities Summary | 152 |
| 7-22 | Fairhope K-1 Center Attachment to Exhibit P-II for FY 2010 Budget | 153 |
| 7-23 | Fairhope Primary School Attachment to Exhibit P-II for FY 2010 Budget | 154 |
| 7-24 | Fairhope Intermediate School Attachment to Exhibit P-II for FY 2010 Budget | 155 |
| 7-25 | Fairhope Middle School Attachment to Exhibit P-II for FY 2010 Budget | 156 |
| 7-26 | Fairhope High School Attachment to Exhibit P-II for FY 2010 Budget | 157 |

1. INTRODUCTION

A. LAWS GOVERNING PUBLIC EDUCATION IN ALABAMA

Laws governing the creation of school systems in Alabama were constructed in most part in the period just after the approval of the Constitution of 1901. The first significant codification of these laws occurred in 1911. Thus the basic format and structure of school systems in Alabama were created prior to the approval of Amendment 3 in 1916 (authorized local referenda on countywide and school tax district ad valorem taxes for schools). Then, as today, only two types of school systems were recognized: countywide and municipal or city. No variation is permitted. The area inside the political boundary of a municipality is a municipal school system; the area outside the political boundary of a municipality with separate city school systems belongs to a county school system.

Given the rural and agrarian nature of the State in the early decades of the twentieth century, few could have contemplated municipalities straddling not just two, but three and potentially four counties. School townships were logical operating units within a county given geographic and economic isolation centered upon the 16th section of each township. The organization that was established to replace township schools in 1903 was the creation of separate school districts centered on population centers and governmental entities as determined by the county board of education. These areas could become tax districts under Amendment 3, and the authority, upon a referendum, for earmarked school tax district ad valorem taxes was provided. However, operational authority remained concentrated in the county board of education, and school tax district ad valorem taxes were levied and collected by the county commission. This was the mechanism for funding schools within a community; also provided for were local school trustees to enhance the symbolism of local community control. In addition, provisions were provided for local attendance zones within the county which are exclusive of cities.

Lawmakers did contemplate that as municipalities gained in population, it was a logical step that such municipalities would become a separate school system from the county school system and be administered by its own board. Today, the statutory population threshold for a municipality to create its own municipal school system is 5,000 residents. Such a creation has been held by the Federal Court in *Lee v. Chambers County Board of Education* as not only a right, but an obligation by the city to control and operate the schools within its boundaries as the federal judiciary reviewed the creation of a city school system by the city of Valley, Alabama:

The City of Valley undeniably has not only a right, but an obligation under state statute to control and operate the schools within its boundaries unless it enters into an agreement with the Chambers County Board of Education for its schools under control of the county

board (*Lee v. Chambers County Bd. of Educ.*, 849 F. Supp. 1474 (M.D. Ala. 1994)).

The Court further held that transfer of control of public schools from an elected county board of education to an appointed city board of education required federal pre-clearance pursuant to the **Voting Rights Act of 1965** when the county board of education was operating under an existing desegregation order. The U.S. Supreme Court in 1972 created the test that must be applied:

We have today held that any attempt by state or local officials to carve out a new school district from an existing district that is in the process of dismantling a dual school system “must be judged according to whether it hinders or furthers the process of school desegregation. If the proposal would impede the dismantling of a dual system, then a district court, in the exercise of its remedial discretion, may enjoin it from being carried out.” (*Wright v. Council of City of Emporia*, 407 U.S. 451, 460).

Alabama’s Statewide System of Public Schools

Alabama’s statewide system of public schools began with the Public Education Act of 1854, modeled on the schools of Mobile County. This Act laid the framework which is still largely in place for the operation of public schools in Alabama. The statewide system was based upon the county unit of government which was an arm of the state government. All counties were required to operate a county school system, and one mill of ad valorem tax was authorized for their operation. In addition to providing for three commissioners of free public schools at the county level, the 1854 Act created the position of trustees of public schools in the townships and provided for their election. These trustees were granted the immediate supervision of schools, including the hiring and firing of teachers. These were virtually township school systems.

In 1903, the State abolished townships for the purposes of operating public schools and placed control in the county board of education. However, the township concept was retained for the administration of the original sixteenth section federal land grants and the crediting of their revenues. In addition, state laws still provide permission for counties to appoint for each school in the county six school trustees to look after the general interests of the school and to report to the county board of education (*Code of Alabama 1975*, Sections 16-10-1 to 16-10-11).

County Public School Systems Required

The county system of schools is required in current law as follows:

§ 16-8-8. Administration and supervision of schools generally.

The general administration and supervision of the public schools of the educational interests of each county, with the exception of cities having a city board of education, shall be vested in the county board of education; provided, that such general administration and supervision of any city having a city board of education may be consolidated with the administration and control of educational matters affecting the county and vested in the county board of education (*Code of Alabama 1975, Section 16-8-8*).

Furthermore, the school code provides for the county board of education to establish both school tax districts and school attendance districts within the county as in the **Code of 1911**. The authorization for the creation of school tax districts follows:

§ 16-13-191. School tax district — Boundaries fixed by county board.

In order to make it possible to work out a system of local tax units adapted to the needs of the whole county, the county board of education of its own initiative shall fix the boundaries of any school tax district within its jurisdiction in which it is proposed to levy a local school tax. In making application for a special election in any such district, the county board of education shall submit a map made by the county surveyor, or other competent person, showing the boundaries of the school tax district for which a special tax levy is proposed, indicating the section or sections and ranges, together with the correct description of the boundaries of the said district for which a special tax levy is proposed for education (*Code of Alabama 1975, Section 16-13-191*).

The applicability of statutes regarding school tax districts applies directly to Baldwin County, with one school system and currently two school ad valorem tax districts.

Statutory provisions for the creation of school attendance districts follow:

§ 16-28-19. Attendance districts.

The county board of education shall arrange the county, exclusive of cities, into one or more attendance districts, and said board shall appoint an attendance officer for every district created, who shall hold his office at the will of the county board of education, and the board of education of each city having a city board of education shall appoint one or more attendance officers to serve at the pleasure of the appointing board. City and county boards of education and county commissions may jointly employ any person or persons to carry out the

provisions of this chapter and such additional duties as may be assigned them by such boards or county commissions (*Code of Alabama 1975*, Section 16-28-19).

B. MUNICIPAL OR CITY PUBLIC SCHOOL SYSTEMS

The *School Code of Alabama* since first compilation in 1911, has not only anticipated the creation of municipal public school systems, it has required them unless proactive steps are taken. First, a definition of city is needed:

§ 16-11-1. "City" defined.

A "city" within the meaning of this title shall include all incorporated municipalities of 5,000 or more inhabitants, according to the last or any succeeding federal census, or according to the last or any succeeding census taken under the provisions of Sections 11-47-90 through 11-47-95 (*Code of Alabama 1975*, 16-11-1).

The *Code of Alabama* in Sections 11-47-90 through 11-47-95 (Article 3, Title 11) provides the procedure for obtaining an official census. With the definition of a "city" meaning municipalities with a population of 5,000 or more, the entitlement for the creation of a municipal school system is created:

§ 16-13-199. Municipality may remain under county board of education; disposition of tax when city assumes control of schools.

When a municipality under the jurisdiction of a county board of education attains a population of 5,000 or more, according to the last decennial or any subsequent federal census, the schools of the municipality may remain under control of the county board by agreement between that board and the city council of the municipality, which agreement shall be expressed in resolutions adopted by and spread upon the minutes of the two authorities. If the municipality does not enter into such an agreement, the control of the school or schools of the territory within the municipality shall be vested in a city board of education, and thereafter the district school tax collected in the city shall be paid over to the custodian of city school funds, and the district school tax collected in the contiguous territory shall be paid over to the custodian of county school funds; provided, that so much of the proceeds of the special school tax collected in the original school tax district as may be required for the retirement of outstanding warrants issued against such tax, including the interest thereon, shall be paid over to the proper official or authority to be used for such purpose (*Code of Alabama 1975*, Section 16-13-199).

Control of City Schools and Taxation

The Attorney General has reviewed this statute and in an *Opinion* dated March 30, 1990, has concluded that “the Legislature intends for the city board of education to have authority over schools within the city. When authority over a certain area is transferred from a county board of education to a city board of education, the taxes that are already levied therein are automatically paid to the city school system without the necessity of a new election regarding said taxes in the district, as is required for the initial levy by § 16-13-180, *et. seq.*, *Code of Alabama 1975*. Although the transfer of authority addressed in this statute is occasioned by the city reaching a population of 5,000, the same results should follow where the transfer of authority is occasioned by the city’s annexation of new territory (*Opinion of Attorney General*, Number 90-00201).” See also *Opinion of Attorney General*, Number 86-00301.

§16-13-193. School tax district — Map — Not required of city school tax district.

Any city having a city board of education shall constitute an independent school tax district for the purpose of levying the tax authorized under this article, but it shall not be necessary for the city board of education when making application or request for a special election under the provisions of this article to submit the map or the description of boundaries (*Code of Alabama 1975*, Section 16-13-193).

Clearly the attendance district and school tax district for a city board of education is defined as the boundary of the municipality itself.

Furthermore, the State Superintendent of Education has historically concluded that the county board of education shall under the implementation of Section 16-13-199 transfer control of buildings, grounds, equipment, textbooks, materials, and supplies to the newly formed city board of education. The new city board of education would have authority over students residing in the city and would be entitled to ownership of all school transportation equipment serving the school sites located in the City of Fairhope. (*Lee v. Chambers County Bd. of Educ.*, 849 F. Supp. 1474 (M.D. Ala. 1994)).

In another aspect of this same case, the Court ruled that there is no authorization under Alabama law for a city school system to include territory beyond the city limits: “The court finds no such authorization, other than through a court-ordered desegregation plan.” However, there appears to be a statutory provision granting permission for that very situation:

§ 16-13-195. School tax district — Consolidation — City district with other territory.

When it shall seem desirable to consolidate with a city school tax district having a city board of education, either a county school tax district or territory adjacent to such city school tax district which does not lie within the corporate limits of the city, so as to vest the control of educational matters of such proposed consolidated school tax district in said city board of education, the county board of education and city board of education shall agree upon the terms of consolidation and concurrently request the county commission to call an election in all the territory proposed to be consolidated to determine whether such school tax district or territory adjacent to said city school tax district should be consolidated with the city school tax district and the educational affairs of all the territory proposed to be consolidated placed under the control of the city board of education of such city, and whether or not a special tax for a uniform rate and time shall be voted for such proposed school tax district. In the event of such consolidation, the rate and time of the three-mill district tax, if levied, shall be for such time as prescribed in the agreement between the boards; provided, that the rate and time shall not be less than the maximum rate and the maximum time of any such district or territory included in said consolidation (*Code of Alabama 1975, Section 16-13-195*).

The implementation of this statute is dependent upon the mutual agreement of the two boards of education involved and upon a referendum in the affected area:

§ Section 16-13-196. School tax district - Consolidation - Effect.

Thereupon the county commission shall call an election in like manner as already prescribed for calling an election in a school tax district in the special districts or district and adjacent territory proposed to be consolidated, and if a majority of the qualified electors voting in the combined territories of the districts or district and adjacent territory proposed to be consolidated shall vote favorably, the districts or district and adjacent territory shall be consolidated into a new special school tax district, and the tax as voted shall be levied and collected in the new district as a unit, but the creation of a new district shall not operate to relieve the county board of education of liability for the just obligations made prior to such consolidation. In the event a majority of the qualified electors voting in the combined territories of the districts or district and adjacent territory proposed to be consolidated shall vote against the proposed consolidation, said consolidation shall not be made and each district shall remain as before with the same taxing privileges (*Code of Alabama 1975, Section 16-13-196*).

Who May Attend a City School System

The Legislature has further addressed the authority of a city board of education to determine eligibility requirements for attendance. There have been conflicting interpretations of state law pertaining to eligibility of students to attend a city school system:

§ 16-11-16. Kindergartens and playgrounds; eligibility for admission to public schools.

(a) The city board of education shall have power to establish and maintain a system of public schools including kindergartens and playgrounds for the benefit of children who are bona fide residents of and living within the corporate limits of such city.

(b) Such children who are six years of age and less than 19 years of age on the date school opens shall be entitled to admission to the elementary, junior and senior high schools.

(c) If a kindergarten is established and maintained, children from five to eight years of age may be admitted on such terms and conditions as the city board of education may prescribe (*Code of Alabama 1975*, Section 16-11-16).

An *Opinion of the State Attorney General* dated April 24, 2003, has concluded that this Section means that city boards of education have the power to establish a system of public schools for the benefit of children only who are ***bona fide*** residents of and living within the corporate limits of such city (*Opinion of the Attorney General*, Number 2003-133). However, other interpretations of other statutes open the door for non-resident attendance, and have concluded that city boards of education may have an open enrollment policy. The following statute may well override any previous limitation as may have been placed in law or in an *Opinion of the Attorney General*:

By the provisions of Section 16-28-3, the Legislature has authorized local boards of education to regulate the admission of students into their schools. There is no statute expressly prohibiting children who live within a city with a city school system from attending county schools. Reading this in conjunction with Section 16-10-6 which expressly provides for the collection of fees from elementary students attending schools in a jurisdiction other than the jurisdiction of the students' residences, children living within city limits of a city school system are not statutorily prohibited from attending county schools (*Phenix City Bd. of Educ. v. Teague*, 515 So. 2d 971). The Alabama Court of Civil Appeals has ruled that this section – §16-28-4 – creates an entitlement to education in this state for children under the age of 16 (*Hoover Bd. of Educ.*, 594 So. 2d 148).

Joint Operation by Two Boards of a School Site

Due to the rural nature of the State of Alabama, it has long been recognized that there may be a necessity because of geography and demographics to provide for a joint maintenance by two counties of a school located near a county line. Further provisions were made for the attendance of students from two counties in this school.

§ 16-8-18. Joint maintenance of schools — Between counties; attendance by pupils near county lines.

The county boards of education of two or more counties shall have power to provide jointly for the maintenance of schools in or near the dividing line of such counties on the basis of the enrollment in such school from the counties represented. Each pupil who lives within five miles of a county boundary line shall attend the school nearest to his residence. The administration and supervision of such school shall be placed under one of the county boards of education of said counties by agreement between the county boards of education, and if no agreement as to administration and supervision is made, it shall be under the board of education of the county in which the schoolhouse is located (*Code of Alabama 1975, Section 16-8-18*).

An *Opinion of the Attorney General* in 1979 offered additional clarification to the language of the statute:

Specifically the Legislature provided that board (sic) of education in adjoining school districts may enter into agreements to jointly maintain (provide financial support) for schools on or near a county line. The agreement should by statute recognize which of the two jurisdictions will be responsible for the administration and supervision of such schools. Once such an agreement is established; children who live within five miles of the county boundary line shall attend the school closest to his residence (*Opinion of the Attorney General, Number 79-00339*).

The mechanism is set in place for financial support of the jointly maintained school. If no *Section 16-8-18* agreement is established, one school board may not bill another school board for costs of out-of-district residents. However, the Office of Attorney General encourages the use of the *Section 16-8-18* agreement for joint maintenance of county line schools for the purposes of providing free public education for children at the school closest to their residence (*Opinion of the Attorney General, Number 79-00339*). Thus students in one county may attend school in another county.

In 1964, the Alabama Supreme Court considered the question as to whether the above statute entitled a child to attend the school of his choice closest to his

home no matter in which county the school is located as long as the child lived within five miles of the county line. The Court concluded that no such right was created within the statute. Such a right to attend the closest school without paying tuition exists only when there was an agreement between the two county school systems involved. Without such an agreement, there is no right to attend with or without tuition (*Conech County Board of Education v. Campbell*, 276 Ala. 343, 162 So. 2d 233, 1964).

In an *Opinion of the Attorney General* written in 1985, this conclusion was further restated that without an agreement, no entitlement exists irrespective of the distance involved (*Opinion of the Attorney General*, Number 85-00147). The obvious conclusion is that without an agreement, there can be no joint financial support and no assumption of cost by the county from which the student actually resides. Without such agreement, one school board may not bill another school board of out-of-district residents (*Opinion of the Attorney General*, Number 79-00330).

However, the important conclusion of the statutes pertaining to joint operation by two county boards of education of a school site is that no provision, except as follows, is provided by law for a city school system to operate a school site of a county board of education located outside of the political boundaries of the incorporated municipality. However, law does provide for a city board of education to gain control of a county board of education school site by annexation:

§ 16-8-20. Annexing to city territory embracing schools - Retention of control pending agreements.

When any part of the territory embracing a school under the supervision and control of the county board of education is annexed to a city having a city board of education by extension of the corporate limits of such city, the county board of education shall retain supervision and control of said school and for school purposes shall retain the same control of the territory and revenues which it exercised prior to such annexation, for the purpose of using and devoting said school to the benefit of all children who were or would be entitled to the use and benefit of the school so long as it was a county school, until an agreement has been made between the county board of education and the city board of education, and the city council or commission or other governing body of the city to which the territory was annexed, with reference to the matter of existing indebtedness and of providing the same or equivalent school facilities for the children in that part of the territory in the school district or districts not annexed or made a part of such city (*Code of Alabama 1975*, Section 16-8-20).

It is important to note in this case of annexation, that an agreement must be reached between the city and county boards of education regarding existing

indebtedness and provision of equivalent school facilities for the children formerly attending that school site before control of the school site is actually transferred. This is different from the situation in which a city school system is first created and no provision is necessary to be made or agreed upon for the education of the children formerly attending that school site.

§ 16-9-19. Conditions of admittance to high schools.

The county superintendent of education, subject to the provisions of this title, shall prepare and submit for approval and adoption by the county board of education rules and regulations governing the conditions under which children may be admitted to junior and senior high schools of the county (*Code of Alabama 1975, Section 16-9-19*).

The Attorney General has further ruled a county superintendent does have the authority to determine the conditions under which non-resident students (of the county or the state) may still be allowed to attend the junior and senior high schools of the county. These conditions are, of course, subject to board approval (*Opinion of the Attorney General, Number 87-00033*). Furthermore, the *Opinion* further validates the authority of the boards of education receiving non-resident students to charge a tuition fee for this privilege which is found in the following statutory provision:

§ 16-10-6. Incidental fees in elementary schools.

No fees of any kind shall be collected from children attending any of the first six grades during the school term supported by public taxation; provided, that any county or city board of education shall be authorized to permit any school subject to its supervision to solicit and receive from such children or their parents or guardians voluntary contributions to be used for school purposes by the school where such children are attending; provided further, that the provisions of this section shall in no way affect or restrict the right or power of a school board to fix and collect tuition fees or charges from pupils attending schools under the jurisdiction of such board but who live outside the territory over which such board has jurisdiction (*Code of Alabama 1975, Section 16-10-6*).

This language opens the door for two opportunities. One is for each type of school system to determine who can attend that public school system. The second is that the local board of education is free to charge tuition fees or charges from non-resident students of that school system. This creates the reality of an open enrollment policy.

A further *Opinion of the Attorney General* has addressed the amount of tuition which should be charged:

. the Legislature intended to recognize the right or power of a school board to fix and collect tuition fees or charges from pupils attending schools under their jurisdiction but who live outside the territory over which the board has jurisdiction. However, local boards of education are not authorized to charge unlimited fees or tuition under the above-discussed circumstances. It is our opinion that a local board of education may charge and require a pupil who lives outside its jurisdiction, to pay a tuition fee not to exceed the sum of the local tax effort devoted to school purposes divided by the number of students attending school within the jurisdiction of the board. In other words, the amount of tuition that may be charged is limited by the amount of local financial support a school system receives (*Opinion of the Attorney General*, Number 79-00339).

This conclusion regarding the amount of tuition to be charged limits tuition to the local tax effort devoted to school purposes divided by the number of students attending by the Attorney General in 1982 (*Opinion of the Attorney General*, Number 82-00413).

Expenditure of Funds by City for Benefit of Individuals Illegal

A city has authority to expend funds for any legal purposes, and a city with a city board of education has the authority to expend funds for any legal educational purpose. In the case presented by the City of Madison regarding students who lived within the city limits but in a portion of the City of Madison which is located within Limestone County rather than Madison County, the question was raised as to whether the City of Madison could pay on behalf of these students a \$600 tuition fee charged by Madison County to out-of-county residents. This would amount to the City paying a fee on behalf of selected individual residents of the City.

In 1994, an *Opinion* of the Attorney General dated October 20, 1993, held that such expenditure by a city to a county board of education must be made as a budgetary appropriation and cannot be made as payment of tuition or fees for an individual student. The Alabama Constitution of 1901 in Section 94 as amended by Amendment 112 prohibits any city or town from granting public money in aid of any individual. Therefore, the paying of fees or tuition for an individual student is prohibited:

The legislature shall not have power to authorize any county, city, town, or other subdivision of this state to lend its credit, or to grant public money or thing of value in aid of, or to any individual, association, or corporation whatsoever, or to become a stockholder in any such corporation, association, or company, by issuing bonds or otherwise. It is provided, however, that the legislature may enact general, special, or local laws authorizing political subdivisions and public bodies to alienate, with or without a valuable consideration,

public parks and playgrounds, or other public recreational facilities and public housing projects, conditional upon the approval of a majority of the duly qualified electors of the county, city, town, or other subdivision affected thereby, voting at an election held for such purpose (*Constitution of 1901*, Amendment 112).

Thus in the case of a city which spans two counties, the students who reside in the county which is the minority portion of the city may attend the county school system of the county which comprises the majority portion of the city. However, the students must pay a tuition fee as determined by the county board of education receiving the out-of-county students (*Opinion of Attorney General*, Number 94-00016). A county board of education has the sole discretion to admit students who lived within a municipal school system.

Furthermore, there is no question concerning the legality of appropriation of funds to local boards of education for educational purposes:

§ 16-13-36. Appropriation of funds out of treasury.

Any appropriate local governing body is authorized at any meeting of said governing body in any calendar year to appropriate any funds it may deem proper and expedient out of the general funds of the governing body's treasury to local boards of education for the construction, repair, operation, maintenance and support of new or existing public schools within the jurisdiction of said governing body (*Code of Alabama 1975*, Section 16-13-36).

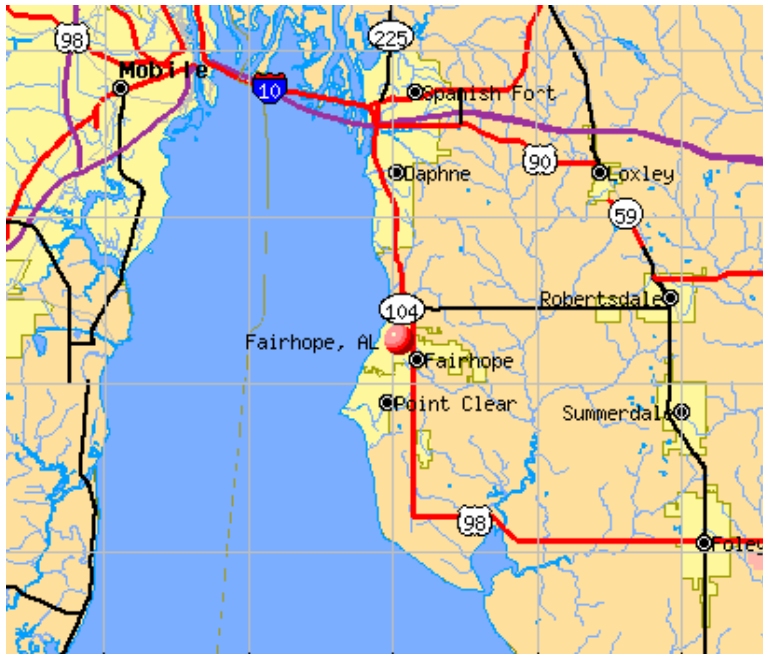
It must be assumed that this refers both to city and county governing bodies since the statute was amended in 1995 to replace county commissions of the state with the term "local governing body." However, it is uncertain as to whether the jurisdictional issue can be construed to appropriations by a city governing body to a board of education for schools not located within the city jurisdiction.

The appropriation of funds by a city council to the school system of the city is not an unusual event in Alabama. County Commission appropriations for FY 2010 to their respective county school systems were budgeted at \$11,825,640; city school systems were budgeted \$81,013,365 as appropriations from their respective city councils. The appropriation can be from general revenues or from the dedication of a specific tax levy – ad valorem, franchise, excise, or privilege license tax – for the city school system. If such a dedicated tax is levied and collected (with the exception of those under the authority of **§ 40-12-4**) it is not a **school tax** but is a **tax for schools**. This distinction will be discussed in a following **Chapter**.

2. THE DEMOGRAPHICS AND GOVERNMENTAL CHARACTERISTICS OF THE CITY OF FAIRHOPE, ALABAMA

A. DEMOGRAPHICS OF THE CITY OF FAIRHOPE

The City of Fairhope is one of several municipalities incorporated in Baldwin County along a main residential corridor following the eastern shore of Mobile Bay. While historically developing as a summer retreat from the heat and disease of Mobile during the eighteenth and nineteenth centuries, today Fairhope and sister



cities both north and south are residential centers in their own right, with population commuting to employment opportunities in the City of Mobile and in the economically developing areas of Baldwin County.

Fairhope was founded in November, 1894 on the site of former Alabama City as a utopian single tax colony by the "Fairhope Industrial Association," a group of 28 followers of economist Henry George who had incorporated earlier that year in Des Moines, Iowa. See **Figure 2-1**.

Figure 2-1

Their corporate constitution explained their purpose in founding a new colony:

"to establish and conduct a model community or colony, free from all forms of private monopoly, and to secure to its members therein equality of opportunity, the full reward of individual efforts, and the benefits of co-operation in matters of general concern."

In forming their demonstration project, they pooled their funds to purchase land at "Stapleton's pasture" on the eastern shore of Mobile Bay and then divided it into a number of long-term leaseholds. The corporation paid all governmental taxes from rents paid by the lessees, thus simulating a single-tax. The purpose of the single-tax

colony was to eliminate disincentives for productive use of land and thereby retain the value of land for the community.

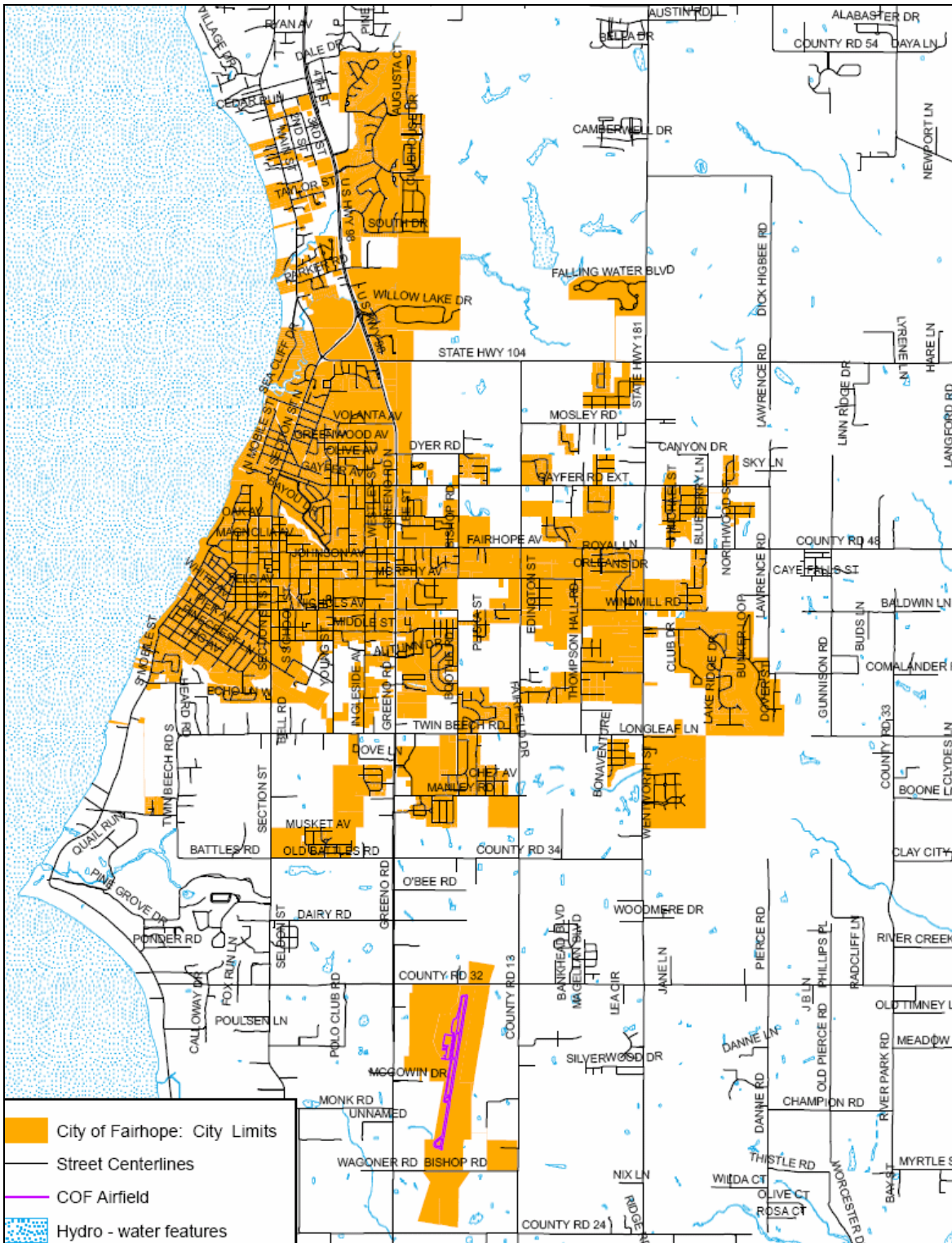


Figure 2-2
Municipal Boundaries of the City of Fairhope, 2010

Fairhope became a popular wintering spot for artists and intellectuals. Despite the ideals of the corporation, the town has transitioned from utopian experiment to artists' and intellectuals' colony to boutique resort and affluent suburb of Mobile. Local and national real estate developers have built commercial facilities in the downtown area that are larger than have been historically allowed. In July, 2007, Wal-Mart opened a store just beyond the city limits. Plans to build a store within the city limits were protested by residents seeking to protect Fairhope's small town image. Fairhope's building and zoning ordinances overlap with those of Baldwin County. Residents of the city want more control of construction projects near, but still outside, the city limits while residents outside the city limits want less city control of their property.

The city boundaries of Fairhope over the years have been extended in a somewhat "ragged" manner, incorporating areas to the north, south, and east of "Old Fairhope," many times including areas not contiguous to the main city. The city is bounded by Daphne to the north, although ample opportunity still exists for annexation to the northeast, east, and south. See **Figure 2-2** above for a map of the current municipal boundaries of the City of Fairhope. The rapid growth of residential housing and in commercial development means that unincorporated areas around Fairhope, while once predominately rural and agricultural in nature, are quickly becoming desirable residential areas. Such growth provides opportunities for the city limits to be expanded. However, such expansion is a further erosion of the traditional interpretation of the City of Fairhope. While further growth in city limits increases demand for city services, such growth occurring in a systematic manner would plan to offset such costs with increased city taxes. But a somewhat different problem exists for services provided to school age residents, both in and out of the city limits. School age residents of the City of Fairhope are educationally served by the Baldwin County Public School System.

The Baldwin County Public School System is for FY 2010 the sixth largest in student population in the State, trailing only Mobile County, Jefferson County, Montgomery County, Birmingham City and Shelby County School Systems in student population (see **Table 2-1** which follows). The area served by the Baldwin County School System is the largest in terms of square miles in the State. As is shown in the following **Table 2-2**, such a large area in which students can reside and a correspondingly low student population density, creates a diseconomy of scale due to the large number of schools necessary and the area over which they are spread. There are currently no city school systems in Baldwin County.

As a general rule, county school systems must locate schools either within population centers (cities) or in a transportation corridor accessible to a dispersed population. This has been the dilemma facing the Baldwin County School System. An early history as an agricultural county with a few population centers led to the necessity to locate schools in these population centers, the cities. Therefore, as a matter of necessity, schools located within population centers served students who reside within the cities and also outside the respective city. County boards of

education, as previously discussed, are both granted the power to and by practicality are required to create attendance zones for these schools. These attendance zones are subject to review and recasting by the county board of education and reflect considerations of school capacity, transportation requirements, and demographics of the society served. Alabama does not statutorily recognize the practicality – as most other states do – of school systems which can by definition serve geographic areas of a county, or a city and an incorporated area, or a consortium of cities. There can only be a countywide school system with the inclusion within of separate city school systems whose school system boundary is the political boundary of the city.

**Table 2-1
School Systems Ranked by ADM**

| System Number | System Description | FY 2009 System ADM for FY 2010 | FY 2010 Rank |
|----------------------|---------------------------|---------------------------------------|---------------------|
| 049 | Mobile County | 62,207.15 | 1 |
| 037 | Jefferson County | 36,245.65 | 2 |
| 051 | Montgomery County | 31,588.45 | 3 |
| 114 | Birmingham City | 27,525.15 | 4 |
| 059 | Shelby County | 27,122.00 | 5 |
| 002 | Baldwin County | 26,735.95 | 6 |

**Table 2-2
Land Area in Square Miles of Counties in Alabama**

| County | Area in Square Miles | Rank |
|-------------------|-----------------------------|-------------|
| Baldwin County | 1,596 | 1 |
| Tuscaloosa County | 1,325 | 2 |
| Clarke County | 1,238 | 3 |
| Mobile County | 1,233 | 4 |
| Jefferson County | 1,113 | 5 |
| Washington County | 1,081 | 6 |

A further paradox for Baldwin County is that it is rapidly changing from an agricultural county to an urban county. In the period from 2000 to 2008, Baldwin County had the second largest percent growth in population in Alabama, trailing only Shelby County. Countywide services are growing in demand while the tax base and rate still exemplifies an agricultural heritage. The fact that Baldwin County has no operating city school systems means that, for the most part, taxes levied for schools are countywide in scope. In a later Section, the Baldwin countywide ad valorem and sales taxes for schools will be discussed. However, at this point it is important to note that such a pattern of taxation whereby the majority of tax revenues are derived countywide rather than by tax districts (political subdivisions of the county for school tax purposes) tends to make the financial resources of the entire county always available to each student irrespective of whether in attendance in the county or a city school system.

**Table 2-3
Per Capita Income by County in Alabama from 2000 to 2008**

| County | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2008 Rank |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| State total | 24,069 | 25,090 | 25,802 | 26,729 | 28,370 | 29,838 | 31,415 | 32,803 | 33,655 | n/a |
| Shelby, AL | 33,135 | 33,697 | 34,005 | 34,249 | 36,838 | 40,017 | 41,879 | 44,401 | 44,658 | 1 |
| Jefferson, AL | 31,235 | 32,295 | 33,799 | 34,728 | 37,482 | 39,005 | 41,370 | 42,551 | 43,180 | 2 |
| Madison, AL | 29,109 | 29,478 | 30,343 | 31,448 | 32,966 | 34,784 | 36,608 | 38,679 | 39,954 | 3 |
| Montgomery, AL | 27,530 | 28,991 | 30,757 | 31,885 | 34,061 | 35,356 | 37,150 | 38,154 | 39,182 | 4 |
| Baldwin, AL | 26,528 | 26,833 | 27,148 | 27,455 | 29,433 | 31,163 | 33,681 | 35,146 | 35,738 | 5 |

Baldwin County has increased dramatically over the past in both population and per capita income, as seen in **Table 2-3** above. By the measure of per capita income, Baldwin County is the fifth ranked county in Alabama from in 2008. This represents an increase of 34.72%. Net taxable assessed valuation in 2001 of \$2,102,800,610 has increased to \$3,176,271,660, an increase of 51.05%. As is seen in **Table 2-4** which follows, the population increase in Baldwin County of 23.41% greatly outstrips the population increase in Alabama statewide of only 4.72%. Yet the dramatic growth in Baldwin County is eclipsed by the population increase of 34.53% in the City of Fairhope during the period. This growth is compounded by new residential construction within the City of Fairhope and annexation of addition tracts during the period.

**Table 2-4
Population Estimates for Cities and Towns of Baldwin County, 2008**

| Population Estimates for Alabama Places by County, 2008 | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Estimates for July 1: | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Percent Change |
| Alabama | 4,451,687 | 4,462,832 | 4,469,906 | 4,486,598 | 4,506,574 | 4,537,299 | 4,587,564 | 4,626,595 | 4,661,900 | 4.72% |
| Baldwin County | 141,354 | 144,936 | 148,031 | 151,502 | 156,276 | 162,149 | 168,154 | 171,748 | 174,439 | 23.41% |
| Bay Minette city | 7,857 | 7,816 | 7,820 | 7,854 | 7,823 | 7,810 | 7,721 | 7,717 | 8,043 | 2.37% |
| Daphne city | 16,790 | 16,973 | 17,288 | 17,666 | 18,118 | 18,558 | 18,880 | 18,925 | 19,093 | 13.72% |
| Elberta town | 1,508 | 1,514 | 1,514 | 1,516 | 1,514 | 1,515 | 1,495 | 1,468 | 1,477 | -2.06% |
| Fairhope city | 12,746 | 13,136 | 13,552 | 14,153 | 14,649 | 15,394 | 16,108 | 16,597 | 17,147 | 34.53% |
| Foley city | 8,559 | 9,012 | 9,450 | 9,835 | 10,565 | 11,422 | 12,657 | 13,363 | 13,807 | 61.32% |
| Gulf Shores city | 5,754 | 5,922 | 6,012 | 6,220 | 6,703 | 7,695 | 9,254 | 10,194 | 10,248 | 78.10% |
| Loxley town | 1,523 | 1,541 | 1,554 | 1,568 | 1,567 | 1,595 | 1,707 | 1,778 | 1,796 | 17.93% |
| Magnolia Springs town | 720 | 720 | 721 | 723 | 722 | 721 | 709 | 696 | 699 | -2.92% |
| Orange Beach city | 3,930 | 4,218 | 4,382 | 4,476 | 4,807 | 5,179 | 5,523 | 6,218 | 6,231 | 58.55% |
| Robertsdale city | 3,820 | 3,965 | 4,213 | 4,336 | 4,479 | 4,662 | 4,781 | 4,862 | 4,964 | 29.95% |
| Silverhill town | 620 | 635 | 652 | 675 | 683 | 693 | 688 | 685 | 698 | 12.58% |
| Spanish Fort city | 5,530 | 5,560 | 5,599 | 5,598 | 5,649 | 5,678 | 5,619 | 5,789 | 5,780 | 4.52% |
| Summerdale town | 655 | 656 | 659 | 667 | 668 | 671 | 691 | 707 | 745 | 13.74% |
| Balance Baldwin County | 71,342 | 73,268 | 74,615 | 76,215 | 78,329 | 80,556 | 82,321 | 82,749 | 83,711 | 17.34% |

Owner and Renter Occupied Housing

The following discussion is based upon 2000 Census Bureau demographic characteristics of states, counties, and cities. With the expansion in the population of Baldwin County and the need for additional residential housing, it has been logical that the City of Fairhope would become an area of both residential growth and the commerce to serve that growth. In the following **Table 2-5**, when the United States,

State of Alabama, Baldwin County, and the City of Fairhope are compared in terms of owner occupied versus renter occupied housing units, the City of Fairhope shows a higher percentage of owner occupied housing units than Baldwin County, the State of Alabama, and is only moderately less than the US on average.

The City of Fairhope demonstrates a higher percentage of owner-occupied housing units than does Alabama statewide and substantially greater than the US average, but a smaller percentage than does Baldwin County as a whole. The City of Fairhope shows a higher percentage of renter occupied housing units than Baldwin County, but more than Alabama statewide and the US average.

Owner occupied housing tends to create a less dense population and greater assessed value of ad valorem property per student. However, it is logical that more renter-occupied housing would be available in a city than in rural Baldwin County. A downside of renter-occupied housing is that the number of school age children tends to be denser per value of property tax paid, thus decreasing the wealth of a school system. The City of Fairhope shows a lower incidence of vacant housing units than Alabama statewide. Baldwin County as a whole is over twice that of the City of Fairhope. The most positive statistic in **Table 2-5** for a city school system for the City of Fairhope is the median value of single-family, owner-occupied homes, a value which is 76% greater than the State of Alabama, and 22% greater than Baldwin County.

**Table 2-5
Owner and Renter Occupied Housing**

| Housing Units | United States | State of Alabama | Baldwin County | City of Fairhope |
|--|----------------------|-------------------------|-----------------------|-------------------------|
| Occupied housing units | 91.00% | 88.50% | 74.50% | 89.10% |
| Owner-occupied housing units | 66.20% | 72.50% | 79.50% | 76.40% |
| Renter-occupied housing units | 33.80% | 27.50% | 20.50% | 23.60% |
| Vacant housing units | 9.00% | 11.50% | 25.50% | 10.90% |
| Single-family owner-occupied homes Median value (dollars) | \$ 119,600 | \$ 85,100 | \$ 122,500 | \$ 149,900 |

Average Household and Family Size

A similar comparison can be made by reviewing the average size of families and households in different governmental units. As is demonstrated in the following **Table 2-6**, the size of the household and the family follows the same distribution pattern, largest in the US, smaller in the State of Alabama, smaller in Baldwin County as a whole, and smallest in the City of Fairhope. This indicates that in terms of expected student load per unit of ad valorem taxation, the City of Fairhope shows no disadvantage in the ability to fund a system of public schools. Rather the City of Fairhope demonstrates a fiscal advantage. Without these variables as a discriminator, the next consideration is age groups.

**Table 2-6
Average Household and Family Size**

| Household/Family Size | United States | State of Alabama | Baldwin County | City of Fairhope |
|------------------------------|----------------------|-------------------------|-----------------------|-------------------------|
| Average household size | 2.59 | 2.49 | 2.50 | 2.27 |
| Average family size | 3.14 | 3.01 | 2.94 | 2.83 |

Note: A **family** is a household or a housing unit occupied by two or more persons related by birth, marriage, or legal adoption. A **household** includes all the people who occupy a housing unit as their usual place of residence. Including household members not related to the householder, people living alone, and other non-family household members.

Median Age in Years and Percent Under 5 Years and Over 65 Years

A further indication of a smaller student load can be found in **Table 2-7** which compares median age and the percent of population under five years of age. According to these data, the City of Fairhope has a somewhat older population in terms of median age in years that Baldwin County, the State of Alabama, and the United States on average. Further, the City of Fairhope demonstrates the smallest percentage of residents fewer than five years of age in population distribution, the highest number 18 years and over, and by far the highest in the age group 65 years and over. This population distribution points to a diminished expenditure load per unit of population in the proposed Fairhope City School System. However, it also demonstrates a cautionary sign for what is generally considered to be increased resistance to additional taxes for public education from older citizens and taxpayers.

**Table 2-7
Median Age in Years and Percent Under 5 Years and Over 65 Years**

| Age of Population | United States | State of Alabama | Baldwin County | City of Fairhope |
|--------------------------|----------------------|-------------------------|-----------------------|-------------------------|
| Median Age in Years | 35.3 | 35.8 | 39.0 | 44.5 |
| Under 5 years | 6.80% | 6.70% | 6.10% | 5.30% |
| 18 years and over | 74.30% | 74.70% | 75.60% | 78.40% |
| 65 years and over | 12.40% | 13.00% | 15.50% | 23.70% |

Language Other Than English Spoken at Home

Another indicator of costs to be assumed by a proposed city school system is the incidence of special education needs. This issue is difficult to address directly since it is difficult to forecast future enrollment of students with special instructional needs. However, one Census Bureau variable of an increased cost of special instruction is the language spoken at home. Educational needs are becoming greater in Alabama to fund the instruction of students when English is their second language and a language other than English is spoken at home. According to **Table 2-8**, which expresses the percent of homes in which a language other than English is spoken, the City of Fairhope has a slightly higher percentage of population that speaks English as a second language than Baldwin County overall, the State of

Alabama as a whole, and the United States. However, since this incidence is about the same as Alabama statewide, it does not appear to represent an overburden of cost. Both federal funds and state funds are available for teaching those for whom English is a second language. The State of Alabama appropriated from the ETF the sum of \$2,274,475 for FY 2010 for support of the teaching of English as a second language.

**Table 2-8
Language Other Than English Spoken at Home**

| Language Spoken at Home | United States | State of Alabama | Baldwin County | City of Fairhope |
|---|----------------------|-------------------------|-----------------------|-------------------------|
| Speak a language other than English at home (population 5 years and over) | 17.90% | 3.90% | 4.00% | 4.10% |

Selected Measures of Income

Another useful statistic to measure how well the tax base of a city can support a public education system is to consider the income of its citizens. However, the income tax can only be levied by the State.

In the estimated per capita income published for 2000 expressed in 1999 dollars by the **U.S. Bureau of the Census**, the median household income of the City of Fairhope was moderately above that of Baldwin County as a whole, well above that of the State of Alabama, and even above that of the United States. In terms of median family income, the City of Fairhope had an even more pronounced advantage. Per capita income of the City of Fairhope is 25% higher than Baldwin County, and the incidence of families below the poverty level and of individuals below the poverty level all demonstrate a major financial advantage to the City of Fairhope.

**Table 2-9
Selected Measures of Income in 1999 Dollars**

| Household/Family Income | United States | State of Alabama | Baldwin County | City of Fairhope |
|---|----------------------|-------------------------|-----------------------|-------------------------|
| Median household income in 1999 (dollars) | \$ 41,994 | \$ 34,135 | \$ 40,250 | \$ 42,913 |
| Median family income in 1999 (dollars) | \$ 50,046 | \$ 41,657 | \$ 47,028 | \$ 56,976 |
| Per capita income in 1999 (dollars) | \$ 21,587 | \$ 18,189 | \$ 20,826 | \$ 25,237 |
| Families below poverty level | 9.20% | 12.50% | 7.60% | 4.90% |
| Individuals below poverty level | 12.40% | 16.10% | 10.10% | 7.50% |

Note: **Median household income** is the sum of money income received in calendar year 1999 by all household members 15 years old and over, including household members not related to the householder, people living alone, and other nonfamily household members. Included are in the total are amounts reported separately for wage or salary income; net self-employment income; interest, dividends, or net rental or royalty income or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income, and for which there are

an equal number of incomes below and above the median amount. **Median family income** is an annual income figure which is reported for a family which is a household or a place occupied by two or more persons related by birth, marriage, or legal adoption and for which there are an equal number of incomes below and above the median amount. **Per capita income** is the mean income computed for every man, woman, and child in a geographic area. It is derived by dividing the total income of all people 15 years old and over in a geographic area by the total population in that area. Note -- income is not collected for people under 15 years old even though those people are included in the denominator of per capita income.

In summary, there is no statistic or demographic measure to demonstrate a financial advantage to the City of Fairhope for remaining a part of the Baldwin County School System.

(balance of this page is left intentionally blank)

B. STUDENT ENROLLMENT AND SCHOOL SITES IN FAIRHOPE

Baldwin County School System Enrollment

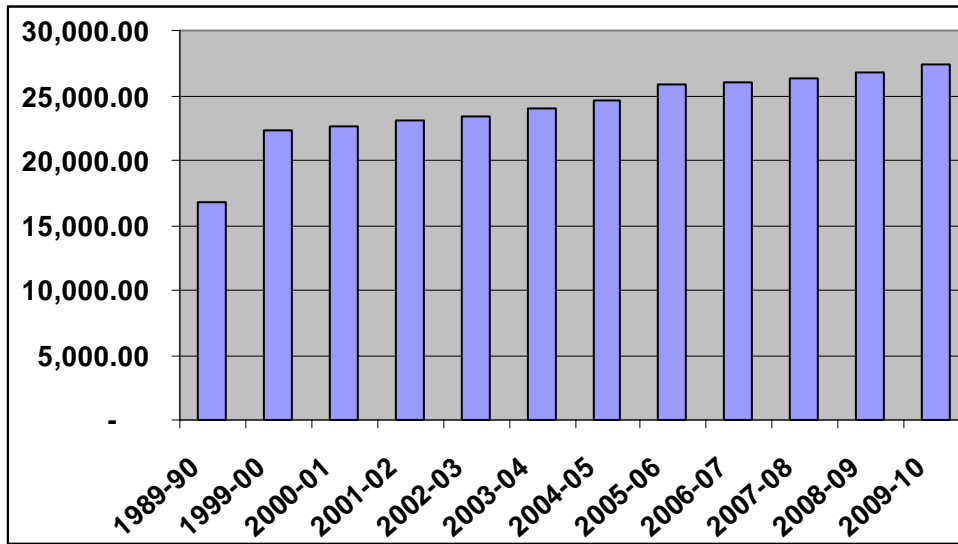
Student enrollment, measured in Average Daily Membership (**ADM**) which is the average number of students enrolled for a specific counting period, in Baldwin County Schools has shown significant increase over the past 11 years, but not as dramatically as the growth in population of Baldwin County. **Table 2-10** which follows shows that in the period from 2000 as a base year, to 2008, student ADM in the Baldwin County Schools grew by a total of 17.94%. During that same period, the population of Baldwin County increased by 23.41%. It should be expected that wealth of the Baldwin County School System and thus tax base would be increasing more rapidly than the student cost load.

Table 2-10
Student Enrollment in ADM in Baldwin County Public Schools

| Baldwin County Average Daily Membership | | | |
|--|---|--------------------------------|-----------------------|
| Academic Year | Baldwin County School System ADM | Change in Student Count | Percent Change |
| 1989-90 | 16,814.00 | n/a | n/a |
| 1999-00 | 22,319.10 | 5,505.10 | 32.74% |
| 2000-01 | 22,598.40 | 279.30 | 1.25% |
| 2001-02 | 23,087.00 | 488.60 | 2.16% |
| 2002-03 | 23,413.60 | 326.60 | 1.41% |
| 2003-04 | 23,977.91 | 564.31 | 2.41% |
| 2004-05 | 24,657.25 | 679.34 | 2.83% |
| 2005-06 | 25,825.20 | 1,167.95 | 4.74% |
| 2006-07 | 26,037.40 | 212.20 | 0.82% |
| 2007-08 | 26,323.05 | 285.65 | 1.10% |
| 2008-09 | 26,735.95 | 412.90 | 1.57% |
| 2009-10 | 27,445.40 | 709.45 | 2.65% |

This is readily seen in **Figure 2-3** which follows. When reviewing enrollment data for the schools of the Baldwin County Public School System, it is obvious that steady and sustained growth has taken place. It must be noted that due to the changes in the method of counting students in **ADM** (first 20 days after Labor Day instead of first 40 days beginning with **FY 2007**), there will be a slight increase as an increased number of students are funded by the State. Also it should be noted that ADM one year in arrears (prior year) is used in calculating the state allocations to local boards of education. That is, the student count for FY 2008-2009 in ADM is the basis for the allocation of funds for FY 2009-2010. Additional students by state law are to be funded through the use of current teacher units.

**Figure 2-3
Student Enrollment in ADM in Baldwin County Public Schools**



Caution must always be observed in reporting ADM, which could be the current year number necessary to calculate current teacher units (those teacher units appropriated annually to those local boards of education experiencing a growth in ADM over the prior year), or the prior year number used to calculate state appropriations. Annual growth in ADM means that schools which are growing are always running short on state funding and look to current teacher units allocated after December 1 of each fiscal year to help with the additional costs. However, the trend of the past several years has been to deliberately underestimate the costs of current teacher units and let the cost of funding necessary teacher units become an unfunded mandate of local boards of education.

Schools of the City of Fairhope Enrollment – Resident and Non-Resident

When reviewing the trend of reported ADM in the schools of the City of Fairhope as reported in **Table 2-11** which follows, several considerations must be taken into account. These are schools of the Baldwin County School System, and the Baldwin County Board of Education determines the attendance zone for each of these schools. These attendance zones contain geographic areas outside the city limits of Fairhope and these students residing in these areas are transported to attendance in school sites located in the City of Fairhope. Caution must be taken when describing the potential fiscal feasibility of a Fairhope City School System to carefully delineate the legal responsibilities for educating resident students and the financial resources available. Other variables may have a greater effect on student enrollment potentially by board of education action. Therefore, care must be taken to identify by the best methodology possible the resident students in the schools of the City of Fairhope to evaluate the financial feasibility of a City School System.

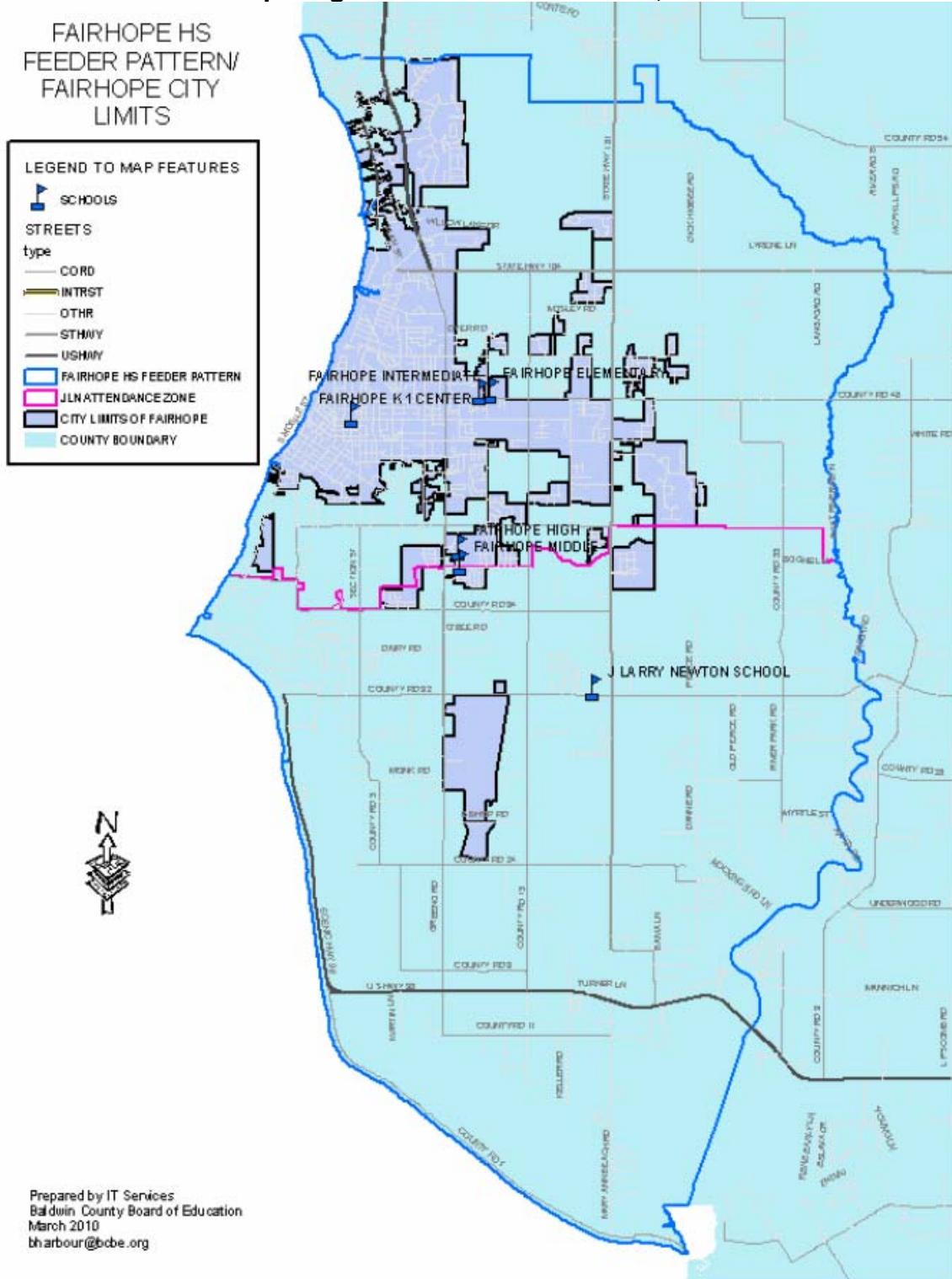
Table 2-11
Average Daily Membership of the Baldwin County Schools
Located in the City of Fairhope

| School Site | Fairhope K-1 Center | Fairhope Primary School | Fairhope Intermediate School | Fairhope Middle School | Fairhope High School | |
|-------------|---------------------|-------------------------|------------------------------|------------------------|----------------------|----------|
| School Code | 0075 | 0073 | 0071 | 0070 | 0065 | Total |
| Grades | K-1 | 2-3 | 4-5 | 6-8 | 9-12 | K-12 |
| 1999-2000 | 335.94 | 400.23 | 377.48 | 573.80 | 1,087.28 | 2,774.73 |
| 2000-2001 | 335.94 | 366.08 | 425.15 | 578.00 | 1,073.05 | 2,778.22 |
| 2001-2002 | 403.90 | 375.10 | 403.80 | 621.10 | 1,118.20 | 2,922.10 |
| 2002-2003 | 405.50 | 379.70 | 392.90 | 644.50 | 1,148.10 | 2,970.70 |
| 2003-2004 | 383.60 | 413.60 | 410.50 | 661.30 | 1,160.50 | 3,029.50 |
| 2004-2005 | 417.10 | 448.90 | 436.60 | 675.70 | 1,169.60 | 3,147.90 |
| 2005-2006 | 461.80 | 446.10 | 471.60 | 686.10 | 1,242.00 | 3,307.60 |
| 2006-2007 | 445.60 | 452.10 | 461.60 | 669.30 | 1,231.50 | 3,260.10 |
| 2007-2008 | 457.90 | 464.10 | 452.50 | 715.80 | 1,276.90 | 3,367.20 |
| 2008-2009 | 437.60 | 498.25 | 462.65 | 943.20 | 1,249.35 | 3,591.05 |
| 2009-2010 | 461.80 | 496.00 | 472.55 | 967.60 | 1,291.35 | 3,689.30 |

Steady growth in ADM at each school site is demonstrated; a portion of this is from residents of the City of Fairhope and a portion from non-resident students. Attendance zones as set by the Baldwin County Board of Education may change when the Board so determines. The current high school feeder pattern – attendance zones – of the Baldwin County Board of Education for the school sites of the City of Fairhope are shown in **Figure 2-4** which follows.

(balance of this page is left intentionally blank)

**Figure 2-4
Fairhope High School Feeder Pattern, 2010**



The current high school feeder pattern – attendance zones – of the Baldwin County Board of Education for the school sites of the City of Fairhope has resulted in the student attendance from inside and outside the City as shown in **Tables 2-12, 2-13, and 2-14** which follow.

**Table 2-12
Resident and Non-Resident Students Attending
the School Sites in Fairhope, Alabama for FY 2009-2010**

| Source of ADM | Fairhope K-1 Center | Fairhope Primary School | Fairhope Intermediate School | Fairhope Middle School | Fairhope High School | TOTAL |
|-----------------------------|---------------------|-------------------------|------------------------------|------------------------|----------------------|-----------------|
| Residents Number | 325.00 | 360.00 | 349.00 | 544.00 | 644.00 | 2,222.00 |
| Resident Percent | 70.35% | 72.43% | 73.78% | 56.14% | 49.81% | 60.15% |
| Non-Residents Number | 137.00 | 137.00 | 124.00 | 425.00 | 649.00 | 1,472.00 |
| Non-Residents Percent | 29.65% | 27.57% | 26.22% | 43.86% | 50.19% | 39.85% |
| Total | 462.00 | 497.00 | 473.00 | 969.00 | 1,293.00 | 3,694.00 |

**Table 2-13
Resident Students of City of Fairhope
Attending School Sites Outside of City of Fairhope**

| School Site Outside City of Fairhope | ADM |
|--------------------------------------|-----------|
| Bay Minette Elementary School | 3 |
| Bay Minette Intermediate School | 1 |
| Daphne High School | 3 |
| Foley Elementary School | 1 |
| J Larry Newton School | 45 |
| Pine Grove Elementary | 1 |
| Rockwell Elementary School | 1 |
| Spanish Fort Elementary School | 1 |
| Spanish Fort High School | 1 |
| Total | 57 |

**Table 2-14
Resident and Non-Resident ADM by School Site**

| Source of ADM | Fairhope K-1 Center | Fairhope Primary School | Fairhope Intermediate School | Fairhope Middle School | Fairhope High School | TOTAL All Residents |
|---------------------------------|---------------------|-------------------------|------------------------------|------------------------|----------------------|---------------------|
| Residents in Fairhope | 325 | 360 | 349 | 544 | 644 | 2,222 |
| Residents in Other Sites | 15 | 16 | 16 | 6 | 4 | 57 |
| Grand Total Residents | 340 | 376 | 365 | 550 | 648 | 2,279 |

Therefore, the number of students who are residents of the City of Fairhope and for whom a Fairhope City Board of Education would bear legal responsibility for providing for their education is 2,222 plus 57 or 2,279. In the following description of the respective school sites, references will be made to the numbers of students

which can be accommodated in the classroom spaces as determined by the Alabama State Department of Education **Site and Facility Enumeration (SAFE)** survey. These determinations are based upon **30 students** being accommodated in a regular classroom. No conclusion is made as to the rationality of this determination. This is derived from a minimum square footage per student architectural criterion to define a standard classroom size. Obviously, from the regulations of the State Board of Education which follow in **Table 2-15** pertaining to maximum class size, the number is dramatically overstated for numbers of students per classroom, particularly in grades K-3.

Table 2-15
Resolution of State Board of Education Limiting Class Size:
Approved September 11, 1997, and Amended January 8, 1998

| Grade | Class Size |
|--------------|-------------------|
| K-3 | 18 |
| 4-6 | 26 |
| 7-8 | 29 |
| 9-12 | 29 |

Table 2-16
Divisors of Foundation Program for FY 2009-2010

| Grade | Appropriation Divisor |
|--------------|------------------------------|
| K | 13.80 |
| 1 | 13.80 |
| 2 | 13.80 |
| 3 | 13.80 |
| 4 | 21.40 |
| 5 | 21.40 |
| 6 | 21.40 |
| 7 | 20.00 |
| 8 | 20.00 |
| 9 | 18.00 |
| 10 | 18.00 |
| 11 | 18.00 |
| 12 | 18.00 |

Baldwin County Board of Education Property Located in the City of Fairhope

As previously discussed in **Chapter 1**, all property owned by the Baldwin County Board of Education and sited within the political boundary of the City of Fairhope would, upon financial separation of the proposed Fairhope City Board of

Education, be vested in title to the proposed Fairhope City Board of Education. A summary of acreage follows in **Table 2-17**:

**Table 2-17
Acreage of School Sites Located in City of Fairhope**

| Alabama State Department of Education Baldwin County Pertinent School Information Reported as of June 28, 2010 | | | | | |
|---|----------------|-------------------------|------------------|-------------------------------|-----------------------|
| School Name | Acreage | Student Capacity | Portables | Substandard Classrooms | Square Footage |
| Fairhope K-1 Ctr | 10 | 575 | 0 | 0 | 60,114 |
| Fairhope Primary Sch | 20 | 600 | 0 | 0 | 114,701 |
| Fairhope Intermediate Sch | 13 | 500 | 0 | 0 | 32,195 |
| Fairhope Middle Sch | 30 | 800 | 0 | 0 | 74,023 |
| Fairhope High Sch | <u>75</u> | <u>1,471</u> | <u>0</u> | <u>0</u> | <u>135,396</u> |
| TOTAL | 148 | 3,946 | 0 | 0 | 416,429 |

In addition to the school site property of operating schools cited above, additional Baldwin County Board of Education property has been identified in the City of Fairhope which would also become the property of the proposed Fairhope City Board of Education is listed in **Table 2-18** which follows:

**Table 2-18
Unused Baldwin County School Property Located in the City of Fairhope**

| Fairhope Unused School Property | | | | | |
|--|----------------|------------------------------|--|------------------------|---------------|
| Site Description | Acreage | Owned in the Name of: | Revenue Commissioner Assessed Value | Parcel # | PPIN # |
| F'Hope (Nix Center) | 5.20 | BCBOE | \$320,900.00 | 46-03-37-0-007-066.000 | 1706 |
| Anna T. Jeanes School | 8.20 | St of AL | \$82,000.00 | 46-04-20-3-000-028.000 | 61649 |
| Baldwin County Alternative | 14.00 | BCBOE | \$420,000.00 | 46-04-19-4-00-012 | 62123 |
| | 1.14 | BCBOE | \$62,500.00 | 46-04-19-4-000-041.000 | 62124 |
| K-1 Playground | <u>-</u> | BCBOE | <u>\$349,800.00</u> | 46-03-37-0-006-044.000 | 62149 |
| TOTAL | 28.54 | | \$885,400.00 | | |

In addition, the following Sixteenth Sections of the Baldwin County School System are reported in the city limits of Fairhope as reported by the Baldwin County Revenue Commissioner's Office:

(balance of this page left intentionally blank)

Property Appraisal Link

BALDWIN COUNTY, AL

Current Date 7/ 8/2010

Tax Year 2010
Valuation Date October 1, 2009

OWNER INFORMATION

PARCEL 46-05-16-0-000-025.000 **PPIN** 062150 **TAX DIST** 06
NAME BALDWIN COUNTY BOARD OF ED
ADDRESS FAIRHOPE
 FAIRHOPE , AL 36532
DEED TYPE DB **BOOK** 0389 **PAGE** 0000334
PREVIOUS OWNER
LAST DEED DATE //0000

DESCRIPTION

33 AC(C) FR SW COR OF SW1/4 OF NE1/4 RUN N 40'(S) & E 30'(S)
 FOR BEG TH CONT E 1025'(S) TH N 185'(S) TH W 208.71' TH N 2
 08.71' TH E 208.71' TH N 300'(S) TH E 283.3' TH N 590'(S) TH
 W 1310'(S) TH S 1285'(S) TO POB SEC 16-6-2

PROPERTY INFORMATION

PROPERTY ADDRESS ST HWY 181
NEIGHBORHOOD FAIRHOPE
PROPERTY CLASS CO **SUB CLASS**
LOT BLOCK
SECTION/TOWNSHIP/RANGE 00-00 -00
LOT DIMENSION **ZONING**

PROPERTY VALUES

LAND: 1320000 **CLASS 1:** **TOTAL ACRES:** 33.00
BUILDING: 4300 **CLASS 2:** 1324300 **TIMBER ACRES:**
 ===== **CLASS 3:**
TOTAL PARCEL VALUE: 1324300

DETAIL INFORMATION

| <u>TYPE</u> | <u>REF</u> | <u>METHOD</u> | <u>DESCRIPTION</u> | <u>LAND USE</u> | <u>TC</u> | <u>HsPn</u> | <u>VALUE</u> |
|-------------|------------|---------------|--------------------|-----------------|-----------|-------------|--------------|
| LAND | 1 | MA MA-40,000 | 33.00 acres | 6860 | 2 | N N | 1320000 |
| BLDG | 1 | B B43 | BARN, B-43 | | 2 | N N | 4300 |

A discussion of the physical facilities which are operating school sites of the City of Fairhope follows by school site.

Fairhope K-1 Center: School Site 002-0075

The Fairhope K-1 Center is located at 100 S. Church Street, and is currently configured to serve grades K-1, and occupies 10 acres. The school site, numbered 002-0075 in the state facilities survey, is composed of 15 buildings and is sited on 10 acres. The first was constructed in 1935 with a pitched roof and 17 regular classrooms. Since then, 14 other buildings have been added for a total of 29 regular classrooms. A summary of all buildings at this site follows in **Table 2-19** (see **Appendix 7-17** for additional information). All buildings at this site are air conditioned. There are no substandard classrooms or portables identified. The student capacity is listed as 575. Generally, all of the buildings are rated as in good condition, but problems are also present. Chief among these are issues with exterior windows and doors, door hardware, and in some cases, the HVAC.

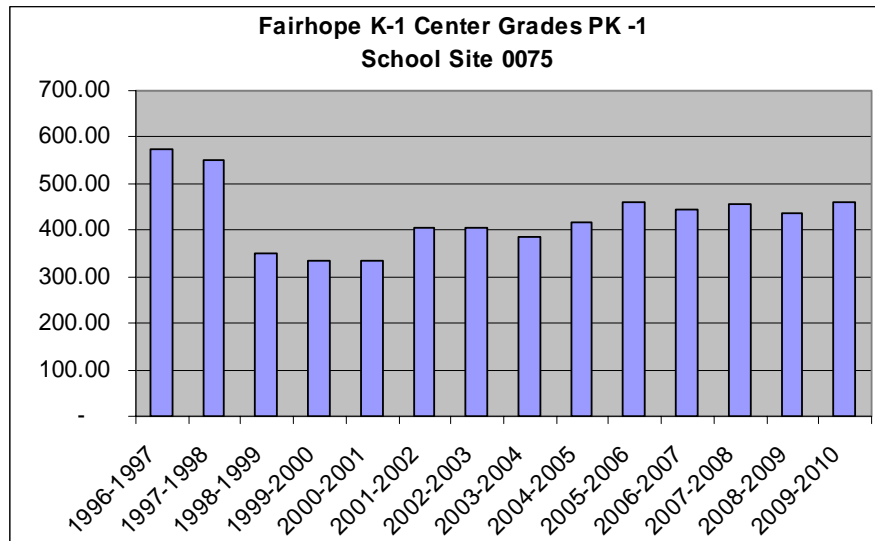
Table 2-19
Classrooms Added by Date to Fairhope K-1 Center
BUILDING DETAIL REPORTED AS OF JULY 8, 2010
FAIRHOPE K-1 CENTER

| Building Number | Date | Name of Building | Number of Classrooms | Non-Classroom Purpose |
|------------------------|-------------|-------------------------|-----------------------------|------------------------------|
| 0100 | 1935 | none | 17 | General Administration |
| 0200 | 1964 | none | 0 | |
| 0300 | 1964 | none | 1 | |
| 0400 | 1964 | none | 1 | |
| 0500 | 1964 | none | 1 | |
| 0600 | 1964 | none | 1 | |
| 0700 | 1945 | none | 2 | |
| 0800 | 1967 | none | 0 | Cafeteria |
| 0900 | 1978 | none | 1 | |
| 1000 | 1978 | none | 1 | |
| 1100 | 1997 | none | 0 | |
| 1200 | 1978 | none | 1 | |
| 1300 | 1978 | none | 1 | |
| 1400 | 1978 | none | 1 | |
| 1500 | 1978 | none | <u>1</u> | |
| | | TOTAL | 29 | |

Student enrollment at the Fairhope K-1 Center peaked in school year 1996-97 at 574.49. ADM has virtually leveled off during the past decade. Of these demonstrated in **Figure 2-5** which follows, 70.35% are identified as being residents

of the City of Fairhope. The Fairhope K-1 Center is budgeted 31.31 teachers as 1995 Foundation Program earned teacher units and 0.92 from other state funds. Locally funded units amount of 0.08 and there are no federally funded teacher units (see **Appendix 7-22** for additional information). There are no substandard permanent classrooms or instructional portables,

**Figure 2-5
Student Enrollment in ADM Reported at the Fairhope K-1 Center**



Therefore, it appears that sufficient student capacity to accommodate future growth of the proposed Fairhope City School system is currently available to serve the resident students of Fairhope (see also **Table 2-12**). No outstanding debt is reported by the Baldwin County Board of Education on the Fairhope K-1 Center with the following exception.

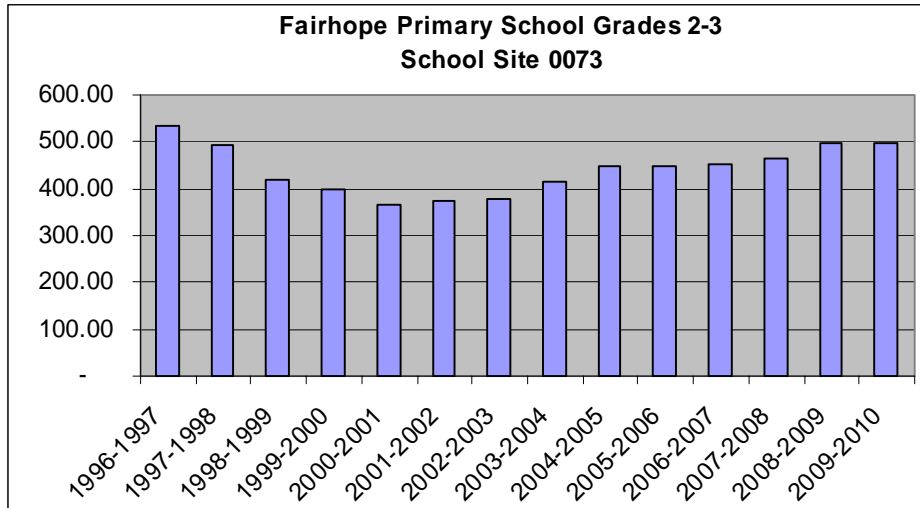
The amount of **\$8,600** was expended on the parking lot pavement and is a part of the debt created by the **2007 School Revenue Anticipation Warrant Issue** in the gross amount of \$150,000,000. The total share of this debt attributable to the school sites in Fairhope will be found in a following Section.

Fairhope Primary School: School Site 002-0073

The school site is located at 2 N. Bishop Road and is currently configured to serve grades 2-3. The school is sited on 20 acres. Student enrollment in ADM at this site has remained steady the past two years at nearly 500 (See **Figure 2-6** which follows). For the school year 2009-2010, it is estimated that of the ADM reported at the school site, 72.43% are residents of Fairhope (see also **Table 2-12**). The school site is comprised of two buildings. The first building, number 1000, is named the Gymnasium and was constructed in 1965. The overall condition of the building is Good to Moderate. There are no regular classrooms.

The second building, number 1200, is named the Media Center and was constructed in 1977. There are no regular classrooms. The overall condition of the building is Good. These buildings serve in common with the Fairhope Intermediate School which follows next. The combined student capacity of the Primary School and the Intermediate School is reported as 900 (see **Appendix 7-18**) for additional information). There are no substandard permanent classrooms or instructional portables. No deficiencies were noted in the facility reports.

Figure 2-6
Student Enrollment in ADM Reported at the Fairhope Primary School



Of the personnel budgeted for FY 2009-2010, 36.11 teacher units were earned from the 1995 Foundation Program and 36.00 were actually budgeted. In addition, 0.90 teachers were budgeted from other state funds, and 0.10 provided from local funds. Instructional Support teacher units earned from the 1995 Foundation Program as Librarians, Counselors, and Administrators total 2.50 earned units. In additional, 0.50 of a local administrator is budgeted from local funds for a total certificated staff of 41.00. There were no teachers budgeted from federal funds (see **Appendix 7-23** for additional information).

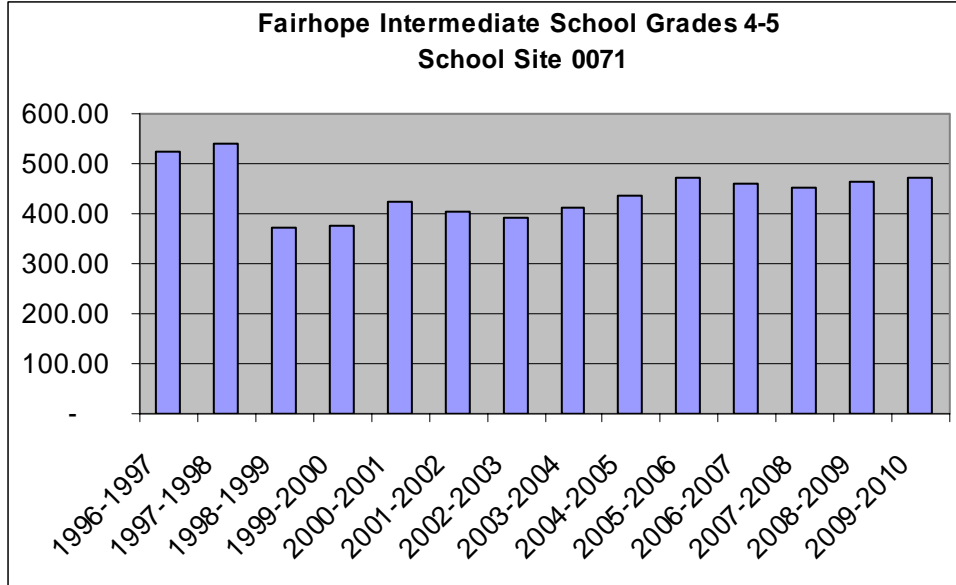
The amount of **\$1,663,964** (estimated) was expended on the construction at this site and is a part of the debt created by the **2007 School Revenue Anticipation Warrant Issue** in the gross amount of \$150,000,000. The total share of this debt attributable to the school sites in Fairhope will be found in a following Section.

Fairhope Intermediate School: School Site 0071

The school site is located at 1101 Fairhope Avenue. It is currently configured to serve grades 4-5. The recent enrollment peak was in school year 1996-97 at 525. Since then, enrollment has declined and is now is slowly climbing (see **Figure 2-7**

witch follows). Of the ADM reported for school year 2009-2010, 73.78% are residents of the City of Fairhope (see also **Table 2-12**).

Figure 2-7
Student Enrollment in ADM Reported at the Fairhope Intermediate School



The school is sited on 13 acres and 40 regular classrooms are reported. There are no substandard permanent classrooms or instructional portables. The student capacity in conjunction with the Fairhope Intermediate School is 900. All of the buildings are reported as being constructed in 2010. The four buildings of the site are listed in the following **Table 2-20**. The four buildings are reported as being in Good condition (see **Appendix 7- 19** for additional information).

Table 2-20
Classrooms of the Fairhope Intermediate School
BUILDING DETAIL REPORTED AS OF JULY 8, 2010
FAIRHOPE INTERMEDIATE SCHOOL

| Building Number | Date | Name of Building | Number of Classrooms | Non-Classroom Purpose |
|-----------------|------|------------------|----------------------|------------------------|
| 0100 | 2010 | Main Building | 30 | General Administrative |
| 0200 | 2010 | Classroom Wing | 10 | General Administrative |
| 0300 | 2010 | Media Center | 0 | General Administrative |
| 0400 | 2010 | Cafetorium | 0 | General Administrative |
| TOTAL | | | 40 | |

The Fairhope Intermediate School for FY 2009-2010 is reported as earning 21.62 classroom teachers from the **1995 Foundation Program**. In addition to these which are budgeted, there are no other state funded teachers reported. There are

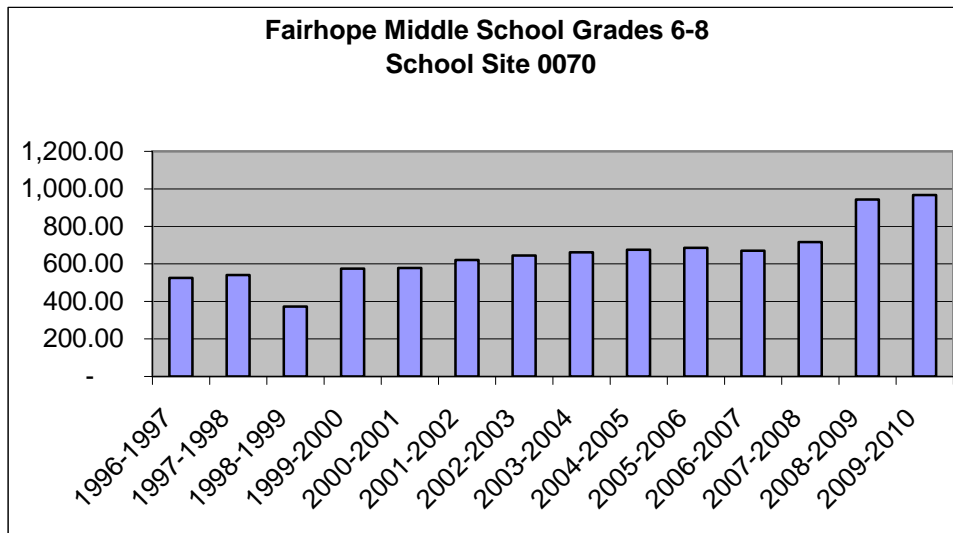
1.38 locally funded teachers budgeted to bring the total to 24.00 teachers from state and local funds. In addition, there are 2.00 teachers budgeted to be paid from federal funds. Instructional Support teacher units earned from the 1995 Foundation Program as Librarians, Counselors, and Administrators total 3.50 earned units. In addition, 0.50 of a local administrator is budgeted from local funds for a total certificated staff of 29.00 (see **Appendix 7-24** for additional information).

The amount of **\$11,664,138** (estimated) was expended on the construction at this site and is a part of the debt created by the **2007 School Revenue Anticipation Warrant Issue** in the gross amount of \$150,000,000. The total share of this debt attributable to the school sites in Fairhope will be found in a following Section.

Fairhope Middle School: School Site 002-0070

The school site is located at Two Pirate Drive. It is currently configured to serve grades 6-8. The enrollment is now at a 13 year high since school year 1996-97 at 967.60. Since enrollment has steadily increased over the 13 year period (see **Figure 2-8** which follows). Of the ADM reported for school year 2009-2010, 56.14% are residents of the City of Fairhope (see also **Table 2-12**). Therefore, it is reasonable to assume that a large part of the growth in enrollment during this period has come from the enlarged attendance zone enacted by the Baldwin County Board of Education

**Figure 2-8
Student Enrollment in ADM Reported at the Fairhope Middle School**



The school is sited on 30 acres and 42 regular classrooms are reported. There are no substandard permanent classroom or instructional portables reported. The student capacity is reported to be 1,000. There are two buildings on the site. The first is the Main Building with a construction date of 2009 and housing

the 30 regular classrooms. The second building is Gymnasium Building and is also reported with a 2009 construction date (see **Appendix 7-20** for additional information). All of the buildings are reported as being constructed in 2009 and are reported as being in Good condition.

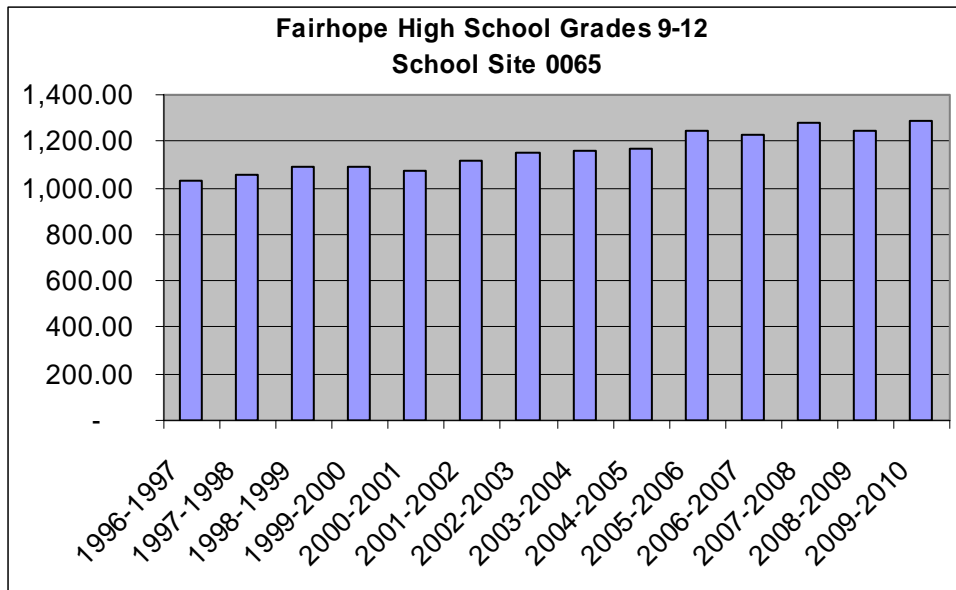
The Fairhope Middle School for FY 2009-2010 is reported as earning 46.40 classroom teachers from the **1995 Foundation Program**. In addition to these which are budgeted, there are no other state funded teachers reported. There are 2.10 locally funded teachers budgeted to bring the total to 48.500 teachers from state and local funds. In addition, there is 1.00 teacher budgeted to be paid from federal funds. Instructional Support teacher units earned from the 1995 Foundation Program as Librarians, Counselors, and Administrators total 5.00 earned units. In addition, 1.00 local administrators are budgeted from local funds for a total certificated staff of 55.50 (see **Appendix 7-25** for additional information).

The amount of **\$22,125,369** (estimated) was expended on the construction at this site and is a part of the debt created by the **2007 School Revenue Anticipation Warrant Issue** in the gross amount of \$150,000,000. The total share of this debt attributable to the school sites in Fairhope will be found in a following Section.

Fairhope High School: School Site 002-0065

The school site is located at One Pirate Drive. It is currently configured to serve grades 9-12. The enrollment is now at a 13 year high since school year 1996-97 at 1,291. Enrollment has steadily increased over the 13 year period (see **Figure 2-9** which follows).

**Figure 2-9
Student Enrollment in ADM Reported at the Fairhope High School**



Of the ADM reported for school year 2009-2010, 49.81% are residents of the City of Fairhope (see also **Table 2-12**). Therefore, it is reasonable to assume that a large part of the growth in enrollment during this period has come from the enlarged attendance zone enacted by the Baldwin County Board of Education.

The school is sited on 75 acres and 42 regular classrooms are reported. There are no substandard permanent classrooms or instructional portables reported. The student capacity is reported to be 1,471. There are five buildings on the site (see **Table 2-21**). The first building has a construction date of 1992 and houses 37 regular classrooms (see **Appendix 7-21** for additional information). All of the buildings are reported as being in Good condition. However, there are exceptions. Building 0100 is reported as having problems with the electrical system and the HVAC. Building 0200 is reported as having problems with the roof and the HVAC. Also Building 0300 reports of HVAC problems. No exceptions exist with the remaining buildings.

Table 2-21
Classrooms of the Fairhope High School

| BUILDING DETAIL REPORTED AS OF JULY 8, 2010 | | | | |
|--|-------------|-------------------------|-----------------------------|------------------------------|
| FAIRHOPE HIGH SCHOOL | | | | |
| Building Number | Date | Name of Building | Number of Classrooms | Non-Classroom Purpose |
| 0100 | 1992 | none | 37 | General Administrative |
| 0200 | 1994 | none | 0 | General Administrative |
| 0300 | 2002 | none | 0 | Large Instructional Area |
| 0400 | 2002 | none | 5 | Large Instructional Area |
| 500 | 2008 | Fine Arts Wing | <u>0</u> | Band/Choral |
| TOTAL | | | 42 | |

The Fairhope High School for FY 2009-2010 is reported as earning 69.41 classroom teachers from the **1995 Foundation Program** and reports budgeting 67.50. In addition to these which are budgeted, there are no other state funded teachers reported. There are 1.33 locally funded teachers budgeted to bring the total to 68.83 teachers from state and local funds. In addition, there is 1.34 teacher budgeted to be paid from federal funds. Instructional Support teacher units earned from the 1995 Foundation Program as Librarians, Counselors, and Administrators total 0.00 earned units. In additional, 1.00 units of local administrator are budgeted from local funds for a total certificated staff of 79.17 (see **Appendix 7-26** for additional information).

The amount of **\$5,716,715** (estimated) was expended on the construction at this site and is a part of the debt created by the **2007 School Revenue Anticipation Warrant Issue** in the gross amount of \$150,000,000. The total share of this debt attributable to the school sites in Fairhope will be found in a following Section.

**Summary of Instruction Personnel Budgeted from
Local Funds in the Schools of Fairhope for School Year 2009-2010**

From the Supplemental Information to the Proposed FY 2010 Budgets for each school site in the City of Fairhope which is required by the Alabama State Department of Education as an Attachment to Exhibit P-II in each local board of education's approved budget, and which is provided as **Appendices 7-22 through 7-26**, the following summary is provided as **Table 2-22**. From this **Table**, the following conclusions can be made. The **1995 Foundation Program** Teacher Units earned as Regular Classroom Teachers and as Instructional Support Teachers appear to be budgeted at the school site where earned in accordance with State Board of Education regulations. In addition, 4.99 classroom teachers appear to be budgeted from local funds for these school sites along with 5.00 instruction support personnel. In addition, 4.34 teachers are budgeted from federal funds.

**Table 2-22
Summary of Certificated Personnel Budgeted
in the Schools of Fairhope for School Year 2009-2010**

| Type | Number By | | | | | | | | | Total Employees |
|-----------------------------|-------------------|--------|------|------|------|-----------------|----------------|-------------|-------------|--------------------|
| | **Level of Degree | | | | | Source of Funds | | | | |
| | BS | MS | 6Y | DO | ND | State Earned | Other State | Federal | Local | |
| Teachers | 83.00 | 118.72 | 7.00 | 2.00 | 0.00 | 203.23 | 1.82 | 4.34 | 4.99 | 214.38 |
| Librarians | 0.00 | 4.00 | 2.00 | 0.00 | 0.00 | 6.00 | 0.00 | 0.00 | 0.00 | 6.00 |
| Counselors | 0.00 | 6.50 | 1.00 | 0.00 | 0.00 | 6.50 | 0.00 | 0.00 | 1.00 | 7.50 |
| Administrators | 0.00 | 6.50 | 4.00 | 2.00 | 0.00 | 9.00 | 0.00 | 0.00 | 4.00 | 13.00 |
| Certified Support Personnel | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non. Cert. Supp. Personnel | | | | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | | | | | | <u>224.73</u> | <u>1.82</u> | <u>4.34</u> | <u>9.99</u> | <u>240.88</u> |

For FY 2009-2010, the estimated cost of a teacher unit in accordance with the Education Appropriations Act for FY 2009-2010 (Act 2009-339), appears in the following **Table 2-23**:

(balance of this page left intentionally blank)

**Table 2-23
Estimated Cost of a Teacher Unit for FY 2009-2010**

| COST FACTORS | Total Allocation | Allocation Per Teacher Unit |
|--|-----------------------|--------------------------------|
| I. SALARIES | | |
| Salaries total | \$ 2,266,187,861 | |
| Number of tus | 48,520.76 | |
| Average Salary | | \$ 46,705.53 |
| II. FRINGE BENEFITS | | |
| FICA | 6.200% | \$ 2,895.74 |
| Medicare | 1.450% | \$ 677.23 |
| TRS | 12.510% | \$ 5,842.86 |
| UC | 0.125% | \$ 58.38 |
| PEEHIP | \$752.00 | \$ 9,024.00 |
| LEAVE | \$60.00 | \$ 420.00 |
| Total Fringe Benefits | | \$ 18,918.22 |
| III. OTHER CURRENT EXPENSE | | |
| Total Other Current Expense | \$ 596,899,453 | \$ 12,301.94 |
| IV. INSTRUCTIONAL SUPPORT* | | |
| Library Enhancement/TU | | \$ - |
| Student Materials/TU | | \$ - |
| Common Purchases/TU | | \$ - |
| Professional Development/TU | | \$ - |
| Technology/TU | | \$ - |
| Total Instructional Support | | \$ - |
| TOTAL COST OF A TEACHER UNIT | | \$ 77,925.69 |
| <i>*Textbooks not funded on a per teacher unit basis</i> | | |

On the basis of these costs, the 9.99 locally funded certificated personnel on average represent a continuing cost of \$778,477.62, if maintained, from local revenues based upon FY 2009-2010 cost factors.

Total Indebtedness of School Sites in the City of Fairhope Due to be Assumed Upon Financial Separation.

The construction costs as identified in the preceding reviews of each school site in Fairhope were and are being paid from the **2007 School Revenue Anticipation Warrant Issue** by the Baldwin County Board of Education in principal amount of \$150,000,000. Such a debt under the provisions of **Section 16-13-199**, as is attributable to each school site of a newly formed city board of education, shall become a debt of the newly formed city board of education. **Table 2-24** which follows details the principal amount of debt and annual debt service necessary to amortize the debt. **Table 2-25** then calculates the annual debt service schedule as an amount per student to be paid from local tax revenues. A summary of the principal debt by school site is found in **Table 5-27** on page 118.

Table 2-24
Amortization of Debt to be Assumed by the Proposed
Fairhope City School System as Per September 8, 2010

| Calculation of Fairhope School's Portion of 2007 School Warrant Issue Debt Service Costs | | | | | | |
|---|--|----------------------|----------------------|---------------------------------------|---------------------|---------------------|
| Amortization Schedule of 2007 Bond Issue | | | | | | |
| Fiscal Year | Total Baldwin County School Warrant Issue | | | School Sites of Fairhope Share | | |
| | Principal | Interest | Total | 27.4384% | | |
| | Principal | Interest | Total | Principal | Interest | Total |
| 2009-2010 | \$2,725,000 | \$7,062,920 | \$9,787,920 | \$748,081 | \$1,938,950 | \$2,687,031 |
| 2010-2011 | \$2,835,000 | \$6,947,108 | \$9,782,108 | \$778,279 | \$1,907,156 | \$2,685,435 |
| 2011-2012 | \$2,950,000 | \$6,826,620 | \$9,776,620 | \$809,849 | \$1,874,079 | \$2,683,928 |
| 2012-2013 | \$3,065,000 | \$6,701,245 | \$9,766,245 | \$841,420 | \$1,839,661 | \$2,681,081 |
| 2013-2014 | \$3,190,000 | \$6,570,983 | \$9,760,983 | \$875,735 | \$1,803,900 | \$2,679,635 |
| 2014-2015 | \$3,350,000 | \$6,435,408 | \$9,785,408 | \$919,659 | \$1,766,682 | \$2,686,341 |
| 2015-2016 | \$3,515,000 | \$6,284,658 | \$9,799,658 | \$964,956 | \$1,725,297 | \$2,690,253 |
| 2016-2017 | \$3,690,000 | \$6,108,908 | \$9,798,908 | \$1,012,998 | \$1,677,049 | \$2,690,047 |
| 2017-2018 | \$3,875,000 | \$5,924,408 | \$9,799,408 | \$1,063,785 | \$1,626,399 | \$2,690,184 |
| 2018-2019 | \$4,040,000 | \$5,730,657 | \$9,770,658 | \$1,109,082 | \$1,573,210 | \$2,682,292 |
| 2019-2020 | \$4,220,000 | \$5,528,658 | \$9,748,658 | \$1,158,496 | \$1,517,756 | \$2,676,252 |
| 2020-2021 | \$4,405,000 | \$5,317,658 | \$9,722,658 | \$1,209,283 | \$1,459,831 | \$2,669,114 |
| 2021-2022 | \$4,600,000 | \$5,097,408 | \$9,697,407 | \$1,262,816 | \$1,399,367 | \$2,662,183 |
| 2022-2023 | \$4,810,000 | \$4,878,908 | \$9,688,908 | \$1,320,466 | \$1,339,383 | \$2,659,849 |
| 2023-2024 | \$5,050,000 | \$4,650,432 | \$9,700,432 | \$1,386,352 | \$1,276,661 | \$2,663,013 |
| 2024-2025 | \$5,300,000 | \$4,410,558 | \$9,710,558 | \$1,454,984 | \$1,210,809 | \$2,665,793 |
| 2025-2026 | \$5,565,000 | \$4,156,158 | \$9,721,158 | \$1,527,733 | \$1,140,970 | \$2,668,703 |
| 2026-2027 | \$5,845,000 | \$3,889,038 | \$9,734,037 | \$1,604,600 | \$1,067,639 | \$2,672,239 |
| 2027-2028 | \$6,135,000 | \$3,596,787 | \$9,731,787 | \$1,684,212 | \$987,409 | \$2,671,621 |
| 2028-2029 | \$6,445,000 | \$3,290,037 | \$9,735,037 | \$1,769,315 | \$903,198 | \$2,672,513 |
| 2028-2030 | \$6,765,000 | \$2,967,788 | \$9,732,788 | \$1,857,163 | \$814,732 | \$2,671,895 |
| 2028-2031 | \$7,105,000 | \$2,629,538 | \$9,734,538 | \$1,950,502 | \$721,874 | \$2,672,376 |
| 2028-2032 | \$7,460,000 | \$2,292,050 | \$9,752,050 | \$2,047,958 | \$629,225 | \$2,677,183 |
| 2028-2033 | \$7,830,000 | \$1,937,700 | \$9,767,700 | \$2,149,532 | \$531,947 | \$2,681,479 |
| 2028-2034 | \$8,205,000 | \$1,585,350 | \$9,790,350 | \$2,252,479 | \$435,219 | \$2,687,698 |
| 2028-2035 | \$8,595,000 | \$1,216,125 | \$9,811,125 | \$2,359,544 | \$333,857 | \$2,693,401 |
| 2028-2036 | \$9,000,000 | \$829,350 | \$9,829,350 | \$2,470,727 | \$227,677 | \$2,698,404 |
| 2028-2037 | \$9,430,000 | \$424,350 | \$9,854,350 | \$2,588,773 | \$116,495 | \$2,705,268 |
| Total | \$150,000,000 | \$123,290,803 | \$273,290,803 | \$41,178,779 | \$33,846,432 | \$75,025,211 |

Table 2-25
Debt Service Payments for FY 2010 as a Per ADM Amount

| Fiscal Year | Baldwin County School System | | | School Sites of Fairhope | | |
|--------------------|-------------------------------------|------------|----------------|---------------------------------|------------|----------------|
| | Total | ADM | Per ADM | Total | ADM | Per ADM |
| 2009-2010 | \$9,787,920 | 26,735.95 | \$ 366.10 | \$2,685,648 | 2,279.00 | \$1,178.43 |

As is seen from **Table 2-25**, the annual debt service payment per student from local taxes for the proposed Fairhope City School System would be 3.22 times that of the original cost for the Baldwin County School System. Assumption of this level of debt would mean that the debt service cost for the net residual Baldwin County School System would decrease to \$265.65 per ADM, a **savings of \$100.45 per ADM or a reduction in debt service cost of 37.81%**.

C. TAXES LEVIED AND COLLECTED IN THE CITY OF FAIRHOPE

Ad Valorem Taxes Levied and Collected in the City of Fairhope

Residents of the City of Fairhope currently pay ad valorem taxes which are levied and collected for four purposes:

- (1) statewide purposes;
- (2) Baldwin County general purposes;
- (3) Baldwin County Public School purposes; and
- (4) City of Fairhope purposes.

A summary of these ad valorem tax levies follows in **Table 2-26** for all purposes. As seen in this table, the residents of Fairhope pay a total of **12.0 mills** for local public school purposes in Baldwin County.

**Table 2-26
Ad Valorem Levied and Collected in the City of Fairhope**

| BALDWIN COUNTY MILLAGE RATES AS OF OCTOBER 2009 | | FAIRHOPE TOTAL |
|--|----------------|---------------------------|
| PURPOSE OF AD VALOREM TAX | MILLAGE | |
| STATE: | | |
| PUBLIC SCHOOL FUND | 3.0 | |
| SOLDIER | 1.0 | |
| GENERAL FUND | <u>2.5</u> | |
| TOTAL STATE | 6.5 | 6.5 |
| COUNTY: | | |
| GENERAL FUND | 5.0 | |
| ROAD & BRIDGE | 2.5 | |
| FIRE PROTECTION | 1.5 | |
| HEALTH | 0.5 | |
| HOSPITAL (NORTH PART OF COUNTY ONLY) | <u>2.0</u> | |
| TOTAL COUNTY - STAPLETON NORTH* | 11.5 | |
| TOTAL COUNTY - SOUTH | 9.5 | 9.5 |
| SCHOOL: | | |
| COUNTY WIDE | 9.0 | |
| DISTRICT 1 - COUNTY | 1.0 | |
| DISTRICT 2 - COUNTY | <u>3.0</u> | |
| TOTAL SCHOOL | | |
| DISTRICT 1 | 10.0 | |
| DISTRICT 2 | 12.0 | 12.0 |
| MUNICIPALITY: FAIRHOPE | 15.0 | <u>15.0</u> |
| GRAND TOTAL | | 43.0 |
| <i>\$.10 PER ACRE (STATEWIDE) TIMBERLAND TAX</i> | | |
| <i>*Stapleton located North of I-10</i> | | |

Of the total millage rate, 34.88% is levied as a municipal tax. The constitutional rates and authority for the levy and collection of school ad valorem taxes for the Baldwin County School Systems follows in **Table 2-27** below:

Table 2-27
School Ad Valorem Taxes Levied and Collected in Baldwin County

| Type of School Ad Valorem Tax | Millage Rate District 1 | Millage Rate District 2 | Constitutional Authorization | Date of Renewal Vote |
|--------------------------------------|--------------------------------|--------------------------------|-------------------------------------|-----------------------------|
| Countywide | 1.0 | 1.0 | Section 269 | 2016-2017 |
| Countywide | 3.0 | 3.0 | Amendment 3 | 2015-2016 |
| Countywide | 5.0 | 5.0 | Amendment 162 | n/a |
| District | 0.0 | 3.0 | Amendment 3 | 2015-2016 |
| District | 1.0 | 0.0 | Amendment 778 | n/a |
| Total | 10.0 | 12.0 | | |

A map showing the boundaries of **Tax Districts 1 and 2** of Baldwin County follows as **Figure 2-10**. The light shaded area in the North is **School Tax District Number 1**. If a Fairhope City School System was created, these rates by type would remain unchanged and would constitute less than 28% of a homeowner's annual property tax bill. For comparison purposes, Vestavia Hills levies and collects 52.05 local mills just for public schools, while Mountain Brook levies and collects 52.90 local mills. These numbers compare to **12.0 mills in Baldwin County, Tax District Number 2**. Of the 6.5 mill statewide ad valorem tax, 3.0 mills is earmarked to the **Public School Fund** as a school tax, and is allocated to local boards of education for purposes of capital outlay. This procedure will be discussed in **Chapter 3**.

Municipal Millages: Constitutional Authorization

Municipal Millages, those which have as their constitutional authority a separate authority reserved for municipalities and whose governing body, the city council, can also by resolution be directed to be a tax for schools (appropriation). The Constitution of 1901 permits a city council to levy up to 5.0 mills for any purpose without the requirement for a referendum. See **Table 2-28** which follows:

Table 2-28
General Constitutional Authorizations for Municipal Millages

| Mills | Constitutional Authorization | Implementation Statutes |
|--|--|------------------------------------|
| 5.0 for general purposes; one-half of one percentum | Section 216; also authorizes certain cities to levy more than 5.0 mills. | None. No election required. |
| 7.5 for general purposes; three-fourths of one percentum | Amendment No. 56 | None. Election required. |
| 0.5 for public libraries - one half of one percentum | Amendment No. 269 | None. Election required. |

The combination of Section 216 and Amendment 56 authorizes, upon a successful referendum, a total of 12.5 mills by general constitutional authorization. Other local application special constitutional authorizations provide for additional levies upon a successful referendum. Such a millage may be earmarked by the referendum ballot for schools or by annual appropriation of the city council.

Figure 2-10
School Tax Districts of Baldwin County, 2010



Sales and Use Taxes Levied and Collected in the City of Fairhope

State Sales and Use Taxes

While the application of the ad valorem tax rests upon specific constitutional authorizations, and the income tax is forbidden to local government by the Constitution of 1901, access to the sales and use tax is virtually unlimited, especially for municipalities. The general state sales/use tax paid by consumers in the City of Fairhope is 4.0 cents on the dollar. Of this amount approximately 85% is earmarked and annually credited to the Education Trust Fund for educational purposes. This is seen in **Table 2-29**. A separate rate is charged for automobiles and heavy equipment. And the **Use Tax**, which is an excise tax applied as a companion to the **Sales Tax** on storage, use, or other consumption in this State on items purchased outside Alabama, also is applied at differing rates.

Table 2-29
State Sales/Use Taxes Levied and Collected in the City of Fairhope

| Tax Type | Rate Type | Rate |
|-------------|-------------------------|-------|
| USE | AUTO | 2.00% |
| USE | FARM | 1.50% |
| USE | GENERAL | 4.00% |
| USE | MFG. MACHINE | 1.50% |
| SALES TAX | AUTO | 2.00% |
| SALES TAX | FARM | 1.50% |
| SALES TAX | GENERAL | 4.00% |
| SALES TAX | MFG. MACHINE | 1.50% |
| SALES TAX | VENDING (FOOD PRODUCTS) | 3.00% |
| SALES TAX | VENDING (ALL OTHER) | 4.00% |
| SELLERS USE | AUTO | 2.00% |
| SELLERS USE | FARM | 1.50% |
| SELLERS USE | GENERAL | 4.00% |
| SELLERS USE | MFG. MACHINE | 1.50% |

Baldwin County Sales and Use Taxes

A complete discussion of the earmarking of the sales and use taxes by Baldwin County for schools will be presented in a following **Chapter**. For the purposes of this section, however, **Table 2-30** details the rates of the various sales and uses taxes of Baldwin County:

**Table 2-30
Baldwin County Sales/Use Taxes Levied and Collected**

| Current Tax Rates as of the 1st of June 2010 | | | | | | |
|--|----------------|--------------|-----------------|-----------|----|---------------|
| Tax Type | Rate Type | Rate | Active Date | Action | PJ | Administrator |
| CONSUMERS USE | AUTO | 1.75% | 6/1/2010 | RC | | SELF |
| CONSUMERS USE | FARM | 1.75% | 6/1/2010 | RC | | SELF |
| CONSUMERS USE | GENERAL | 3.00% | 6/1/2010 | RC | | SELF |
| CONSUMERS USE | MFG. MACHINE | 1.75% | 6/1/2010 | RC | | SELF |
| SALES TAX | AUTO | 1.75% | 6/1/2010 | RC | | SELF |
| SALES TAX | FARM | 1.75% | 6/1/2010 | RC | | SELF |
| SALES TAX | GENERAL | 3.00% | 6/1/2010 | RC | | SELF |
| SALES TAX | MFG. MACHINE | 1.75% | 6/1/2010 | RC | | SELF |
| SALES TAX | VENDING | 3.00% | 6/1/2010 | RC | | SELF |
| SALES TAX | W/D FEE | \$7.50 | 6/1/2010 | RC | | SELF |
| SELLERS USE | AUTO | 1.75% | 6/1/2010 | RC | | SELF |
| SELLERS USE | FARM | 1.75% | 6/1/2010 | RC | | SELF |
| SELLERS USE | GENERAL | 3.00% | 6/1/2010 | RC | | SELF |
| SELLERS USE | MFG. MACHINE | 1.75% | 6/1/2010 | RC | | SELF |

This rate structure includes the temporary sales/use tax approved by the voters March 23, 2010, by a vote margin of 59% to 41%. This sales tax, authorized by Section 40-12-4, *Code of Alabama 1975* (see **Appendix 7-7** for body of statute), was approved for a period of three years. However, the levy and collection of this tax is not included in the fiscal analysis of this report as it was not originally budgeted for FY 2010 and is dedicated to offset losses of state allocations due to proration. In the following discussion, the temporary one cent sales tax is excluded.

As is seen, there is a complex structure of rates by category of transactions which is complicated by a system of earmarking of sales/use tax revenues in Baldwin County. The statutory basis for each of these will be described in a following Section. However, for the purposes of general discussion of the commonly referred to "sales tax:" the Baldwin County Public Schools receives 1.00 cents for general operations and 0.55 cents of a one cent countywide sales/use tax, which is restricted for capital outlay purposes (not including the newly approved 1.00 cent sales tax whose use is unrestricted). A reasonable conclusion is that public education in Baldwin County receives 1.55 cents of the general sales tax levy of 2.0 cents, Faulkner State Junior College in Bay Minette receives 0.05 cents, and the Baldwin County General Fund receives 0.40 cents. All of these calculations are made after a first priority transfer of **2.0%** of the total revenues first collected to the Baldwin County Juvenile Court. The allocation scheme follows in **Table 2-31**.

(balance of this page left intentionally blank)

**Table 2-31
Earmarking of Baldwin County Sales/Use Taxes**

| Tax Type | Rate Type | Countywide Rate | Allocation to Faulkner State | Allocation to Baldwin County Public Schools | Earmarking |
|--|--------------|-----------------|------------------------------|---|-------------|
| USE TAX | | | | | |
| Consumers Use | Auto | 0.75% | 0.00% | 0.75% | |
| Consumers Use | Farm | 0.75% | 0.00% | 0.75% | |
| Consumers Use | General | 2.00% | 0.00% | 2.00% | |
| Consumers Use | Mfg. Machine | 0.75% | 0.00% | 0.75% | |
| USE TAX | | | | | |
| Sellers Use | Auto | 0.75% | 0.00% | 0.75% | |
| Sellers Use | Farm | 0.75% | 0.00% | 0.75% | |
| Sellers Use | General | 2.00% | 0.00% | 2.00% | |
| Sellers Use | Mfg. Machine | 0.75% | 0.00% | 0.75% | |
| SALES TAX | | | | | |
| Sales Tax | Auto | 0.75% | 0.00% | 0.65% | |
| Sales Tax | Farm | 0.75% | 0.00% | 0.65% | |
| Sales Tax | General | 2.00% | 0.05% | 1.55% | (1) (2) (3) |
| Sales Tax | Mfg. Machine | 0.75% | 0.00% | 0.65% | |
| Sales Tax | Vending | 2.00% | 0.05% | 1.55% | (1) (2) (3) |
| Sales Tax | W/D Fee | \$7.50 | n/a | n/a | |
| ⁽¹⁾ 0.55 cents to be used exclusively for capital improvements, capital construction and maintenance purposes by Act 83-352 as amended by Act 84-523. | | | | | |
| ⁽²⁾ Baldwin County Board of Education shows 1.00 cent sales tax placed in General Fund and 0.55 cent sales tax placed in Special Revenue Fund. | | | | | |
| ⁽³⁾ Two percent of net proceeds is first distributed to the Baldwin County Juvenile Court. | | | | | |

Fairhope City Sales and Use Taxes

The City of Fairhope also, by authority granted the City Council, levies and collects a sales/use tax at the rate of 2.0 percent. See the following **Table 2-32**.

**Table 2-32
Fairhope City Sales and Use Tax Rates**

| Current Tax Rates as of the 1st of June 2010 | | | | | | |
|---|----------------|--------------|-----------------|-----------|----------|---------------|
| Tax Type | Rate Type | Rate | Active Date | Action | PJ | Administrator |
| CONSUMERS USE | AUTO | 0.50% | 7/1/2009 | NT | Y | STATE |
| CONSUMERS USE | FARM | 0.50% | 7/1/2009 | NT | Y | STATE |
| CONSUMERS USE | GENERAL | 2.00% | 7/1/2009 | NT | Y | STATE |
| CONSUMERS USE | MFG. MACHINE | 0.50% | 7/1/2009 | NT | Y | STATE |
| SALES TAX | AUTO | 0.50% | 7/1/2009 | NT | Y | STATE |
| SALES TAX | FARM | 0.50% | 7/1/2009 | NT | Y | STATE |
| SALES TAX | GENERAL | 2.00% | 7/1/2009 | NT | Y | STATE |
| SALES TAX | MFG. MACHINE | 0.50% | 7/1/2009 | NT | Y | STATE |
| SALES TAX | VENDING | 2.00% | 7/1/2009 | NT | Y | STATE |
| SALES TAX | W/D FEE | \$5.00 | 7/1/2009 | NT | Y | STATE |
| SELLERS USE | AUTO | 0.50% | 7/1/2009 | NT | Y | STATE |
| SELLERS USE | FARM | 0.50% | 7/1/2009 | NT | Y | STATE |
| SELLERS USE | GENERAL | 2.00% | 7/1/2009 | NT | Y | STATE |
| SELLERS USE | MFG. MACHINE | 0.50% | 7/1/2009 | NT | Y | STATE |

The total sales tax rate effective June 1, 2010 with the additional one cent countywide sales tax, in the City of Fairhope is 9.0 cents on the dollar. This total should be recognized as the most common statewide. See **Table 2-33** which follows and which does include the temporary one cent sales tax.

**Table 2-33
Total Sales/Use Tax Rate in City of Fairhope**

| SALES/USE TAX RATES PAID BY RESIDENTS OF FAIRHOPE | | |
|--|--|---|
| Category | Rate except for Automobiles and Heavy Equipment | Rate for Automobiles and Heavy Equipment |
| State | 4.0% | 2.00% |
| City | 2.0% | 0.50% |
| County | <u>3.0%</u> | <u>0.75%</u> |
| Total | 9.0% | 3.25% |

(balance of this page left intentionally blank)

D. CONCLUSIONS

The social demographics of the City of Fairhope do not present any outstanding issues that would be incompatible with the formation of a separate city school system. However, there could be some question as to how well the demographics of the city fit the current student enrollment in the five schools of Fairhope and whether they will accurately reflect the resident students of Fairhope. A number of students currently attending Fairhope Schools will not attend the proposed Fairhope City School System unless special action is taken by the proposed Fairhope City Board of Education. There appears to be no basis for concern that the physical facilities that would become the property of the proposed Fairhope City Board of Education would in the near future become inadequate for the resident students of the City.

The residential and commercial growth potential of the City of Fairhope is restricted to the North, but opportunities for annexation are present to the East and South as may be desirable. Such annexation opportunities would require the City Council to carefully consider any such proposal in terms of benefits and costs to the City and to the proposed Fairhope City School System. However, it would be anticipated that a proposed Fairhope City School System could both enhance property values and make unincorporated property owners eager for annexation for the public educational opportunities that would be provided residents.

New residential growth assessed at 10% has the opportunity to be more expensive housing, which would assist in the financial support of a separate city school system. New commercial growth assessed at 20% has the ability to yield both increased ad valorem and sales and use tax revenues while at the same time not adding cost in terms of new students to the proposed Fairhope City School System.

It is to be further noted that the number of classrooms available in the schools of Fairhope School is sufficient to serve the immediate needs of the resident students at those grade levels from the City of Fairhope. The (1) earmarking of local county sales tax for capital outlay (once shared by the County) and (2) the annual allocation of capital outlay funds from the State, offer a continuing revenue stream to retire existing debt that will be assumed by the proposed Fairhope City School System from the Baldwin County Board of Education and to enhance in the school facilities of a new Fairhope City School System – including remediation of any identified deficiencies. However, new revenues should be considered to fund the some what steep debt load that will be assumed.

The potential issue of appropriate numbers of teachers and support staff to match what may be a reduced student population is compounded by the need for these personnel to be “highly qualified” in their areas of employment. A period of transition with mutually agreed upon provisions regarding personnel will be essential with the Baldwin County Board of Education in the formation of a final financial

separation agreement. Such cooperation could ultimately work to the benefit of all parties concerned.

And finally, the amount of debt to be assumed to and to be retired annually from local tax revenues is troubling. The impact of this debt will be discussed in **Chapters 5 and 6**. Given the high wealth – affects local match to receive state funds – and the relatively low local tax rates in general in Baldwin County, assuming this debt cost along with the creation of a new central office could pose a considerable strain on local general operating funds and suggests additional local revenues could be a necessity.

3. STATE FUNDING OF PUBLIC SCHOOLS IN ALABAMA: A REVIEW OF THE TYPES OF STATE FUNDING

Funding from the State for the support of public schools in Alabama comes from tax revenues earmarked to the **Education Trust Fund (ETF)** and the **Public School Fund (PSF)**. There are other small state revenue sources allocated to local boards of education but in such small amounts as not to be worthwhile to describe in this study. These funds are distributed in four ways:

- (1) **1995 Foundation Program** allocations from the **ETF**;
- (2) Categorical Aid allocations from the **1995 Capital Purchase Program** from the **PSF**;
- (3) Categorical Aid allocations from the **ETF**; and
- (4) State Department of Education allocations from the **ETF**

A. THE 1995 FOUNDATION PROGRAM ALLOCATION

The predominant state aid program for funding public education in Alabama is the Foundation Program approved in 1995. The 1995 Foundation Program retains the teacher unit as the allocation unit as did its predecessor of 1935.

Allocation Units of the 1995 Foundation Program - Teacher Units

There are three types of teacher units recognized in the 1995 Foundation Program: (1) Regular Teacher Units, (2) Instructional Support Teacher Units, and (3) Current Teacher Units. A discussion of each follows. **Figure 3-1** which follows on page 50 is a general flowchart of the 1995 Foundation Program.

Regular Teacher Units

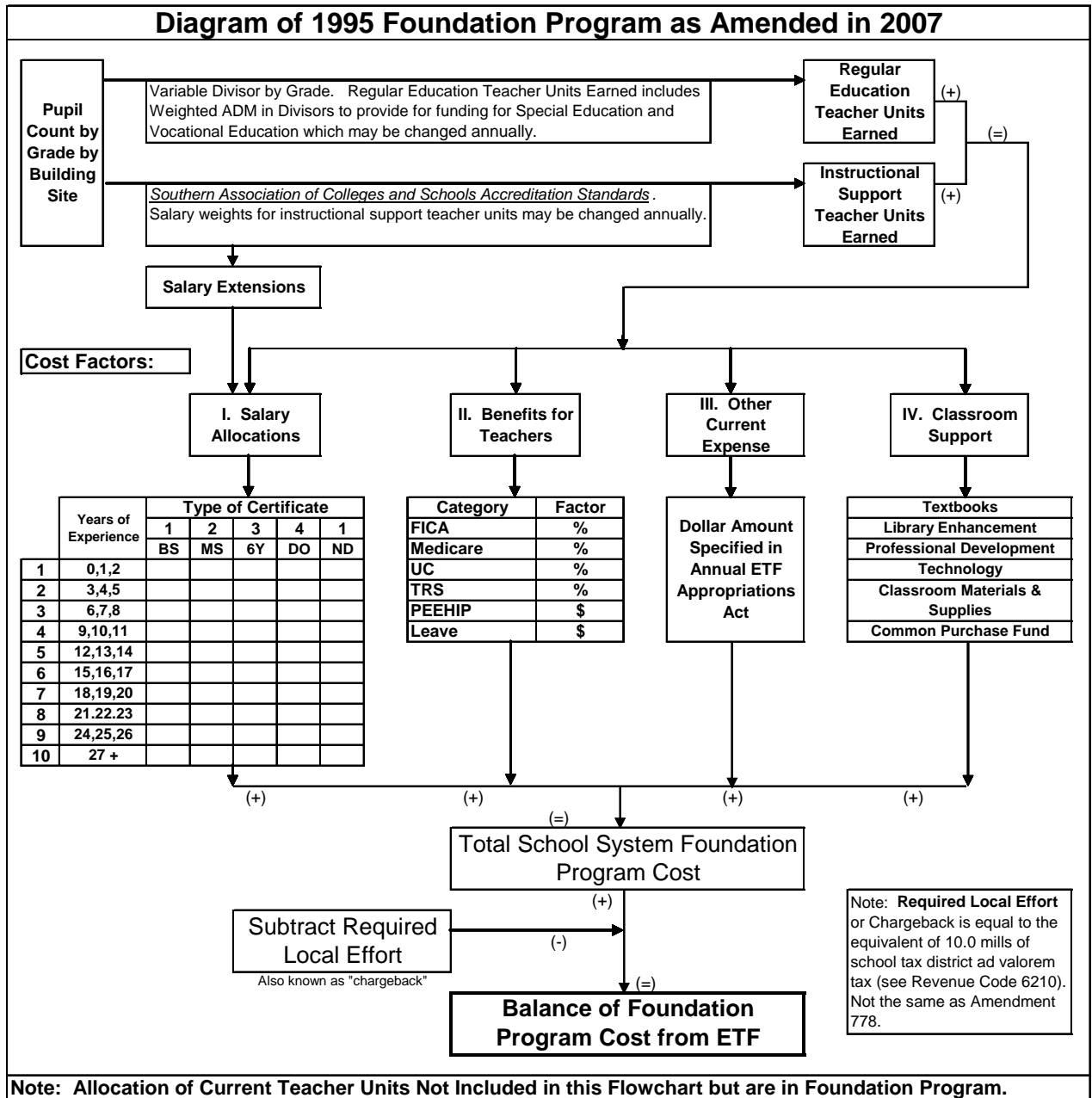
Regular teacher units are earned by grade level by building site based on student divisors as are recommended annually by the State Board of Education and approved by the Legislature in the annual Education Appropriations Act. Students are counted in **Average Daily Membership (ADM)** by grade for the first 20 scholastic days of the academic year following Labor Day. The divisors for FY 2009-10 follow in **Table 3-1**:

**Table 3-1
FY 2009-10 Divisors**

| Grade | Divisor |
|-------|---------|
| K-3 | 13.80 |
| 4-6 | 21.40 |
| 7-8 | 20.00 |
| 9-12 | 18.00 |

These variable divisors by grade are the only component of vertical equity (*unequal treatment of unequals*) in the 1995 Foundation Program. Otherwise the 1995 Foundation Program is designed for horizontal equity (*equal treatment of equals*) only. These divisors are defined as including teacher units for both special education and for vocational education. The incidence of need for special and vocational education is defined as being normally distributed and thus a proportionately equal educational cost to all local boards of education.

**Figure 3-1
General Flowchart of 1995 Foundation Program, FY 2009-2010**



Special Education Adjustment of Divisor. Regular teacher unit divisors are adjusted for special education. The adjustment is statutorily defined as 5.0% of average daily membership (ADM) weighted 2.5 in all grades. This means that the divisor must be adjusted by 5 times 2.5 or 12.5%. Therefore, the stated divisor to adjust for special education to get the residual divisor for the regular education program must be multiplied by 1.125 or 112.5%. In **Table 3-2**, below, several examples are demonstrated for the effect of the inclusion of special education funding in the stated divisors for a K-3 classroom. In **Column A**, the divisors for FY 2009-2010 are one earned classroom teacher for each 13.8 ADM for the first twenty scholastic days of the school year. In **Column B** whether the ADM is 13.8 or 138, or 552, it is divided by 13.8 to calculate the earned teacher units shown in **Column C**.

Section 16-13-232 (b), *Code of Alabama 1975*, states that the divisors will be weighted for all grades for special education for a full-time equivalent of 5.0% weighted at 2.5 times the regular student weight. This means that the factor for special education in **Column D** is 12.50%. Multiplying this amount of 12.50% (5 x 2.5) times the ADM in **Column B** yields the calculated ADM for special education to be served in **Column E**. No stipulation is made on local boards as to how this service shall be delivered. These weights by statute are required to be recommended annually to the Governor by the State Board of Education. Thus incidence of special education needs is not recognized.

Table 3-2
Adjustment of Divisor for Special Education for FY 2009-10

| A | B | C | D | E | F | G | H | I |
|----------------------------|--------------------------|----------------------------|----------------------------------|----------------------------------|-------------------------------------|--|---|--------------------------------------|
| K-3 Fixed Divisor by Grade | Assume First 20 Days ADM | Total Earned Teacher Units | Factor Percent Special Education | Calculated Special Education ADM | Sum Special Education & Regular ADM | Percentage Teacher Units Set Aside for Special Education | Percentage Teacher Unit Remaining for Regular Education | Regular Students per Regular Teacher |
| 13.80 | 13.80 | 1.00 | 12.50% | 1.73 | 15.53 | 11.11% | 88.89% | 15.53 |
| 13.80 | 138.00 | 10.00 | 12.50% | 17.25 | 155.25 | 11.11% | 88.89% | 15.53 |
| 13.80 | 552.00 | 40.00 | 12.50% | 69.00 | 621.00 | 11.11% | 88.89% | 15.53 |

To find the total ADM which is to be served by the teacher units earned in **Column C**, add together the regular ADM found in **Column B** and the special education ADM found in **Column E**. **Column F** is the total ADM to be served. **Column G** is the percent of the ADM to be served that is imputed to be for special education purposes, and **Column H** is the percent of the ADM to be served that is imputed to be for regular education. As is readily seen, the percentages are identical whether the calculation is for ADM of 13.8, 138, or 552. Since the percentage of the divisor which is imputed to be available for regular classroom purposes in all cases is 88.89%, each teacher must serve 15.53 regular education students as found in **Column I**. This is the effective classroom ratio since 11.11% of the teacher unit is considered to be available for special education purposes. Please note that actual class size as calculated from state units only would be greater on average as ADM is not ideally distributed by school site. This is often referred to as an outcome of diseconomy of scale.

The importance of this calculation is that the 1995 Foundation Program recognizes the importance of weighting student educational needs. The unfortunate aspect of this particular methodology is that it assumes that each local board of education and each school site has the same educational cost for serving exceptional students as every other school site in the state on a proportional basis.

Vocational Education Adjustment of Divisor. A similar adjustment for funding vocational education was created based upon 7.4% ADM weighted 1.4 in grades 7 and 8 and 16.5% ADM weighted 2.0 in grades 9 - 12. This adjustment is also found in Section 16-13-232 (b), *Code of Alabama 1975*. Therefore the stated divisor must be increased by $(7.4\%) \times (1.4)$ or 10.36% in grades 7 - 8 and $(16.5\%) \times (2)$ or 33.00% to get the equivalent divisor for the regular education program. These weights are also recommended annually by the State Board of Education. They are unchanged since FY 1998-99. Vocational Education (Technical Education) is included in the divisors and the incidence of vocational education (career technical education) needs are not recognized.

Class Size Caps Imposed By State Board of Education. The State Board of Education on September 11, 1997 approved maximum classroom sizes or caps for local school classrooms by Resolution as follows in **Table 3-3**. These class caps do not include classes in physical education, musical performing groups, ROTC, or typing. Such classes were limited to 1,000 student contacts per week.

Table 3-3
Classroom Caps by State Board of Education Resolution

| Grade | Divisor |
|-------|---------|
| K-3 | 17.80 |
| 4-6 | 26.00 |
| 7-8 | 29.00 |
| 9-12 | 29.00 |

The State Board of Education later declared that these caps are not limits as long as the local board of education apportions the teacher units annually to each local school site on the basis they were earned through calculations based upon prior year ADM. The State Superintendent of Education can grant waivers for these class caps on a case-by-case basis.

Instructional Support Teacher Units

The 1995 Foundation Program also provides for the allocation of Instructional Support Units that are earned for the positions of **(a) principal, (b) assistant principal, (c) counselors, and (d) librarians**. These units are added to a school's classroom teacher units based on accreditation standards of the Commissions comprising the Southern Association of Colleges and Schools or as otherwise determined by an

accreditation system adopted by the State Board of Education (*Code of Alabama 1975, Section 16-13-232*).

Current Teacher Units

An amount is calculated for current teacher units based upon comparison of grade-by-grade membership for the first 20 scholastic days after Labor Day of the current and prior school year. The change in membership on a grade-by-grade basis divided by the appropriate divisor yields the positive and negative changes in earned teacher units. The sum of these changes by grade shall determine if current units are earned by a local school system. No current units are earned by a local school system if the sum of changes by grade is equal to or less than zero. However, the ETF funding for this purpose is determined annually by recommendation of the State Board of Education and as appropriated by the Legislature.

The determination of the dollar value of a current teacher unit is defined as the average dollar value of a teacher unit in the current foundation program. The distribution of current teacher units is due by December 1 of each fiscal year. If the number of estimated current teacher units is inadequate to fulfill the amount of current teacher units actually earned, then the allocation due each local school system shall be prorated to the funds actually available. Should the number of current teacher units actually earned be less than the estimated amount, then the estimated amount in excess of the earned amount shall be distributed to all local school systems as an increase in Other Current Expense as in the 1995 Foundation Program.

Current teacher units are an unfunded liability from the beginning of the academic year until after December 1 of each academic year when state funds set aside for reimbursement can be certified as earned. Therefore, local funds must be expended for this purpose. If however, there are insufficient state funds set aside for the fiscal year, then the amount due each local board of education and unpaid is a permanent financial loss. However, the additional teacher employed by the additional ADM recorded at the beginning of the academic year will be funded in the next year's calculation of the Foundation Program. Growth in enrollment in the proposed Fairhope City School System could result in additional teacher units in the actual year of growth.

Cost Factors of the 1995 Foundation Program

The 1995 Foundation Program uses four cost factors to define the dollar allocation per teacher unit, which are calculated at the building site level: (1) **Salaries**; (2) **Fringe Benefits**; (3) **Instructional Support**; and (4) **Other Current Expense**.

Salaries

Salary Matrix – State Salary Allocation. The 1995 Foundation Program uses a salary matrix for reimbursement of teachers' salaries by educational attainment and years of

service. The degree levels included are bachelor's degree, master's degree, six-year or educational specialist degree, and the doctoral degree. In addition, provision is made for non-degree personnel at the bachelor's level for five types of educational attainment. The experience adjustment is based upon each three years of experience for a total of 27 years. This creates an overall 5 x 10 salary matrix. The relationship between cells is recommended annually by the State Board of Education and approved by the Legislature.

Initially, the matrix calculated a salary allocation schedule from which each local board of education was required to pay teachers in their local salary schedule at least 95% of each cell's value. The residual salary allocation could be used to supplement the local salary schedule, to hire additional teachers, or to hire teacher aids. This flexibility was removed in 1997. Each local board of education is required to develop a local salary schedule at least equal to 100% of the salary matrix by degree and experience for all certificated personnel, federal, state and local (see following section). Instructional Support Units have been placed on the salary matrix the same as teachers with the exception of principals. The salary cost for instructional support units is incremented by a formula determined annually by the State Department of Education. The state salary matrix for FY 2009-10 follows below in **Table 3-4**.

Salary Matrix – Minimum State Salary Schedule. In 1997, the Legislature approved a requirement that each local board of education pay no less than 100% of the salary matrix by cell to each certificated person. The legislature has by statute annually appropriated an additional salary allocation of one percent of salaries; however, for FY 2009-10, this statute was ignored. This additional allocation for salaries is actually a categorical aid program outside the 1995 Foundation Program Calculations. The salary matrix is now the minimum state salary schedule as seen in **Table 3-4** based upon a per diem amount for 187 contract days. Teachers are paid by a daily rate.

**Table 3-4
1995 Foundation Program Minimum State Salary Schedule for FY 2009-10**

| | Bachelor BS | Master MS | 6-Year 6Y | Doctoral DO | Non-Degree ND |
|----------|----------------|--------------|--------------|----------------|------------------|
| < 3 yrs | 36,144 | 41,564 | 44,818 | 48,071 | 36,144 |
| < 6 yrs | 39,756 | 45,720 | 49,297 | 52,877 | 39,756 |
| < 9 yrs | 41,497 | 47,721 | 51,470 | 55,191 | 41,497 |
| < 12 yrs | 42,053 | 48,362 | 52,148 | 55,932 | 42,053 |
| < 15 yrs | 42,818 | 49,238 | 53,093 | 56,949 | 42,818 |
| < 18 yrs | 43,794 | 50,364 | 54,305 | 58,244 | 43,794 |
| < 21 yrs | 44,360 | 51,012 | 55,005 | 58,999 | 44,360 |
| < 24 yrs | 44,926 | 51,666 | 55,708 | 59,752 | 44,926 |
| < 27 yrs | 45,461 | 52,201 | 56,245 | 60,288 | 45,461 |
| 27+ yrs | 45,997 | 52,737 | 56,780 | 60,824 | 45,997 |

The above salaries are for a 187 day work period. Additional days worked beyond this number will require an additional per diem allotment. In addition, all teachers employed above those earned in the calculation of the 1995 Foundation Program from whatever fund source paid will be required to be placed on the same schedule and given the same pay raises and other compensation as otherwise provided.

Fringe Benefits

Fringe benefit allocations are calculated either as a percent of salary or by a fixed amount per teacher by building site as a companion cost to salaries. These benefit programs are administered at the state level, and applicable rates are approved annually by the Legislature. These factors are adjusted annually to reflect cost changes in the operation of the various programs. **FICA** and **Medicare** are obviously set by federal regulation. Teachers' Retirement System (**TRS**) and Public Education Employees Health Insurance Program (**PEEHIP**) rates are set by action of their respective Boards. The Unemployment Compensation annual cost rate is set by the State Insurance Commission but fixed in the annual Education Appropriations Act. Leave benefits are based upon two personal and five sick leave days per teacher reimbursed at a rate of \$60.00 per day. In addition, these rates apply to all locally funded employees. The current rates for TRS include cost-of-living allowances for retirees. The current rates for **PEEHIP** include an allowance for retirees. The following **Table 3-5** lists the benefits and rates for FY 2009-10:

**Table 3-5
Fringe Benefits in 1995 Foundation Program for FY 2009-10**

| Type of Benefit | Rate or Cost |
|--|--------------|
| Federal Insurance Contributions Act (FICA) | 6.200% |
| Medicare | 1.450% |
| Teachers' Retirement System (TRS) | 12.510% |
| Unemployment Compensation (UC) | 0.125% |
| Public Education Employees Health Insurance per unit per month | \$752.00 |
| Public Education Employees Health Insurance per unit per annum | \$9,024.00 |
| Leave Reimbursement per unit | \$7,860.00 |

Any locally funded certificated employee must be paid at least the state minimum salary schedule for 187 days and a pro rata amount for any contract days in excess of 187 from local funds. In addition, any locally funded teacher will have their fringe benefits paid at the same rate as for foundation program teachers.

Classroom Instructional Support

Classroom Instructional Support includes the following six items of expenditure that existed prior to 1995 as categorical aid programs. These were consolidated in the 1995 Foundation Program into a single cost factor.

1. Textbooks. The costs for student textbooks are calculated on a per student basis, the same basis as for calculating teacher units. A recommendation is made by the State Board of Education on an annual basis for the amount per child for textbooks. This amount is \$17.17 for FY 2009-10 and is considered grossly inadequate.

2. Library Enhancement. A uniform amount is multiplied by the number of teacher units earned. The appropriation is for K-12 Public School Library/Media Centers and may be spent for book binding, repair, CD ROMs, computer software, computer equipment, cataloging, audio-visual materials, newspapers, magazines, recordings, and video tapes. This amount was set at \$0.00 per teacher unit for FY 2009-10.

3. Classroom Materials and Supplies. Classroom materials and supplies are set as a uniform amount per earned teacher unit. These funds must be expended in accordance with a plan developed by a school's faculty. This amount was set at \$0.00 per teacher unit for FY 2009-10.

4. Professional Development. Professional development funds are set as a uniform amount per earned teacher unit and may be used for individual or collective activities. This amount was set at \$0.00 per teacher unit for FY 2009-10.

5. Technology. Technology is set up as a uniform amount per earned teacher unit and is to be used for the implementation and ongoing support of educational technology. This amount was set at \$0.00 per teacher unit for FY 2009-10.

6. Common Purchases. Common Purchases is set up as a uniform amount per earned teacher unit and is to be used in a pool by teachers of a school site to purchase support such as a copy machine lease and supplies. This amount was set at \$0.00 per teacher unit for FY 2009-10.

The sum of these six categories constitutes a local school's allotment for Classroom Instructional Support. Each of these amounts, with the exception of the textbook allocation, must be provided for each locally funded teacher unit.

Other Current Expense

The purpose of "Other Current Expense" is unrestricted revenues to local boards of education to provide funding for administrative costs, additional salary support for principals and other administrative staff, support personnel salaries and fringe benefits, salaries above the allocation amount, fringe benefits for local funded education personnel, additional teachers, central office costs, utilities, facility maintenance, travel, and any other expense incurred in the normal operation of the day school. This amount was set at \$12,301.94 per teacher unit for FY 2009-10 from the ETF (for FY 2009-10, a supplemental amount is appropriated from the **American Recovery and Reinvestment Act of 2009 (ARRA)** at \$3,698.00 per teacher unit). These unrestricted state revenues

may be expended by the local board of education for any legal purpose. This is the only major state categorical aid allocation which the local board of education has some flexibility in budgeting.

Total Cost of the 1995 Foundation Program

The sum of the four cost factors by school site represents the foundation program cost for that school. The sum of the school sites constituting a local school system is the foundation program cost for that local school system. From this total cost of the Program is subtracted the Required Local Effort funds or Chargeback. This is the equivalent yield from local tax-based revenues of 10.0 mills of school district ad valorem tax calculated for each local board of education. This statewide chargeback for FY 2009-10 is \$504,379,320. The balance of the funding due the 1995 Foundation Program (state share) is annually appropriated from the Education Trust Fund. Although the foundation program cost is calculated for each local school site, the state amount from the ETF is distributed on an equal monthly basis to the local school system. The ETF allocation is requested monthly by the State Superintendent of Education, and the State Comptroller distributes the amount by electronic transfer as soon in the month as tax receipts are available.

Required Local Effort in the 1995 Foundation Program

Local fiscal capacity is measured by one variable - the yield of 1.0 mill of school tax district ad valorem tax. Assessed valuation data by local school system is not collected at the state level for use by the State Department of Education (SDE). The proxy for appraised or assessed valuation is the yield of one mill of the school district ad valorem tax that is used since exemptions may be applied to the countywide property tax as well as varying costs of collection. Alabama's wealth index for each local school system is that local school system's share of a mathematically created statewide 1.0 mill ad valorem tax by school tax district. In order for a local school system to participate in the 1995 Foundation Program, the appropriate local governing body must insure that the local school system is receiving an amount of local tax receipts equal to ten mills of school tax district ad valorem tax. This is the **required local taxation**. This is also the amount that is the **chargeback** or **required local effort** (sometimes referred to as local share) in the 1995 Foundation Program (*Code of Alabama 1975*, Sections 16-13-231(b) (1)a and 16-13-237).

Also for a local school system to participate in the allocation of the Public School Fund from the statewide 3.0 mill ad valorem tax (the Capital Purchase Program Allocation), each local board must provide a local match. This allocation is also based upon the same yield of 1.0 mill of school district ad valorem tax. However, this amount of local taxation is not required to be levied and collected at the local level by statute (*Code of Alabama 1975*, Section 16-13-234(e)). Therefore, **required local taxation** is numerically less than **required local effort** in Alabama.

Ten Mills of School District Tax or Its Tax-Based Equivalent

The requirement of the State of Alabama that 7.0 mills of local property tax must be levied and collected was repealed in 1980 and replaced with the current requirement of the equivalent of 10.0 mills of school district ad valorem tax from any tax based source. In 1969, the Legislature authorized through general legislation the levy and collection of the franchise, excise, and privilege license taxes for local school funding purposes (Sections 40-12-4, 11-51-90, and 11-51-200). These could be levied by resolution of the county commission or the city council. Local school systems could meet their required local taxation minimums from any tax-based revenue source. Currently, local tax effort for the purpose of accountability is measured in terms of the number of equivalent mills reported by the following formula:

$$\text{Equivalent Mills} = \frac{\text{Local Tax-Based Revenues}}{\text{Yield of 1.0 Mill of School District Tax}}$$

Amendment 778, Approved November 7, 2006

Prior to the approval by the voters of the state on November 7, 2006 (proclaimed ratified 12-4-2006), of the constitutional amendment entitled "Proposing an amendment to the Constitution of Alabama 1901 to provide for a statewide minimum levy and collection, commencing with the tax year beginning October 1, 2006, and without limit as to time, of 10.0 mills of ad valorem property tax in each school district in the State (*Acts of Alabama*, 2005-215)," which is also known as "The Representative Nelson Starkey Act of 2005 (*Acts of Alabama*, 2006-443)," there was no statutory requirement for any specific type of taxation to be levied and collected by local boards of education in order to participate in the Foundation Program of 1995. Any requirement for ad valorem tax had been repealed by the Legislature in 1980.

This Amendment now appears as section 269.08 of the Official Recompilation of the Constitution of Alabama of 1901, as amended. Since there was no state requirement for any local ad valorem tax to be levied and collected, many local boards of education were still collecting the 7.0 mills first required back in 1916. Since compliance with budgeting the proceeds of the equivalent of 10.0 mills of ad valorem tax was a statutory requirement, the shortfall between whatever local ad valorem tax was levied and collected and the amount 10.0 mills would have produced was generally derived from sales tax, a major problem developed. Property tax wealth could rise faster than sales tax revenues and thus increasing difficulty in providing local revenues for ad valorem taxes not levied and collected. This Amendment leveled the playing field to guarantee each local board not fewer that 10.0 mills of ad valorem tax on each school tax district of the local school system.

Children With Disabilities and Gifted Children – Funding in the 1995 Foundation Program

Prior to the 1995 Education Finance Reform Legislation, Special Education was funded as a categorical aid program. The 1995 Foundation Program absorbed the funding formerly provided for Special Education and incorporated that funding by lowering the divisors for earning Regular Classroom Teachers. No statutes governing the required provision of special education services were modified in 1995.

State Law Mandating Education for Exceptional Children Unchanged, 1995

The Legislature enacted the “Alabama Exceptional Child Education Act” in 1971. Its provisions for allocating special education teacher units to local boards of education were amended in 1981 and defined the student load which would earn a teacher unit. These included one for each group of eight to 15 exceptional children, whether in a special class or taught to home bound students or hospitalized students, and for students in public state institutions.

Twenty percent of teacher units so earned were required to be used for the purpose of instruction of gifted children. The provisions for teacher units and for setting aside of teacher units for gifted children were repealed by the 1995 Foundation Program Law, while leaving the mandate to provide appropriate instruction intact (Section 16-39-7, *Code of Alabama 1975*). The requirement of services to the intellectually gifted would remain in the Code also.

Appropriate Instruction to be Provided

The statutory mandate for providing appropriate instruction and special services to exceptional children was left unchanged. This mandate follows.

§ 16-39-3. Education required for exceptional children; source of funds.

Each school board shall provide not less than 12 consecutive years of appropriate instruction and special services for exceptional children, beginning with those six years of age, in accordance with the provisions of this chapter. Such public instruction and special services shall be made available at public expense for each school year to exceptional children as provided herein. The funds for such instruction and special services shall be derived from state, county, municipal, district, federal or other sources or combinations of sources. Each school board shall set aside from its revenues from all such sources such amounts as are needed to carry out the provisions of this chapter, if such funds are available without impairment of regular classes and services provided for nonexceptional children. If sufficient funds are not available to a school board to provide

fully for all the provisions of this chapter as well as the educational needs of nonexceptional children, such board must prorate all funds on a per capita basis between exceptional and nonexceptional children. No matriculation or tuition fees or other fees or charges shall be required or asked of exceptional children or their parents or guardians, except such fees or charges as may be charged uniformly of all public school pupils (*Code of Alabama 1975, Section 16-39-3*).

Special Services to be Provided. The Legislature further defined the Special Services to be provided:

§ 16-39-2. Definitions

(7) SPECIAL SERVICES. Services relating to instruction of exceptional children (but not including the instruction itself) including, but not limited to: administrative services; transportation; diagnostic and evaluation services; social services; physical and occupational therapy; job placement; orientation and mobility training; brailist services and materials; typists and readers for the blind; special materials and equipment; and such other similar personnel, services, materials, and equipment as may from time to time be approved by regulations adopted hereunder by the State Board of Education (*Code of Alabama 1975, Section 16-39-2*).

Definition of Children to be Served. The 1995 revisions also left intact the definitions of “Exceptional Children” first developed by the legislature in 1971 eligible to receive these services:

§ 16-39-2. Definitions

(1) EXCEPTIONAL CHILDREN. Persons between the ages of six and 21 years who have been certified under regulations of the State Board of Education by a specialist as being unsuited for enrollment in regular classes of the public schools or who are unable to be educated or trained adequately in the regular programs including, but not limited to: the mildly and moderately to severely retarded, and also the profoundly retarded; the speech impaired; the hearing impaired, deaf, and partially hearing; the blind and vision impaired; the crippled and those having other physical handicaps not otherwise specifically mentioned herein; the emotionally conflicted; those with special learning disabilities; the multiple handicapped; and the intellectually gifted (*Code of Alabama 1975, Section 16-39-2*).

Responsibilities of State Board of Education. The Legislature also made it clear that this was a state-mandated and governed program and that responsibility for the

operation of the program was delegated to the State Board of Education by the following statutory requirement:

§ 16-39-5. Responsibilities of State Board of Education.

The State Board of Education shall adopt regulations covering:

- (1) The qualifications of specialists for each type of exceptionality and standards for certification of exceptional children;
- (2) Minimum standards of instruction and special services to be provided for each type of exceptionality at each grade level;
- (3) Reasonable qualifications for teachers, instructors, therapists and other personnel needed to work with exceptional children;
- (4) Guidelines for suitable five-year incremental plans for implementation of the program set forth in this chapter for various types of typical situations likely to be encountered by school boards in the State of Alabama; and
- (5) Such other rules and regulations as may be necessary or appropriate for carrying out the purposes of this chapter (*Code of Alabama 1975, Section 16-39-5*).

Responsibilities of Local Boards of Education. The combination of state and federal statutory requirements for providing services to exceptional children places the financial and programmatic burden squarely on local boards of education. While such services as are necessary must be provided, with the exception of the line item appropriation for At-Risk children, the State of Alabama in its funding scheme does not recognize incidence of special education needs.

The 1995 Foundation Program is the source of funding for educational program costs for children with disabilities and gifted children and is neutral, as previously explained, on the incidence of special education needs. The 1995 Foundation Programs assumes that such incidence of this program needs is normally distributed across the State and each local board of education has equal state funding on a population- or census-based theory. Therefore, a local city board of education must critically review any policy approved which will allow children living outside the municipal boundaries of the school system to attend because of unanticipated and un-reimbursed cost for special education services as may be required.

B. STATE CATEGORICAL AID PROGRAMS

Capital Purchase Allocation From Public School Fund

In order to provide a continuing revenue stream for local boards of education for capital improvements, the vast majority of the Public School Fund (3.0 mill statewide ad valorem tax) is distributed on a local match basis which takes into account the wealth of

each local board of education in terms of the yield of one mill of school district ad valorem tax per pupil in ADM. The determination of wealth is based on the prior fiscal year tax yield and the prior year's first 20 scholastic day's ADM after Labor Day. The allotment of state funds is through a guaranteed tax yield calculation. This is a type of state aid program in which each local school system is guaranteed the same or constant yield per unit of tax effort per unit of educational need. Thus the combination of state allocation and local required match is the same for every ADM in every local school system of the State.

The Education Finance Reform Legislation of 1995 re-designated the Public School Fund from being appropriated for "the payment of teachers" to an allocation for capital purchase as follows:

§ 16-13-234. Allocation of funds.

(d) It is the intent of the Legislature that funds shall be provided to local boards of education in addition to Foundation Program funds to provide continuing funding to provide for soundness and adequacy of public school facilities in Alabama. To that end the remainder of the Public School Fund after deducting the costs pursuant to subsections (a) and (c) shall be available to the local boards of education for capital outlay projects, including the planning, construction, reconstruction, enlargement, improvement, repair or renovation of public school facilities, for the purchase of land for public school facilities and for the acquisition and/or purchase of education technology and equipment.

(e) It is the intent of the Legislature that the distribution of capital funds for the purpose of capital purchases from the Public School Fund be made to all school systems, require a variable matching with local funds based on yield per mill per average daily membership of district property tax, and guarantee the same amount per student in each system for capital purchases from the total of state and matching local funds. The State Superintendent of Education shall allocate the available funds pursuant to the rules adopted by the State Board of Education. Also, to receive funds from this appropriation, the local board of education must develop a comprehensive, long range capital plan addressing the facility, educational technology and equipment needs of the local board of education, pursuant to the rules adopted by the State Board of Education. The goal of this program is to have each local board of education complete its comprehensive, long range capital plan and begin making satisfactory progress in implementing the plan for providing adequate public school facilities for all students (*Code of Alabama 1975*, Section 16-13-234).

The formulation follows for the calculation of the state and local shares which is functionally a guaranteed tax yield program.

State Funds for Capital Purchase. The state share from the Public School Fund = $Z [(KM)-Y] A$ where

- Z** = number of guaranteed mills (varies annually)
- K** = 2.0 (fixed)
- M** = maximum yield per mill over all local boards (varies annually)
- Y** = yield per mill per ADM for a local board of education (varies annually)
- A** = prior year ADM for a local board of education (varies annually)

A pure guaranteed tax yield program would not reflect 2.0 times the maximum yield. Were this multiplier not included, then the top ranked local school system in wealth would receive no matching funds. Therefore, additional funding would be available for distribution to the less wealthy school systems. Inclusion of this multiplier favors the wealthy school systems. The more funding that is available for this program, the greater the number of mills that can be equalized.

The result of setting **K = 2.0** is a flat grant allocation per student in ADM to each local board of education equal to 50% of the total allocation and a guaranteed tax yield grant which is based on local tax capacity equal to 50% of the total allocation. Therefore, only 1/2 of the allocation is distributed based upon local tax capacity. This feature diminishes the equalizing capacity of the allocation.

Local Board Funds for Capital Purchase. The formula for calculating local matching funds which the local board must certify as available and which can be current debt service is as follows:

Local Board Funds = $Z * Y * A$ where

- Z** = number of guaranteed mills (varies annually)
- Y** = yield per mill per ADM for a local board of education (varies annually)
- A** = prior year ADM for a local board of education (varies annually)

This means that the local share depends on the number of mills which the state can afford based upon state ad valorem tax revenues to the **PSF** annually in the guaranteed tax yield program. A complete set of calculations for all local public school systems of the state is included in the **Appendices 7-12 and 7-13**. This allocation can be used on a pay-as-you-go basis or for a Pooled Purchase available through the **Alabama Public School and College Authority (APSCA)** as authorized by legislation.

Baldwin County Schools Participation in APSCA Pooled Purchase Debt Service

The Baldwin County Board of Education to date has participated in the 2001-A and 2002-A Issue of the **Revolving Loan Fund for Local Boards of Education**. The

Alabama Public School and College Authority Issue authorized by the 1998 Legislature authorized the Alabama Public School and College Authority to issue and sell bonds without express limits as to principal amount to finance loans to local boards of education. "The Authority is hereby authorized to loan, and each local board of education is hereby authorized to borrow, such monies under terms and procedures to be established by the Authority (*Acts of Alabama 1998*, No. 98-373, p. 38)." These bonds are known as "Pool Bonds" or "Pooled Purchase Bonds."

Each local board of education so receiving a loan will issue warrants to the Authority at an interest rate agreed to by the Authority and the local board of education and approved by the State Superintendent of Education. "No such warrant shall be a general obligation of the local board of education but shall be payable solely from the distributions of capital funds made to such local boards of education from the public school fund pursuant to Section 16-13-244, *Code of Alabama 1975 (Acts of Alabama 1998*, No. 98-373, pp. 38-39)."

Before the issuance of a debt obligation requiring the approval of the State Superintendent, a local board of education must approve a binding agreement authorizing the State Comptroller to intercept and direct certain state allocated funds to satisfy a debt payment that is due and unpaid. In the binding agreement the local board of education shall agree to replace the funds withheld to satisfy the debt payment by providing funds legally available for replacement.

Proceeds of the Pool Bonds must be used first to acquire capital improvements needed to eliminate portable and sub-standard classrooms and then for other purposes as approved by the Authority and by the State Superintendent of Education. All proceeds of Pool Bonds borrowed for purposes of eliminating portable and sub-standard classrooms must be spent within two years from the date the Pool Bonds are issued. All other proceeds must be spent by participating boards within three years from the date the Pool Bonds are issued.

Student Transportation Program

The basic reimbursement strategy for operation of the school transportation program is unchanged since its inception in 1935. and has been considered to be a fully funded state mandate. The amount for transportation, however, in actuality has been limited in reimbursement to the amount included by the Legislature in the annual Education Appropriations Act.. The annual transportation allotment to local boards of education, when fully funded, is able to realize both an allowance for **Current Operations** and a **Fleet Renewal** depreciation allowance.

Current Operations

In determining the cost of current operations, transported students must live two miles or more from a school center (the historical limit as to how far a student could walk to

school). However, physically disabled students who live closer shall be included in the determination of average daily transported students. The school centers must be approved by the State Superintendent. If safety of children is an issue, the State Superintendent may waive the two mile limit. This pupil count shall be for the previous year.

The cost per pupil per day is the operating cost of current expenditures, as well as the depreciation of school buses. FY 1995-96 was the first year in which the total operating cost was calculated. This included funding for FICA, Unemployment Compensation, TRS, and PEEHIP. For FY 2009-10 for the **Baldwin County School System** was allocated, before proration, the amount of **\$8,277,009** for operating cost reimbursement.

Fleet Renewal

As based upon the age of each school bus in operation, an amount for depreciation is included in the operating cost. This amount, based on a chassis life of 10 years, is set aside as a fleet renewal allocation to be expended on for the purchase of new school buses. These funds may be carried over to future years. For FY 2009-10 for the Baldwin County School System, the amount of \$1,240,928 was appropriated for Fleet Renewal. This is based on an annual allotment of \$5,024 per chassis. As additional new buses enter the depreciation schedule, this cost should increase; however, the Legislature may choose an amount each year according to the financial condition of the Education Trust Fund which may be significantly less than the 1/10th share of estimated replacement cost.

Vehicle liability insurance for employees required to transport pupils

If a city board of education decides to participate in the statewide student transportation program, they must provide vehicle liability insurance;

§ 16-27-7. Vehicle liability insurance for employees required to transport pupils.

(a) The State Board of Education, each governing board of Alabama's public senior universities and each city and county board of education shall provide vehicle liability insurance for bus drivers or any other employee who is required to transport pupils. Said vehicle liability insurance shall cover personal liabilities for bus drivers or any other employee who is required to transport pupils. Said liability insurance shall be applicable to moving vehicular accidents only.

(b) School boards and other agencies covered by this section shall be deemed to be in compliance with the requirements of this section by either purchasing a liability insurance policy naming drivers as insureds, or if the employing board elects not to purchase a policy, by reimbursing individual employees for amounts necessary to add "drive other car broad

form liability" riders to their individual vehicle liability insurance policies, to the limits specified by the employing board or agency (*Code of Alabama 1975, Section 16-27-7*).

Reimbursement for Special Education

Providing transportation for exceptional children must be provided by the local board of education irrespective of the distance the student lives from the attendance center. The following statute mandates that at least 80% of the cost of such transportation be provided in the annual reimbursement for current operations:

§ 16-39-11. Transportation.

When authorized by regulations of the State Board of Education in lieu of the amount calculated on the basis of average daily membership otherwise authorized by law, there shall be allowed from the Education Trust Fund appropriation for transportation for each bus used exclusively for the purpose of transporting eight or more pupils classified as exceptional children who are unable to ride regular school buses 80 percent of the cost of such transportation, and a proportionate amount shall be allowed for a vehicle used exclusively for the transportation of a smaller number of exceptional children in average daily membership as prescribed by regulations of the State Board of Education (*Code of Alabama 1975, Section 16-39-11*).

While this amount used to be provided to local boards as a separate allocation, current practice is to include the number of children transported and the miles traveled in the reports for regular transportation. Therefore, the transportation of exceptional children is considered as being reimbursed.

Transportation Supervisor Mandated

In delegating authority to the State Board of Education to prescribe rules and regulations for the operation of the school transportation system, the Legislature further provided by statute that all local boards of education (in addition to other entities operating school buses) must employ a competent supervisor or manager of transportation services, irrespective of whether the buses are publicly or privately owned (*Code of Alabama 1975, Section 16-27-1*). The Legislature further provided that the State Board of Education require periodic safety inspection of all vehicles used for school transportation and that provisions be made for special training and licensing of drivers, whether in public or private employment. However, the cost of a transportation supervisor is an allowable cost in the annual allocation for current operations. Furthermore, this position is not one assigned to central office staff or general administrative services, but rather to Auxiliary Enterprises.

C. LINE ITEM APPROPRIATIONS FOR LOCAL BOARDS OF EDUCATION

In the annual education appropriations bills approved by the Legislature annually, there are many line item appropriations for public education which have a statutory origin but for whom the amount of appropriation is on a year-by-year basis at the discretion of the Legislature. A summary of these appropriations for FY 2009-10 follows in **Table 3-6**:

Table 3-6
Line Item Appropriations for FY 2009-2010 to
Local Boards of Education with Statutory Authorization

| Category of State Funds - Categorical Aid | Amount |
|--|--------------------|
| 1 Salaries - 1% per Act 97-238 | - |
| 2 Technology Coordinator | 4,004,369 |
| 3 School Nurses Program | 33,527,343 |
| 4 Student Health Data | 250,000 |
| 5 Transportation | |
| Operating Allocation | 264,974,008 |
| Fleet Renewal | 34,921,824 |
| 7 At Risk | 23,754,145 |
| 8 Capital Purchase | 195,000,000 |
| TOTAL | 556,431,689 |

State Department of Education (SDE) Line Items

Additional line items may be appropriated annually by the Legislature for programs which do not have statutory authorization. Rather than being appropriated directly to local boards of education, these line items are appropriated to the State Board or State Department of Education for annual distribution based upon procedures which are determined by the State Department of Education. Since they are targeted and restricted funds, they follow school children and would be distributed as earned to the schools of the proposed Fairhope City School System. The appropriations for FY 2009-10 follow in **Table 3-7**:

(balance of this page left intentionally blank)

**Table 3-7
Line Item Appropriations
to State Department of Education
for Allocation to Local Boards of Education**

| Line Items | FY 2009-10 Statewide Appropriations to SDE |
|--|---|
| State Department of Education: | |
| 1 Advanced Placement | \$ 1,360,000 |
| 2 Arts Education | \$ 510,000 |
| 3 Career Tech. Initiative | \$ 2,132,362 |
| 4 Children's Eye Screening | \$ 2,381,882 |
| 5 Children's Hospital Educational Services | \$ 123,250 |
| 6 Distance Learning - ACCESS | \$ 20,000,000 |
| 7 Drop Out Pilot Program | \$ 538,358 |
| 8 English as a Second Language | \$ 2,274,475 |
| 9 Governor's Academic Program | \$ 15,016,296 |
| 10 Governor's High Hopes for Students | \$ 11,099,133 |
| 11 Home Instruction for Parents of Preschoolers | \$ 1,519,902 |
| 12 Jobs for Alabama Graduates | \$ 913,338 |
| 13 Math/Science/Technology Initiatives | \$ 29,000,000 |
| 14 National Bd. Prof. Tch. Stds. | \$ 8,690,000 |
| 15 O & M Children First Programs | \$ 9,324,735 |
| 16 PACERS Program | \$ 132,473 |
| 17 Preschool Program | \$ 1,931,927 |
| 18 Reading Initiative | \$ 64,443,081 |
| 19 School Accountability Report Card | \$ 134,340 |
| 20 Science in Motion | \$ 1,885,190 |
| 21 Southwest School for Deaf & Blind | \$ 291,806 |
| 22 Teacher In-Service Centers | \$ 3,000,000 |
| 23 Teacher Professional Technology Training | \$ 1,154,211 |
| 24 Teacher/Student Testing | \$ 7,217,864 |
| 25 Virtual Library - from Public Library Service | \$ 3,368,768 |
| Total State Department of Education | \$ 188,443,391 |

4. BALDWIN COUNTY SCHOOL SYSTEM TAXES FOR PUBLIC SCHOOLS

A. GENERAL LAWS FOR COUNTYWIDE TAXES FOR SCHOOLS

Ad Valorem Taxes – School Taxes

Each countywide and tax district school ad valorem tax, like other ad valorem taxes levied in Alabama, has a separate constitutional authorization, the levy and collection subject to local referendum. Alabama has **school systems**, not “**school districts**.” The term “**school district**” refers to an ad valorem taxing district for schools which is recognized in constitutional and statutory provisions. There are five general statewide authorizations. Each school ad valorem tax, countywide or school tax district, is levied and collected by the county commission in arrears (**Classes I, II, and III**) and the Probate Judge (Motor Vehicles in **Class I, II and IV**) currently. A brief discussion of these taxes and their boundaries, time, rate, and purpose follows. **Note that each of these taxes expires and must be renewed.**

(1) One-Mill Countywide Ad Valorem Tax

The Constitution of 1901 in Section 269 continued an authorization of a one-mill countywide school ad valorem tax in existence prior to the ratification of the Constitution of 1901. Levy and collection is dependent upon a local referendum.

Section 269 - Special county school taxes.

The several counties in this state shall have power to levy and collect a special tax not exceeding ten cents on each one hundred dollars of taxable property in such counties, for the support of public schools; provided, that the rate of such tax, the time it is to continue, and the purpose thereof, shall have been first submitted to a vote of the qualified electors of the county, and voted for by three-fifths of those voting at such election; but the rate of such special tax shall not increase the rate of taxation, state and county combined, in any one year, to more than one dollar and twenty-five cents on each one hundred dollars of taxable property; excluding, however, all special county taxes for public buildings, roads, bridges, and the payment of debts existing at the ratification of the Constitution of eighteen hundred and seventy-five. The funds arising from such special school tax shall be so apportioned and paid through the proper school officials to the several schools in the townships and districts in the county that the school terms of the respective schools shall be extended by such supplement as nearly the same length of time as

practicable; provided, that this section shall not apply to the cities of Decatur, New Decatur, and Cullman.

Note: There is a proposed constitutional amendment scheduled to be on the November 2, 2010 ballot to repeal the three-fifths vote provision and replace it with a simple majority vote.

(2) Three-Mill Countywide Ad Valorem Tax

Amendment 3 to the Constitution of 1901 approved in 1916 allows counties to levy and collect, upon approval at a referendum, an additional countywide school tax in addition to the one mil authorized by Section 269. This was a major step forward in school funding from the traditional single mill allowed.

Amendment 3 - Special School Tax Amendment.

Article XIX, Section 1. The several counties in the state shall have power to levy and collect a special county tax not exceeding thirty cents on each one hundred dollars worth of taxable property in such counties in addition to that now authorized or that may hereafter be authorized for public school purposes, and in addition to that now authorized under section 260 of article XIV of the Constitution; provided, that the rate of such tax, the time it is to continue and the purpose thereof shall have been first submitted to the vote of the qualified electors of the county, and voted for by a majority of those voting at such election.

(3) Three-Mill School District Ad Valorem Tax

Amendment 3 - Special School Tax Amendment.

Section 2. The several school districts of any county in the state shall have power to levy and collect a special district tax not exceeding thirty cents on each one hundred dollars worth of taxable property in such district for public school purposes; provided, that a school district under the meaning of this section shall include incorporated cities or towns, or any school district of which an incorporated city or town is a part, or such other school districts now existing or hereafter formed as may be approved by the county board of education; provided further, that the rate of such tax, the time it is to continue and the purpose thereof shall have been first submitted to the vote of the qualified electors of the district and voted for by a majority of those voting at such election; provided further, that no district tax shall be voted or collected except in such counties as are levying and collecting not less than a three-mill special county school tax.

Section 3. The funds arising from the special county school tax levied and collected by any county shall be apportioned and expended as the law may direct, and the funds arising from the special school tax levied in any district which votes the same independently of the county shall be expended for the exclusive benefit of the district, as the law may direct.

Note that the requirement that the three-mill countywide tax under Section 1 be in place prior to the approval of the three-mill school tax district ad valorem tax has been repealed by Amendment 669 to the *Constitution of 1901*.

Amendment 3 to the Constitution of 1901 thus allows a county school system to vote upon a school district tax in each of the tax districts of the county. It is necessary to have more than one school tax district in a county to have a vote upon a school district tax. If the school tax district were countywide, then the vote would be upon a countywide tax and not a school district tax (*Attorney General's Report*, October 1 to September 30, 1924, pp. 413-414). If a separate municipal school system exists in a county, then the municipal school tax district and the balance of the county comprising a school tax district meets the requirement of the law. Should no municipal school tax district exist, then the county board of education must divide the county into at least two school tax districts to meet the requirements of the law.

The Code of Alabama in implementing the provisions of Amendment 3 stipulates that the tax revenues generated by the school district tax must be spent only in that school tax district.

§16-13-198. Use of district funds.

The funds arising from levying a special tax for school purposes in any school tax district under the jurisdiction of the county board of education shall be used for the exclusive benefit of the public schools of such districts; provided, that in any school tax district where such tax is being levied there is no public school, the funds arising from levying said tax may be used for the purpose of transporting school children residing in such district to a school located in another district. In the case of cities and towns under independent boards, said county tax collector shall collect said taxes and pay over the same to the treasurer of said city or town to be used for the exclusive benefit of the schools thereof in accordance with the law (*Code of Alabama 1975*, Section 16-13-198).

(4) Five-Mill Special County Tax, Amendment 202

Amendment 202 authorizes county governing bodies to levy a special county tax not to exceed 5.0 mills for educational purposes. The rate, duration and purpose

of the tax must be approved by a majority of those voting in an election. Because of conflicting language in the Amendment, it is recommended that both a petition of 200 electors and a request by the local board of education be made to the county commission for the election. If there is more than one school system in the county, the tax is divided among the school systems based on each school system's proportionate share of the total Foundation Program allocation to the school systems of the county. The Baldwin County School System has not used this authorization, but it is available.

(5) Three-Mill Special School District Tax, Amendment 382

In addition to all other taxes authorized, Amendment 382 authorizes the levy of a special school district tax not to exceed 3.0 mills, provided that the rate, duration and purpose of the tax are approved by a majority of voters in an election. Because there is no implementation language in the Amendment, it is recommended that the procedures for implementing Amendment No. 3 above should be followed. The Baldwin County School System has not used this authorization, but it is available to the Baldwin County School System and any city school system as well.

It is necessary to have more than one school tax district in a county to have a vote upon a school district tax. If the school tax district were countywide, then the vote would be upon a countywide tax and not a school district tax (*Attorney General's Report*, October 1 to September 30, 1924, pp. 413-414). A separate municipal school system in a county counts as a school tax district and the balance of the county comprising a school tax district meets the requirement of the law. Should no municipal school tax district exist, then the county board of education must divide the county into at least two school tax districts to meet the requirements of the law. The voters of Baldwin County have chosen by a positive vote in a referendum to levy and collect the **school** ad valorem taxes authorized by the following:

(1) Section 269 - 1.0 mill countywide. An election of the voters of Baldwin County was held on the assessment of this tax on March 8, 1988, and was ratified to be levied and collected annually for a period of 30 years. A majority of 3/5 of those voting at the election approved this levy **subject to renewal in 2016-2017**

(2) Amendment 3 - 3.0 mills countywide. The three mill countywide tax was voted on by the qualified electors of Baldwin County on May 12, 1987. The extension of the tax for 30 years was approved by the voters at this election and this levy **is subject to renewal in 2015-2016.**

(3) Amendment 3 in Tax District 2 - 3.0 mills district-wide. **School Tax District Number 2** is the portion of Baldwin County south of the prescribed boundary line drawn by the Board of Education. This three mill school district tax levy was approved by the voters of **School Tax District Number 2** on May 12, 1987, for a period of 30 years and this levy is **subject to renewal in 2015-2016.** No such levy

has been approved for **School Tax District Number 1** by referendum. The failure of this millage in **School Tax District Number 1** costs the Baldwin County School System tax dollars. In accordance with the statutory authority granted the county board of education to determine the school tax district boundary lines is also a requirement that county boards of education maintain a map of the school tax districts of the county.

To address the issues associated with some local boards of education only having levied and collected on their behalf fewer than 10.0 mills, the Legislature proposed in 2006 an amendment to the Constitution of 1901, an amendment that would insure at least 10.0 mills of local ad valorem tax for schools. **Amendment 778** was approved November 7, 2006, and requires that each county commission (the county commission is the governing body of each school ad valorem tax) assess the total credited ad valorem tax levied and collected for school purposes in each school tax district of the state, and in each case in which fewer than 10.0 mills were credited, to levy and collect the shortfall under the authority of **Amendment 778** (this Amendment is found in **Appendix 7-8**).

All school ad valorem taxes cannot be levied by referendum for a period greater than 30 years. All school ad valorem taxes must be renewed thereafter or will expire. Thus, by these actions of the Baldwin County voters, a total of 4.0 mills countywide and 3.0 mills in **Tax District 2** have been approved and will expire. However, the case of taxes for schools (not school taxes) is somewhat different.

B. SPECIAL AD VALOREM TAXES FOR BALDWIN COUNTY SCHOOLS

In addition to the specific constitutional authorizations for school ad valorem taxes with application discussed above, there are several constitutional amendments, statutes, and provisions that are unique to Baldwin County.

Act No. 609, 1900-1901 Legislative Session

The Legislature of Alabama in the 1900-1901 Session, under the provisions of the Constitution of 1875, passed a local act which authorized the levy and collection of a 2.0 mill special ad valorem tax for schools.

Section 1. Be it enacted by the General Assembly of Alabama, That the court of county commissioners of Baldwin county be, and is hereby directed and required to levy and have collected for the year 1901 a special school tax of one-half of a mill, and to increase such tax one-half of a mill each year thereafter; provided that such special tax when added to the assessment for other county purposes shall not exceed the constitutional limit for county taxation; said special tax shall be used only for the support and maintenance of the public schools in

said county as hereinafter provided (*Acts of Alabama 1900-1901*, Act Number 608, P. 1146, approved February 28, 1901).

This special ad valorem tax was “grandfathered” under provisions of the new Constitution of 1901 and is still levied and collected today, but dedicated for other purposes. In 1989, the Legislature modified the provisions of this Act to rededicate the proceeds of this 2.0 mill tax to other purposes under specified conditions:

Section 10. Be it further enacted that the provisions of Section 1 and 3, relating to the levy and collection of a 2 mill special tax, shall not apply as long as the privilege, license and excise tax for school purposes levied by ordinance of the Baldwin County Commission adopted on December 20, 1988, pursuant to the authority vested in it by Sections 40-12-4 through 40-12-7, *Code of Alabama 1975*, as amended, remains in force or the rate of such tax is increased. Should the Baldwin County Commission amend, repeal or rescind said ordinance off (sic) December 20, 1988, with the result that in and by the terms of such amendment, such repeal or recession of the tax imposed in said ordinance is repealed, abolished or is reduced to a rate less than that imposed thereby; then in that event the provisions of this section shall thereupon become null, void and of no force and effect, and the provisions of Sections 1 and 3 of Act 609, H. 1167 of the 1900-1901 Legislature of Alabama (*Acts 1900-01*, p. 1446), shall again become operative and in full force and effect to the same extent as if this amendment had not been enacted. (*Acts of Alabama 1989*, No. 98-482, pp. 1012-1013).

This act was approved on May 4, 1989, and references the sales/use tax levied by the Baldwin County Commission by resolution on December 20, 1988, and effective February 1, 1989. This resolution and enactment provided for a general sales tax of one-half percent, a use tax of one and one-half percent, and a selective sales tax of one-quarter percent of machinery, automobiles and farm equipment, along with a use tax on the same of one-half percent and which would be dedicated to the public schools of Baldwin County. This will be discussed further in a following section. However, for the purposes of this section the special ad valorem tax approved February 28, 1901, no longer applies to the public schools of Baldwin County.

Special Five Mill Countywide Ad Valorem Tax, 1961

On December 5, 1961, the voters of the state of Alabama, and the voters of Baldwin County, approved a constitutional amendment levying an additional five mill countywide tax for schools in Baldwin County:

Amendment 162 - Additional Tax for School Purposes in Baldwin County

Section 1. The court of county commissioners, board of revenue, or other like governing body of Baldwin county shall have power to levy and provide for collection of an additional county tax of fifty cents on each one hundred dollars worth of taxable property in the county, for public school purposes, in the same manner and subject to the same election requirements as provided in the third amendment to this Constitution with respect to other county school taxes. The tax herein authorized shall be in addition to all other county taxes authorized in this Constitution as amended, and the proceeds thereof shall be spent for public school purposes only.

Section 2. If this amendment is approved and a majority of the qualified electors of the county who vote thereon vote in favor of the adoption of this amendment when it is submitted, the additional tax provided for in section 1 may be levied and collected thereafter without any other election having been held thereon. But if this amendment is approved and a majority of the qualified electors of the county who vote thereon vote against its approval, the tax may not be levied unless the rate of the tax, the time it is to continue, and the purpose thereof shall have been again submitted to a vote of the qualified electors of the county and voted for by a majority of those voting at the election. Subsequent elections may be held at intervals of not less than one year, and shall be called, held, and conducted in the same way, according to the general laws, as other elections on the question of levying special county school taxes (*Constitution of Alabama of 1901*, Amendment 162).

Since a majority of the voters in Baldwin County at the time of the vote for ratification of the constitutional amendment voted in favor of the amendment, once ratified by the Secretary of State, the five mill ad valorem tax was levied to be collected and paid as a permanent tax, **not subject to renewal**. However, this tax is a special ad valorem tax for schools and is not a school tax, and thus is not bound by general state statutes governing the levy and collection of school ad valorem taxes.

Millages Currently Levied and Collected for Schools

In summary, there are four separate public school tax millages currently levied on behalf of the Baldwin County Schools. These, which total **10.0 mills in Tax District Number 1 and 12.0 mills in Tax District Number 2**, follow:

- 1) A 1.0 mill countywide school tax ad valorem tax;
- 2) A 3.0 mill countywide school tax ad valorem tax;
- 3) A 5.0 mill countywide ad valorem tax for schools;
- 4) A 3.0 mill school tax district ad valorem tax in **School Tax District Number 2**;
- 5) A 1.0 mill school tax district ad valorem tax in **School Tax District Number 1**.

Each of these taxes, as must every ad valorem tax levied and collected in Alabama, has a separate constitutional authorization (see **Table 4-1** which follows).

Baldwin County School Tax Districts

Baldwin County is, by necessity of law, divided into two school tax districts, 1 and 2, in accordance with this requirement of the Attorney General and under authority granted by statute in Section 16-13-191 which follows:

§ 16-13-191. School tax district — Boundaries fixed by county board.

In order to make it possible to work out a system of local tax units adapted to the needs of the whole county, the county board of education of its own initiative shall fix the boundaries of any school tax district within its jurisdiction in which it is proposed to levy a local school tax. In making application for a special election in any such district, the county board of education shall submit a map made by the county surveyor, or other competent person, showing the boundaries of the school tax district for which a special tax levy is proposed, indicating the section or sections and ranges, together with the correct description of the boundaries of the said district for which a special tax levy is proposed. These maps shall also show the location of public utilities, such as power plants, railroad and telegraph lines, if any, in such districts, and the railroad mileage for each and every corporation having property therein. The county superintendent shall include a full and correct description of such boundaries in the minutes of the county board of education and shall also furnish a full and correct description of such boundaries, including a map, to the probate judge, who shall record the same in a book to be kept by him for that purpose also to the Department of Education and to the Department of Revenue or other board exercising corresponding powers, including as many copies of such map as there are public utilities (*Code of Alabama 1975, Section 16-13-191*).

School Tax District Number 1 is the portion of Baldwin County north of the following described boundary line:

. beginning at a point on the East line of Baldwin County, Alabama where the line dividing Township 2 North and Township 3

North intersects the same, run thence west on the said township line to the range line dividing Ranges 3 East and 4 East in said county; run thence north on the said range line to the corner of Sections 24 and 25 in Township 3 North, Range 3 East, and Sections 19 and 30 in Township 3 North, Range 4 East; run thence west to the West line of Baldwin County (*Resolution Number 2003-26* of Baldwin County Commission, Approved February 4, 2002).

It is also statutorily required that county boards of education maintain a map of the school tax districts of the county:

§ 16-13-192. School tax district — Map — Required generally; duration of boundaries.

The county board of education shall have a proper map of such school tax district made and recorded as herein provided.

The levy of the district school tax shall operate to fix the boundaries of such school tax district for the time of such special levy, except as hereinafter provided (*Code of Alabama 1975*, Section 16-13-192).

If a proposed Fairhope City School System were formed, the tax district thus formed for the city school system would be the municipal boundaries. This could be expanded by an election to merge a portion of **School Tax District 2** upon a referendum of the affected area. However, this would not be possible until after final financial separation from the Baldwin County Board of Education. A map of the school tax districts of Baldwin County follows this page as **Figure 4-1**. A further restriction is that district millage revenues must be spent only in that school tax district:

§16-13-198. Use of district funds.

The funds arising from levying a special tax for school purposes in any school tax district under the jurisdiction of the county board of education shall be used for the exclusive benefit of the public schools of such districts; provided, that in any school tax district where such tax is being levied there is no public school, the funds arising from levying said tax may be used for the purpose of transporting school children residing in such district to a school located in another district. In the case of cities and towns under independent boards, said county tax collector shall collect said taxes and pay over the same to the treasurer of said city or town to be used for the exclusive benefit of the schools thereof in accordance with the law (*Code of Alabama 1975*, Section 16-13-198).

**Figure 4-1
Baldwin County School Tax District Map
Showing School Tax Districts 1 and 2 for 2010**



Were a separate school system to be created in Baldwin County, then the Baldwin County School Board could, since the separate school system would comprise a separate school tax district, recommend an election to combine **School Tax Districts 1 and 2** as provided in the following Section 16-13-194:

§ 16-13-194. School tax district — Consolidation — Generally.

When it shall seem desirable to enlarge any school tax district by consolidating with it any adjacent territory or district, which may or may not be levying any special school tax, the county board of education may petition the county commission to call an election in all of the districts concerned, including the school tax district proposed to be enlarged to determine whether a special tax for a uniform rate and time shall be voted in each and every one of the districts. The proposed rate and time shall not be less than the maximum rate in any school tax district or the maximum time in any such district (*Code of Alabama 1975, Section 16-13-194*).

Once a municipal school system has been created as defined by statute previously discussed, it becomes a school tax district whose tax boundaries are the same as the municipal boundaries and for whom a map is not required:

§ 16-13-193 School tax district — Map — Not required of city school tax district.

Any city having a city board of education shall constitute an independent school tax district for the purpose of levying the tax authorized under this article, but it shall not be necessary for the city board of education when making application or request for a special election under the provisions of this article to submit the map or the description of boundaries (*Code of Alabama 1975, Section 16-13-193*).

Summary of Ad Valorem Taxes for Baldwin County Public Schools

A summary of the authorization, type, rates, and purposes of ad valorem tax levied and collected for public in Baldwin County follows in **Table 4-1**. These taxes are levied and collected under authorizations of the Constitution of 1901.

**Table 4-1
Constitutional Authorization for Ad Valorem Taxes
Levied and Collected for Public Schools of Baldwin County**

| Type of School Ad Valorem Tax | Millage Rate District 1 | Millage Rate District 2 | Constitutional Authorization | Date of Renewal Vote |
|--------------------------------------|--------------------------------|--------------------------------|-------------------------------------|-----------------------------|
| Countywide | 1.0 | 1.0 | Section 269 | 2016-2017 |
| Countywide | 3.0 | 3.0 | Amendment 3 | 2015-2016 |
| Countywide | 5.0 | 5.0 | Amendment 162 | n/a |
| District | 0.0 | 3.0 | Amendment 3 | 2015-2016 |
| District | <u>1.0</u> | <u>0.0</u> | Amendment 778 | n/a |
| Total | 10.0 | 12.0 | | |

Apportionment of Countywide Taxes to School Systems of the County

While it has been clearly demonstrated by statute that the school tax district revenues as collected must be spent only in that school tax district, another situation exists for countywide school ad valorem taxes and also countywide excise, franchise, and privilege license taxes. There are at least three statutory provisions which have affected this distribution. The authority of general state law cannot be superceded by a local statute – a local act. It would require a constitutional amendment.

The first provision was the statutory implementation of the one mill countywide school tax authorized by Section 269 of the Constitution of 1901:

§ 16-13-166. Collection of Tax.

The tax collector shall collect such special tax in the same manner and under the same requirements and laws as taxes of the state are collected, shall keep said amount separate and apart from all other funds, shall keep a clear and distinct account thereof and shall turn the same over to the custodian of county school funds whose duty it shall be to receipt therefore. The county board of education shall apportion the same to the various schools throughout the county in the same manner as the public school funds from the state are apportioned in said county (*Code of Alabama 1975, Section 16-13-166*).

While the definition of “public school funds” above may be questioned since there is not a Public School Fund in the state since the approval of Amendment 111 of 1955 of Section 260 of the Constitution of 1901, the practice has been to apportion those funds in accordance with additional statutory authorization (one mill countywide tax). When Amendment 3 was approved in 1916, a new statutory provision was approved for allocation of the three-mill countywide tax which is the second provision:

§ 16-13-197. Collection of tax.

Whenever such a levy as is provided for in this article is made, it shall be the duty of the tax collector within and for that county to collect such tax in the same manner and under the same requirements and laws as the taxes of the state are collected, and he shall keep said amount separate and apart from all other funds and keep a clear and distinct account thereof, showing what amount is paid, and turn the same over to the county custodian of school funds whose duty it shall be to receipt therefore, and pay the same on monthly payrolls and other prescribed forms, with the authority and approval of the county board of education (*Code of Alabama 1975, Section 16-13-197*).

With the creation of the Minimum Program Fund in 1935, the legislature crafted a new statute to govern the apportionment of countywide taxes to the respective city school systems within the county. This was amended and ratified by the Legislature in 1995 with the creation of the 1995 Foundation Program and appears as follows as the third provision:

§ 16-13-31. Record of receipts and disbursements; apportionment of county-wide taxes for Foundation Program.

(a) The tax collector/revenue commissioner of each county must keep a record of all receipts and disbursements of school funds of his/her county to the local boards of education of the county.

(b) The tax collector/revenue commissioner of each county shall apportion county-wide taxes collected for the purposes of participating in the Foundation Program to each local board of education in the county on the basis of the total calculated costs of the Foundation Program for those local boards of education within the county. The total calculated costs of the Foundation Program for each local board of education shall be the sum of state funds received from the Foundation Program and the amount of local effort required pursuant to paragraph a. of subdivision (3) of subsection (b) of Section 16-13-231.

(c) The apportionment of county-wide taxes collected for the purposes of participating in the Foundation Program as determined in Section 16-13-31(b) shall be used unless the local boards of education in a county sign a mutual agreement and secure the approval of the State Superintendent of Education to use some other plan involving desirable special adjustments (*Code of Alabama 1975*, Section 16-13-31).

This section created the **Countywide Foundation Program Cost Ratio** which governs apportionment today not only of countywide ad valorem tax, but also countywide excise, franchise, and privilege license taxes.

**C. COUNTY AND MUNICIPAL EXCISE, FRANCHISE,
AND PRIVILEGE LICENSE TAXES FOR SCHOOLS OF BALDWIN COUNTY**

Counties have been granted general statutory authority to levy an excise, franchise, or privilege license tax for school purposes only on the same tax base as the state sales tax is collected:

§ 40-12-4. County license tax for school purposes – Authority to levy.

(a) In order to provide funds for public school purposes, the governing body of each of the several counties in this state is hereby authorized by ordinance to levy and provide for the assessment and collection of franchise, excise and privilege license taxes with respect to privileges or receipts from privileges exercised in such county, which shall be in addition to any and all other county taxes heretofore or hereafter authorized by law in such county. Such governing body may, in its discretion, submit the question of levying any such tax to a vote of the qualified electors of the county. If such governing body submits the question to the voters, then the governing body shall also provide for holding and canvassing the returns of the election and for giving notice thereof. All the proceeds from any tax levied pursuant to this section less the cost of collection thereof shall be used exclusively for public school purposes, including specifically and without limitation capital improvements and the payment of debt service on obligations issued therefor (*Code of Alabama 1975, Section 40-12-4*).

The municipalities of the state have been granted broad general authority to levy any type of excise, franchise, or privilege license tax for any purpose. A single example of such authority follows:

§ 11-51-200. Levy of sales tax authorized; exemption; construction.

The governing body of any municipality within the State of Alabama may provide by ordinance for the levy and assessment of sales taxes, parallel to the state levy of sales taxes as levied by Sections 40-23-1, 40-23-2, 40-23-2.1, 40-23-4 to 40-23-31, inclusive, 40-23-36, 40-23-37, except for those provisions relating to the tax rate, and 40-23-38, except where inapplicable or where otherwise provided in this article; provided, that no municipality may levy any such tax against the Alcoholic Beverage Control Board of the State of Alabama in the sale of alcoholic beverages. The phrase "except where inapplicable," contained herein and in Sections 11-51-201, 11-51-202, and 11-51-203, shall not be construed to permit a self-administered municipality to adopt or interpret an ordinance, resolution, policy, or practice that relies on that phrase, either directly or indirectly, in order to disavow, disregard, or attempt to disavow or disregard the mandate provided in this and the following sections for conformity with the corresponding state tax levy, unless the self-administered municipality can demonstrate that the ordinance, resolution, policy, or practice will simplify collection or administration of the tax or is being made for the convenience of the taxpayer (*Code of Alabama 1975, Section 11-51-200*).

In addition, under the authority conferred by Section 11-51-90, franchise and privilege licenses tax levies are authorized. The legal authority for school taxes for public schools at the local level has now been established. One further authority is for the appropriation of funds from the treasury of the local governing body to the respective public school system:

§ 16-13-36. Appropriation of funds out of treasury.

Any appropriate local governing body is authorized at any meeting of said governing body in any calendar year to appropriate any funds it may deem proper and expedient out of the general funds of the governing body's treasury to local boards of education for the construction, repair, operation, maintenance and support of new or existing public schools within the jurisdiction of said governing body (*Code of Alabama 1975, Section 16-13-36*).

**Special Excise, Franchise and Privilege License Taxes
For Baldwin County Schools**

Countywide excise, franchise, and privilege license taxes can be levied and collected by a county commission by resolution at any rate for public school purposes. A levy for another purpose requires a local act by the Legislature authorizing such a levy and collection. One of these taxes, the special countywide sales tax, has a long history and requires explanation.

Two Mill Special Ad Valorem Tax for Schools

The Legislature on February 28, 1901, approved a special two mill ad valorem tax for Baldwin County for schools. This was accomplished prior to the Constitution of 1901 and the millage rate was imposed by the Legislature without a constitutional authorization or a vote of the people. This millage rate was grandfathered into the Constitution of 1901 when strict limits were placed on ad valorem taxes (*Acts of Alabama 1900-1901, No. 609, approved February 28, 1901*).

Special Countywide Sales Tax, 1983

In 1983, the Legislature approved a local act which authorized the Baldwin County Commission specifically to levy and collect a local sales tax paralleling the state sales tax and provided specifically for the distribution of the proceeds. This sales/use tax action would take the place of the two mill special ad valorem tax (see following discussion). In Section 3 of this act, the county commission was authorized to levy without a referendum a special county privilege license tax paralleling the state sales tax at a rate of one percent of the gross proceeds of sales or receipts. This act specified that the tax so levied would parallel the state sales tax in rate and tax base. Therefore, this tax of one percent, which is $\frac{1}{4}$ of the state sales

tax rate, is also included the state sales tax rate on automobiles and heavy equipment at the rate of 0.25 cents in Baldwin County.

Section 8 of this act specified the distribution of the revenues:

..... All revenues arising from the taxes herein authorized to be levied shall be distributed as follows: (a) Fifty-five percent (55%) shall be distributed to the Baldwin County board of education to be utilized exclusively for capital improvements, capital construction, and maintenance purposes; (b) five percent (5%) shall be distributed to Faulkner State Junior College in Bay Minette to be used as other appropriations to said school are used; and (c) forty percent (40%) shall be deposited to the general fund of the county to be expended as other county funds. Provided, however, in the initial fiscal year that this sales tax is levied, prior to any distribution provided herein, a one-time disbursement of two percent (2%) of all revenues arising from said tax shall be appropriated for the erection of a suitable county animal pound as provided in Section 3-7-7, *Code of Alabama 1975*. Said one time two percent (2%) appropriation shall be made only during the fiscal year that the sales tax provided by this Act is implemented (*Acts of Alabama 1983*, No. 83-532, p. 827). **(See Appendix 7-6)**

Special Countywide Sales Tax Amended, 1984

This act was amended in 1984 to provide further for the one-time distribution of the gross receipts to the suitable county animal pound so as to provide a permanent distribution as follows:

Effective for the fiscal year beginning October 1, 1984, and each fiscal year thereafter, prior to any other distribution, two percent (2%) of all net revenues herein collected shall be appropriated to the juvenile court for Baldwin County to be used for the leasing or building, staffing, and operation of a home for juveniles (*Acts of Alabama, 1984*, No. 84-523, p. 1143. (See **Appendix 7-6** for the complete Act.)

Earmarking of the Special Countywide Sales Tax

The earmarking provisions of the allocation of the 0.55% sales tax to the Baldwin County board of Education posed no problems as there was only one board of education in Baldwin County. However, this restrictive language does present an issue for the proposed Fairhope City Board of Education. Section 105 of the Constitution of 1901 contains the following provision:

No special, private, or local law, except a law fixing the time of holding courts, shall be enacted in any case which is provided for by a general law, or when the relief sought can be given by any court of this state; and the courts, and not the legislature, shall judge as to whether the matter of said law is provided for by a general law, and as to whether the relief sought can be given by any court; nor shall the legislature indirectly enact any such special, private, or local law by the partial repeal of general law.

The purpose of this Section has been determined to be to prohibit the enactment of special, private, or local laws to meet the purposes of particular cases which may be accomplished by proceedings outside of the Legislature under the provisions of general statutes enacted to meet all cases of that general character (*Walker County v. Barnett*, 247 Ala. 418, 24 So. 2d 665 (1946). citing *Brandon v. Askew*, 172 Ala. 160, 54 So. 605 (1911)).

As previously presented, general state law provides for allocation of countywide taxes among the various school boards of a county. The review of **Section 40-12-4** which follows is a prime example of a general law providing for the allocation of countywide school taxes. The failure of Baldwin County to fairly distribute countywide taxes for the benefit of all the schoolchildren of the county by refusing to apportion the revenues therefrom to any municipal board of education so established under general state law, could raise the issue of federal jurisdiction in the application of the Fourteenth Amendment. Therefore, for the purposes of this study, it will be assumed that the proceeds of the sales/use taxes levied and collected under the authority of Act No. 83-532, as amended by Act No. 84-523, will be allocated as provided for in Section 16-13-31 as shall be annually determined by the State Superintendent of Education.

Regular One Cent Sales Tax for Schools Approved by County Ordinances, 1989 and 1991

On December 20, 1988, the Baldwin County Commission used the general authority under Sections 40-12-4 through 40-12-7, *Code of Alabama 1975*, as amended, to pass an ordinance for the levy and collection of a one-half cent sales tax. This Ordinance became effective February 1, 1989. This is referred to as a regular tax as it is by general statute for all counties. A companion use tax was also enacted. On March 5, 1991, the County Commission approved an additional one-half cent sales tax for a total one cent. A companion use tax was also enacted. This Ordinance became effective July 1, 1991. The additional temporary one cent levy of 2010 was also approved by referendum under this authority (Section 40-12-4)

Two Mill Special Ad Valorem Tax Amended, 1989

The Legislature amended the 1901 act discussed above for the two mill special ad valorem tax in 1989 to further provide that as long as the sales tax discussed above remained in force, the special two mill ad valorem tax approved in 1901 would no longer be earmarked for public schools, but would become a general county revenue (*Acts of Alabama, 1989, No. 89-482, p. 1012*).

Current Allocation of Sales and Uses Taxes in Baldwin County

Given the requirement that the first two percent of sales tax revenues be transferred to the Baldwin County Juvenile Court, the net effect is that the balance is distributed to the Baldwin County Board of Education at 1.00 cent plus 0.5390 cents after allocations are further made to Faulkner State Junior College and to the Baldwin County Commission. This is seen in **Table 4-2** which follows.

Table 4-2
Allocation of Two Percent Baldwin Countywide General Sales/Use Tax

| Statutory Authorization, Code of Alabama 1975 | General Gross Sales/Use Tax Rate | Faulkner | | | |
|---|----------------------------------|--|--|--|---------------------------------|
| | | Baldwin County Board of Education Allocation | State Junior College in Bay Minette Allocation | Baldwin County General Fund Allocation | Baldwin County Juvenile Court** |
| Section 40-12-4 | 1.00% | 100.00% | 0.00% | 0.00% | 0.00% |
| Act 84-523 | 1.00% | 53.90%* | 4.90% | 39.20% | 2.00% |
| OR | | | | | |
| Act 84-523 | 1.00% | 55.00% | 5.00% | 40.00% | after 2% transfer |
| *Shall be used exclusively for capital improvements, capital construction and maintenance purposes. | | | | | |
| **Two percent of net revenues is first distributed to the Baldwin County Juvenile Court. | | | | | |

However, since this 2.0% transfer is made off the top, the common practice is that 1.55 cents of the net is reported as being allocated to the Baldwin County Board of Education. The following **Table 4-3** for the automobile sales/use tax follows:

Table 4-3
Allocation of Two Percent Baldwin Countywide Sales/Use Tax of Automobiles

| Statutory Authorization, Code of Alabama 1975 | Gross Sales/Use Tax Rate on Automobiles | Baldwin County Board of Education Allocation | Education Share as Percent of Total Sales Tax | Baldwin County General Fund Allocation | County Share as Cents of Sales Tax |
|---|---|--|---|--|------------------------------------|
| | | | | | |
| Section 40-12-4, 1991 | 0.25% | 100.00% | 0.25% | 0.00% | 0.00% |
| Act 84-523 | 0.25% | 60.00% | 0.15% | 40.00% | 0.10% |
| Total | 0.75% | | 0.65% | | 0.10% |

Therefore, Education receives 100% of two sales tax authorizations by Ordinance under the authority of Section 40-12-4, which can only be used for public schools, and 55% of the statutory sales tax by local application state law (excluding automobile sales/use taxes).

D. BALDWIN COUNTY SCHOOL TAX REVENUES BUDGETED, FY 2009-2010

A combined statement of all local revenues budgeted for the Baldwin County School System for FY 2009-2010 follows in **Table 4-5**.

**Table 4-5
Baldwin County Board of Education Tax Revenues Budgeted for FY 2009-2010**

| Revenue Code | Description | FY 2010 General Fund Budgeted | FY 2010 Special Revenue Fund Budgeted | FY 2010 Memo Total Budgeted |
|---------------------|---------------------------------------|--------------------------------------|--|------------------------------------|
| 6010 | County Regular Ad Valorem - 4.0 Mills | \$ 16,666,232 | \$ - | \$ 16,666,232 |
| 6032 | County Special Ad Valorem - 5.0 Mills | \$ 20,832,039 | \$ - | \$ 20,832,039 |
| 6095 | County Business Privilege Tax | \$ 1,055,000 | \$ - | \$ 1,055,000 |
| 6110 | County Sales Tax - 1 cent | \$ 36,060,000 | \$ - | \$ 36,060,000 |
| 6110 | County Sales Tax - 0.55 cents | \$ - | \$ 12,800,000 | \$ 12,800,000 |
| 6140 | County Alcoholic Beverage Tax | \$ 350,000 | \$ - | \$ 350,000 |
| 6170 | Mineral Lease Documentary | \$ 2,000 | \$ - | \$ 2,000 |
| 6190 | Other County Tax | \$ 75,000 | \$ - | \$ 75,000 |
| 6210 | Regular District Ad Valorem | \$ 12,516,426 | \$ - | \$ 12,516,426 |
| 6370 | Helping Schools Vehicle Tags | \$ 50,000 | \$ - | \$ 50,000 |
| 6380 | Manufactured Homes Reg. Fee | \$ 30,000 | \$ - | \$ 30,000 |
| | TOTAL | \$ 87,636,697 | \$ 12,800,000 | \$ 100,436,697 |

In general, countywide taxes follow students to the respective school systems of the county. Obviously this conclusion is for those counties in which there is more than one school system. This process applies to any type of countywide tax is generally an apportionment to each public school system of the county based upon student count, although not precisely. It is important to insert at this point that in terms of apportionment of school tax revenues to the respective school sites of a school system, there is no state statute or SBE regulation to guide or determine this process. It is a political decision by the school board based upon perceived needs of school sites. But for the school systems of a county, the actual technical basis for apportionment is the **Countywide Foundation Program Cost Ratio** as has been presented in a previous Section.

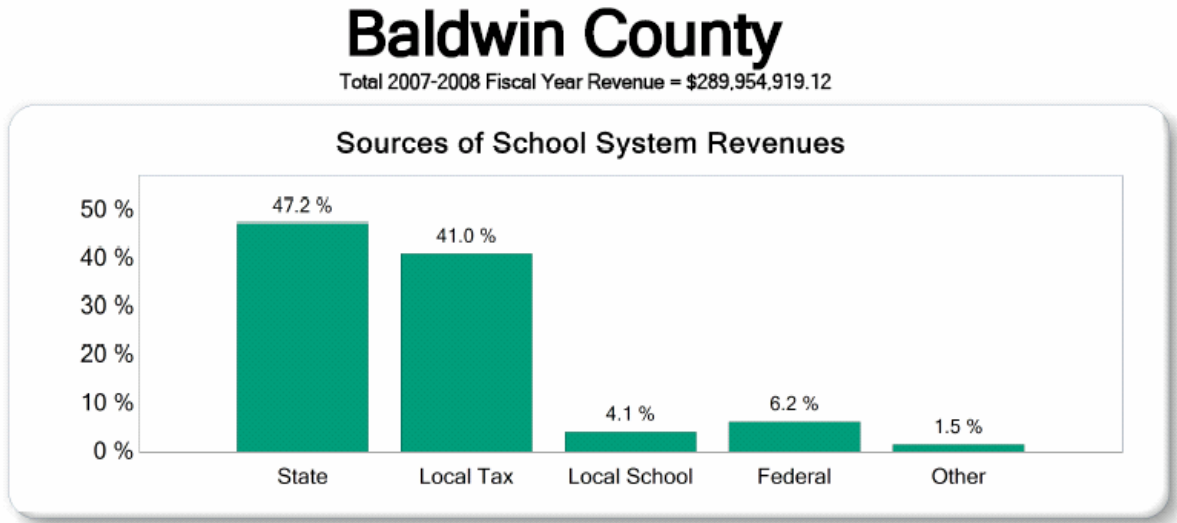
In **Table 4-6** is found the combined revenues for all funds and from all revenue sources for the Baldwin County Public Schools for FY 2009-2010:

**Table 4-6
Baldwin County Public Schools Budgeted Revenues for FY 2009-2010**

| Revenue Description | Revenue Code | Line Item Amount | Subtotal | Total by Source Type |
|--|--------------|------------------|----------|--------------------------|
| 1. STATE SOURCES (1000-2999) | | | | |
| Education Trust Fund (1100-1999) | | | | |
| Foundation Program | | | | |
| Foundation Program - Regular | 1110 | \$ 82,555,339.00 | | |
| Foundation Program - Current Units | 1120 | \$ 624,629.00 | | |
| School Nurses Program | 1220 | \$ 908,149.00 | | |
| Technology Coordinator | 1221 | \$ 28,061.00 | | |
| Alabama Reading Initiative | 1230 | \$ 1,568,010.00 | | |
| High School Graduation Exam Remediation | 1240 | \$ 82,078.00 | | |
| Dropout Prevention - PASS | 1241 | \$ 45,500.00 | | |
| Children First - Alabama Tobacco Settlement | 1250 | \$ 290,453.00 | | |
| English as a Second Language – State | 1252 | \$ 66,871.00 | | |
| Teacher Recruitment Incentives | 1254 | \$ 6,475.00 | | |
| Transportation - Operations | 1310 | \$ 7,656,233.00 | | |
| Transportation - Fleet Renewal | 1320 | \$ 1,147,858.00 | | |
| At Risk | 1410 | \$ 551,941.00 | | |
| Preschool | 1520 | \$ 49,364.00 | | |
| Community Education | 1660 | \$ 14,214.00 | | |
| OSR Pre-Kindergarten Program | 1720 | \$ 665,900.00 | | |
| Legislative Special Appropriations | 1760 | \$ 151,000.00 | | |
| State Contracts | 1810 | \$ 68,838.24 | | |
| Other State Appropriations (2000-2899) | | | | |
| Public School Fund-Capital Outlay | 2120 | \$ 4,381,855.00 | | |
| State Paid on Behalf – Act 2007-415 APSCA | 2201 | \$ 10,046,951.75 | | |
| Dropout Prevention Pilot | 2252 | \$ 41,450.00 | | |
| Other State Revenues (2901-2999) | | | | |
| State Sources Default | 2901 | \$ 350,000.00 | | |
| TOTAL STATE SOURCES | | | | \$ 111,301,169.99 |
| 2. FEDERAL SOURCES (3000-5999) | | | | |
| Individuals With Disabilities Education Act (3200-3299) | | | | |
| IDEA-Part B | 3210 | \$ 5,535,886.00 | | |
| Pre-School Part B- Ages 3-5 | 3220 | \$ 133,491.00 | | |
| Other IDEA Programs | 3290 | \$ 25,000.00 | | |
| Vocational Education | | | | |
| Basic Grant | 3310 | \$ 289,156.00 | | |
| Teach Alabama and 21st Century Classroom | 3319 | | | |
| Technical Preparation Education | 3330 | \$ 20,979.00 | | |
| No Child Left Behind Act of 2001 | | | | |
| Title I, Part A | 4110 | \$ 5,621,417.00 | | |
| Title I, Part B, Subsection 1 – Reading First | 4111 | \$ 77,695.00 | | |
| Title I, Part C – Migrant Education | 4115 | \$ 29,869.00 | | |
| Title I, Part D – Neglected and Delinquent | 4116 | \$ 114,705.00 | | |
| Title II, Part A – Teacher and Principal Training | 4130 | \$ 1,304,224.37 | | |
| Title II, Part D – Enhancing Educ Through Tech (Formula) | 4136 | \$ 71,988.63 | | |
| Title II, Part D – Enhancing Educ Through Tech (Competitive) | 4137 | \$ 87,802.36 | | |
| Title III – English Lang. Acq., Lang. Enhance. & Acad. | 4150 | \$ 140,329.57 | | |
| Title IV, Part A – Safe and Drug-Free Schools & Comm. (SDE) | 4160 | \$ 111,756.99 | | |
| Title IV, Part B – 21st Century Comm. Learning Centers | 4161 | \$ 425,000.00 | | |
| Title X – Homeless Education | 4195 | \$ 37,500.00 | | |
| American Recovery and Reinvestment Act of 2009 | | | | |
| ARRA – Title I, Part A | 4210 | \$ 3,865,164.00 | | |
| ARRA – Title I, Part D Subpart 2 | 4216 | \$ 62,971.00 | | |
| ARRA – Title II, Part D (Formula) | 4236 | \$ 121,297.00 | | |
| ARRA – Title II, Part D (Competitive) | 4237 | \$ 334,326.00 | | |
| ARRA – Homeless | 4239 | \$ 4,261.00 | | |
| ARRA – IDEA, Part B | 4240 | \$ 6,280,094.00 | | |
| ARRA – IDEA, Part B Preschool | 4241 | \$ 202,698.00 | | |
| ARRA – Fiscal Stabilization | 4275 | \$ 6,391,492.00 | | |
| USDA Programs (5000-5299) | | | | |
| USDA-School Lunch Program-Section 11 | 5110 | \$ 4,504,916.00 | | |
| USDA-After School Snack Program | 5125 | \$ 72,542.00 | | |
| USDA-School Breakfast Program | 5130 | \$ 122,743.00 | | |
| USDA-Severe Need Breakfast Program | 5135 | \$ 1,006,648.00 | | |
| USDA-Food Donation Program | 5160 | \$ 788,648.00 | | |
| Department Of Defense (DOD) (5900-5989) | | | | |
| DOD-Air Force ROTC | 5920 | \$ 154,283.00 | | |
| DOD-Navy ROTC | 5930 | \$ 116,332.00 | | |
| Other Federal (5990-5999) | | | | |
| Other Federal Revenue | 5990 | | | |
| Comprehensive School Relief | 5991 | \$ 9,000.00 | | |
| JTPA/Rehab | 5993 | \$ 28,609.00 | | |
| TOTAL FEDERAL SOURCES | | | | \$ 38,092,823.92 |

Of all of these funds, the ones which really matter to the continued operation and enhancement of educational opportunities for students of a local board of education are those derived from local tax sources and over which the local board has local control. Consider the **Report Card for FY 2008-2009** published by the Alabama State Department of Education based upon FY 2007-08 financial data in the following **Figure 4-2**:

Figure 4-2
Source of Revenues for Baldwin County School System for FY 2007-2008



State revenues are generally restricted to expenditure for state purposes, federal revenues for federal purposes, and local school revenues for local school purposes (internal school accounts). Generally the **Other Sources** category is not available for current operations. The leeway for program operations and enhancement is from local tax revenues.

State allocations for Baldwin County budgeted for FY 2009-2010 are found in **Table 4-7**. This summary does not include all state appropriations. In the following **Chapter 5**, the revenues allocated under this scheme for the schools which would serve the resident students of the proposed Fairhope City School System will be detailed. The general rule of money following students applies to all state funds. In **Chapter 5**, when an allocation of state funds is presented for the proposed Fairhope City School System, it will be subtracted from **Table 4-7** to present the funds that would have been available to the Baldwin County School System.

Table 4-7
Baldwin County School System State Allocations for FY 2009-2010
State Department of Education
FY 2010 Foundation Program
Final System Allocation Report

| <i>002 Baldwin County</i> | <i>Factor</i> | <i>FY 2010</i> | <i>Factor</i> | <i>FY 2009</i> | <i>Change</i> |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|
| System ADM | | 26,735.95 | | 26,323.05 | 412.90 |
| Foundation Program Units | | | | | |
| Teachers | | 1,545.32 | | 1,519.67 | 25.65 |
| Principals | | 44.00 | | 43.00 | 1.00 |
| Assistant Principals | | 25.50 | | 25.50 | - |
| Counselors | | 49.50 | | 49.00 | 0.50 |
| Librarians | | 60.00 | | 60.25 | (0.25) |
| Voc. Ed. Directors | | 2.00 | | 2.00 | - |
| Voc. Ed. Counselors | | 2.00 | | 2.00 | - |
| Total Units | | 1,728.32 | | 1,701.42 | 26.90 |
| Foundation Program (State and Local Funds) | | | | | |
| | Per Unit | | Per Unit | | |
| Salaries | | \$ 80,340,434 | | \$ 76,741,130 | \$ 3,599,304 |
| Fringe Benefits | | 32,619,307 | | 31,297,491 | 1,321,816 |
| Other Current Expense | \$12,302 | 21,261,688 | \$16,946 | 28,623,844 | (7,362,156) |
| State Fiscal Stabilization Fund | \$3,698 | 6,391,492 | | - | 6,391,492 |
| Classroom Instructional Support | | | | | |
| Teacher Materials and Supplies/TU | \$0.00 | - | \$525.00 | 680,568 | (680,568) |
| Technology/TU | \$0.00 | - | \$350.00 | 425,355 | (425,355) |
| Library Enhancement/TU | \$0.00 | - | \$200.00 | 297,748 | (297,748) |
| Professional Development/TU | \$0.00 | - | \$90.00 | 59,552 | (59,552) |
| Common Purchase | \$0.00 | - | \$200.00 | 212,676 | (212,676) |
| Textbooks per ADM | \$17.17 | 459,056 | \$75.00 | 1,513,578 | (1,054,522) |
| Total Foundation Program | | 141,071,977 | | 139,851,942 | 1,220,035 |
| State Funds - Local Boards of Education | | | | | |
| Foundation Program - ETF | | 89,249,015 | | 102,615,542 | (13,366,527) |
| School Nurses Program | | 981,784 | | 988,807 | (7,023) |
| High Hopes | | 88,733 | | 82,493 | 6,240 |
| Salaries - 1% per Act 97-238 | | - | | 767,413 | - |
| Technology Coordinator | | 30,337 | 90,349,869 | 35,689 | - |
| Transportation | | | | | |
| Operating Allocation | Per Chassis | 8,277,009 | Per Chassis | 9,218,760 | (941,751) |
| Fleet Renewal | \$5,024 | 1,240,928 | \$6,660 | 1,495,320 | (254,392) |
| Current Units (FY 2010 projected) | | - | | 472,926 | |
| At Risk | | 612,034 | | 714,947 | (102,913) |
| Preschool Program | | 53,367 | | 81,842 | (28,475) |
| Subtotal ETF | | 100,533,207 | | 116,473,739 | (15,940,532) |
| Capital Purchase | | 4,381,855 | | 3,915,553 | 466,302 |
| Subtotal PSF | | 4,381,855 | | 3,915,553 | 466,302 |
| Total State Funds | | 104,915,062 | | 120,389,292 | (15,474,230) |
| Local Funds | | | | | |
| Foundation Program Mills | 10.000000 | 45,431,470 | 10.000000 | 37,236,400 | 8,195,070 |
| Capital Purchase Mills | 0.865321 | 3,932,434 | 0.884000 | 3,426,619 | 505,815 |
| Total Local Funds | | 49,363,904 | | 40,663,019 | 8,700,885 |
| <i>Monthly Allocation - (Foundation Program - ETF, School Nurse, High Hopes, FP Supplemental, Tr Salaries, Transportation, At-Risk, and Preschool)</i> | | | | | |
| | 11 months | 8,377,767 | | 9,659,860 | (1,282,093) |
| | 12th month | 8,377,770 | | 9,659,860 | (1,282,090) |
| NOTES - Due to rounding, some line items may not calculate to exact dollar amount shown. | | | | | |
| TBD = To Be Determined | | | | | |

Alabama Public School and College Authority

Additional state funding for local public schools is available annually through the Alabama Public School and College Authority, which provides both periodic bond issue allocations paid for from state sources (state four percent sales tax) and periodic bond issue allocations paid for by local school system capital purchase allocations from the Public School Fund (3.0 mill statewide ad valorem tax).

The Baldwin County School System has participated in the pledge of state allocations from the 3.0 mill statewide ad valorem tax earmarked to the Public School Fund for an annual capital purchase allocation. The annual pledge for repayment is the intercept of about \$2,500,000 annually from the Capital Outlay Allocation of the Public School Fund by the State Comptroller. The net amount of principal obtained through the APSCA pooled purchase issues in 2001 and 2002 for Baldwin County is \$32,016,409. The amounts provided by the Alabama Public School and College Authority and by the Baldwin County Board of Education vary slightly due to administrative costs. These data are found in the following **Table 4-8**.

Table 4-8
Alabama Public School and College Authority

| APSCA Series 2001-A Debt Service | | APSCA Series 2002-A Debt Service | |
|-------------------------------------|--|-------------------------------------|--|
| Annual Payment Date | Baldwin County Annual Debt Service | Annual Payment Date | Baldwin County Annual Debt Service |
| Principal | \$ 2,506,954.68 | Principal | \$ 30,946,006.00 |
| 2002 | \$ 224,804.21 | 2002 | n/a |
| 2003 | \$ 198,213.78 | 2003 | \$ 2,319,245.56 |
| 2004 | \$ 198,075.26 | 2004 | \$ 2,318,509.29 |
| 2005 | \$ 197,828.06 | 2005 | \$ 2,319,027.09 |
| 2006 | \$ 197,708.76 | 2006 | \$ 2,318,568.37 |
| 2007 | \$ 197,635.86 | 2007 | \$ 2,322,258.96 |
| 2008 | \$ 197,466.86 | 2008 | \$ 2,318,818.58 |
| 2009 | \$ 197,324.37 | 2009 | \$ 2,318,227.81 |
| 2010 | \$ 197,195.13 | 2010 | \$ 2,318,853.33 |
| 2011 | \$ 197,065.90 | 2011 | \$ 2,319,131.34 |
| 2012 | \$ 196,923.40 | 2012 | \$ 2,318,922.83 |
| 2013 | \$ 196,754.40 | 2013 | \$ 2,319,444.10 |
| 2014 | \$ 196,344.82 | 2014 | \$ 2,319,131.34 |
| 2015 | \$ 196,086.57 | 2015 | \$ 2,319,200.84 |
| 2016 | \$ 195,942.70 | 2016 | \$ 2,319,444.10 |
| 2017 | \$ 195,713.72 | 2017 | \$ 2,318,297.31 |
| 2018 | \$ 195,426.75 | 2018 | \$ 2,318,332.06 |
| 2019 | \$ 195,620.60 | 2019 | \$ 2,319,270.35 |
| 2020 | \$ 195,385.33 | 2020 | \$ 2,319,478.86 |
| 2021 | \$ 248,292.74 | 2021 | \$ 2,318,749.08 |
| 2022 | n/a | 2022 | \$ 3,756,132.75 |
| Total | \$ 4,015,809.22 | Total | \$ 47,819,043.95 |

Periodic APSCA Bond Issues authorized by the Legislature and paid for from the state sales tax do not constitute a debt to local boards and allocations are provided with requirements of repayments. They are a gift from the state and allocated according to the priorities of the local board of education.

Total Budgeted State Revenue Sources

The following revenues by state source are budgeted for the Baldwin County School System for FY 2009-2010 in the General Fund which comprises the majority of revenues as shown in **Table 4-9**. The students and schools of the proposed Fairhope City School System would be eligible to receive an apportionment of these funds based upon the criteria adopted by statute and State Board of Education Resolution for the annual allocation of funds.

Table 4-9
State Revenues Budgeted by the
Baldwin County Board of Education for FY 2009-2010

| Revenue Description | Line Item Amount |
|---|--------------------------|
| 1. STATE SOURCES | |
| Education Trust Fund (1100-1999) | |
| Foundation Program | |
| Foundation Program - Regular | \$ 82,555,339.00 |
| Foundation Program - Current Units | \$ 624,629.00 |
| School Nurses Program | \$ 908,149.00 |
| Technology Coordinator | \$ 28,061.00 |
| Alabama Reading Initiative | \$ 1,568,010.00 |
| High School Graduation Exam Remediation | \$ 82,078.00 |
| Dropout Prevention - PASS | \$ 45,500.00 |
| Children First - Alabama Tobacco Settlement | \$ 290,453.00 |
| English as a Second Language – State | \$ 66,871.00 |
| Teacher Recruitment Incentives | \$ 6,475.00 |
| Transportation - Operations | \$ 7,656,233.00 |
| Transportation - Fleet Renewal | \$ 1,147,858.00 |
| At Risk | \$ 551,941.00 |
| Preschool | \$ 49,364.00 |
| Community Education | \$ 14,214.00 |
| OSR Pre-Kindergarten Program | \$ 665,900.00 |
| Legislative Special Appropriations | \$ 151,000.00 |
| State Contracts | \$ 68,838.24 |
| Other State Appropriations (2000-2899) | |
| Public School Fund-Capital Outlay | \$ 4,381,855.00 |
| State Paid on Behalf – Act 2007-415 | \$ 10,046,951.75 |
| Dropout Prevention Pilot | \$ 41,450.00 |
| Other State Revenues (2901-2999) | |
| State Sources Default | \$ 350,000.00 |
| TOTAL STATE SOURCES | \$ 111,301,169.99 |

The following **Chapter 5** will estimate the amount of these state revenues which would be received by the proposed Fairhope City School System.

5. FINANCING THE PROPOSED FAIRHOPE CITY SCHOOL SYSTEM

A. LOCAL REVENUES

Student Enrollment

In Alabama, school funding formulas for the allocation of the 1995 Foundation Program and the 1995 Public School Fund Capital Purchase Allocation are based upon the wealth of a local board of education measured in terms of yield per mill of school tax district ad valorem tax per student in **Average Daily Membership (ADM)** (the average number of students enrolled for the first 20 scholastic days in a local school system after Labor Day) for the prior year from the budget year. As this measure of wealth increases, so does the contribution which local boards of education must provide in order to receive state funds. This student count used for the budget year is the prior year actual student count. Therefore local school systems losing ADM are held-harmless for one year and those gaining ADM are allocated additional current teacher units after December 1.

In the case of the 1995 Foundation Program, the first requirement is that a local board of education must deposit into the General Fund for the purposes of funding the Program the equivalent yield of 10.0 mills of school tax district tax ad valorem tax. This amount is calculated from the most recent financial statement of local boards filed with the State Department of Education, and it is included in the appropriation request for the budget year to determine the local match. Therefore, this amount trails the current appropriations in dollar amount by two fiscal years. For example, the value for the FY 2009-2010 Foundation Program calculations was based upon the ad valorem revenues actually received for FY 2007-2008. Since the Foundation Program is on a per student basis in ADM, this required local effort, or contribution, or chargeback is in reality on a per student basis – the wealth of the local board of education.

Determining Fiscal Capacity in Alabama

Alabama's two methods of providing state funding to local boards of education both rely on a local share or tax effort to be made, and both use one single measure of defining fiscal capacity or tax capacity. This measure is ***the yield of a mill of school tax district ad valorem tax summed for each school tax district in each local school system.*** The school district tax was identified as the independent variable because its yield is directly proportional to the tax base, which is not the case for a countywide ad valorem tax when there is more than one school system in the county and the allocation procedure is based primarily on student count and not taxes paid.

1995 Foundation Program

The required local match for local boards of education to participate in the Foundation Program is that 10 mills of school tax district ad valorem tax or its taxed

based equivalent must be available and budgeted by the local board of education as the local match or share.

Fiscal Capacity

The definition of **local fiscal capacity** is the yield of a standard unit (one mill) of the school tax district ad valorem tax. However, another step is hidden in this calculation. Since the Foundation Program is calculated directly on the number of students in average daily membership (**ADM**), the required local match, contribution, or chargeback is actually on a per student basis. The Foundation Program is calculated based upon students, and thus the chargeback is based upon students, and is in reality the yield of ten mills of school district tax per student. This introduces the concept of **Wealth** of local boards of education.

Wealth of Local Boards of Education for Foundation Program

The **Fiscal Capacity**, as discussed above, of local boards of education is measured by the yield of a single mill of school tax district ad valorem tax. This is expressed in terms of dollars. The **Wealth** of a local board of education is measured by the yield of this same mill, divided by the number of students in ADM and expressed in terms of yield per mill per ADM. This means that there are two variables which determine the wealth of a local board of education: (1) the yield per mill; and (2) the students in ADM.

Wealth of a local board is increased when in any combination the yield per mill or fiscal capacity is increased, and when the number of students to be served is decreased. Thus, a local board of education becomes wealthier if they lose students. This seen in **Appendices 7-9 and 7-10, Yield Per Mill Per ADM Budgeted for FY 2009-2010**, for all local boards of education.

This same relationship between fiscal capacity and numbers of students will also be obviously evident in terms of expenditure of local tax resources per student. For the same amount of tax dollars levied and collected, one local board of education will be wealthier than another and spend more per student if they simply have fewer students. This relationship cannot be overemphasized in understanding school finance. The financial feasibility for a city to form a city school system is thus tied, not only to the property tax base of the city, but also to the number of students to be served.

1995 Capital Purchase Program

The second main state funding program for local boards of education is for capital outlay. The proceeds of a three mill statewide ad valorem tax are distributed to local boards of education as a **Guaranteed Tax Yield Program**. This type of program requires local boards of education to be allocated state resources, based on the local tax base yield. The State guarantees that whatever this yield is, for a local board of

education, the State will supplement the local yield to a target determined annually statewide, based upon the greatest local yield of any local board of education. Therefore, the state allocation is made inversely proportional to local wealth or tax capacity per student. Furthermore, Alabama requires a local match for participation.

Wealth of Local Boards of Education for the 1995 Capital Purchase Program

For calculation of the Capital Purchase Program, the yield of a mill of school tax district ad valorem tax is determined by dividing the yield of each local school district tax by the number of mills which produced it. The next step is to divide this yield per mill by the number of students in ADM to generate the yield per mill per ADM. This again, as in the case of the Foundation Program, is the basic measure of local tax wealth in Alabama. All state funds are allocated on the basis of yield per mill per ADM.

Determining Fiscal Effort in Alabama

Fiscal Effort is a measure of the extent to which a government's fiscal capacity is actually used. It measures actual tax revenue in relation to tax capacity. Fiscal effort is normally defined as the ratio of tax collections to tax capacity. The idea is that communities that try hard to raise taxes but still cannot finance an acceptable level of public services, are worthy of receiving a grant. This is exactly the way the Foundation Program and the Capital Purchase Program operate. If local boards of education make the fiscal effort, whatever they lack in fiscal capacity or wealth is provided by the State.

Mills Equivalent

In Alabama, **Fiscal Effort** is determined by the number of equivalent mills from tax-based resources. Since Fiscal Effort must be measured by the criterion determined to measure Fiscal Capacity, this is an inevitable consequence of Alabama's tax policy. To make this calculation, the total of the tax-based local

Mills Equivalent

This is the total amount of revenue collected locally for public school purposes, divided by the value of one regular system mill of ad valorem tax. The state average is 33.65 mills equivalent.

| This System | Grade |
|-------------|-------|
| 22.86 | D |

revenues for a given fiscal year is divided by the yield of one-mill of school district tax, as determined from the most recent financial statement by the local board of education. This measure of Fiscal Effort or Tax Effort is presented

on the annual Report Cards for each local Board of Education and is shown above for Baldwin County for FY 2007-2008 (**FY 2009 Report Card** contains fiscal data for FY

2008). As seen above, it is graded statewide as a “D.” A calculation of the number of equivalent mills budgeted in county and city school systems in Alabama for FY 2009-2010 is presented in **Appendices 7-11** and **7-12**.

Chargeback or Required Local Effort for Baldwin County School System

The calculation of the chargeback for the Baldwin County School System follows in **Table 5-1** for FY 2009-2010:

Table 5-1
Calculation of the Chargeback for the
Baldwin County School System, FY 2009-2010

| Current Fiscal Year | Current Year ADM | ADM Used in Foundation | Yield per Mill | | Chargeback PER ADM |
|---------------------|------------------|------------------------|--------------------|-----------------|--------------------|
| | | | Used in Foundation | Chargeback Used | |
| 1999-2000 | 22,319.14 | n/a | \$1,699,457 | n/a | n/a |
| 2000-2001 | 22,598.51 | 22,319.14 | \$1,850,805 | n/a | n/a |
| 2001-2002 | 23,087.02 | 22,598.51 | \$1,962,115 | \$16,994,570 | \$761.43 |
| 2002-2003 | 23,414.12 | 23,087.02 | \$2,155,209 | \$18,508,050 | \$818.99 |
| 2003-2004 | 23,977.91 | 23,414.12 | \$2,409,759 | \$19,621,150 | \$849.88 |
| 2004-2005 | 24,657.25 | 23,977.91 | \$2,466,412 | \$21,552,090 | \$920.47 |
| 2005-2006 | 25,825.20 | 24,657.25 | \$2,931,421 | \$24,097,590 | \$1,004.99 |
| 2006-2007 | 26,037.40 | 25,825.20 | \$3,723,640 | \$24,664,120 | \$1,000.28 |
| 2007-2008 | 26,323.05 | 26,037.40 | \$4,543,147 | \$29,314,210 | \$1,135.10 |
| 2008-2009 | 26,735.95 | 26,323.05 | \$4,383,047 | \$37,236,400 | \$1,430.11 |
| 2009-2010 | 27,445.40 | 26,735.95 | n/a | \$45,431,470 | \$1,725.92 |
| 2010-2011 | n/a | 27,445.40 | n/a | \$43,830,470 | \$1,639.38 |

As is seen in **Appendices 7-9** and **7-10**, this measure for FY 2009-2010 (the most recent data released by the Alabama State Department of Education) ranks the Baldwin County School System as the **1st** school system in the State based on wealth as defined by **Yield per Mill per ADM**. It is obvious from this calculation that the wealth measure is very sensitive to the numbers of students served in ADM. However, by the same token, in **Appendices 7-11** and **7-12**, **Mills Equivalent for FY 2009-2010**, fiscal effort as measured by equivalent mills, the Baldwin County School System ranks **75th** statewide. This is due to a low tax rate. This is what earned a “D” on the report card above.

Determining the Wealth of the Proposed Fairhope City School System for State School Aid Formula Purposes

Since the wealth of a local school system is sensitive to the numbers of students enrolled, it is necessary to estimate the number of students to be served in the proposed Fairhope City School System before a measure of wealth can be predicted. Using the best information available on actual residents of Fairhope attending Fairhope schools, the following ADM numbers have been incorporated in calculations made for student population in **Table 5-2**;

**Table 5-2
Resident Student Enrollment for
Proposed Fairhope City School System for School Year 2009-2010**

| Source of ADM | Fairhope K-1 Center | Fairhope Primary School | Fairhope Intermediate School | Fairhope Middle School | Fairhope High School | TOTAL All Residents |
|--------------------------|------------------------|-------------------------------|------------------------------------|------------------------------|----------------------------|------------------------|
| School Code | 0075 | 0073 | 0071 | 0070 | 0065 | Total |
| Grades | K-1 | 2-3 | 4-5 | 6-8 | 9-12 | K-12 |
| Residents in Fairhope | 325 | 360 | 349 | 544 | 644 | 2,222 |
| Residents in Other Sites | <u>15</u> | <u>16</u> | <u>16</u> | <u>6</u> | <u>4</u> | <u>57</u> |
| Grand Total Residents | 340 | 376 | 365 | 550 | 648 | 2,279 |

Since the feasibility analysis is based upon the proposed Fairhope City School System, and since a city school system is required by statute to provide educational services to its resident students, only the 2,279 resident students attending school sites in the City of Fairhope and outside the City of Fairhope will be considered.

Wealth of the Proposed Fairhope City School System

The proposed Fairhope City School System (the municipal boundaries of Fairhope would become the bounds of a school tax district and would automatically have 3.0 mills levied and collected) would have its chargeback determined by the yield of one mill of city school tax district tax for schools multiplied by ten. Prior to complete financial separation, the value of one mill of municipal ad valorem tax will serve the same purpose, and should, with minor variations, equal the yield per mill of school tax district ad valorem tax.

The assessed valuation and yield per mill of city ad valorem tax levied for Fairhope follow in **Table 5-3** through **Table 5-5**. The amounts for FY 2009-10 are estimates. **Table 5-3** summarizes assessed valuation and taxes paid for **Classes I** (public utilities), **II** (businesses), and **III** (real and personal property of homeowners, timberland, and farms) as collected by the Office of Revenue Commission for Baldwin County. **Table 5-4** summarizes assessed valuation and taxes paid for **Class IV** personal property (automobiles) by the Office of Probate Judge for Baldwin County. **Table 5-5** summarizes **Classes I, II, III and IV** real and personal property and determines the yield per mill and applicable chargeback.

From **Table 5-5**, it is seen that the Chargeback for the proposed Fairhope City School System for FY 2009-10 would be **\$3,482,246** based upon the tax revenues per 10 mills from two years earlier. This is shown in the shaded areas in **Table 5-5**. However, this is a measure of fiscal capacity or tax capacity and now of wealth. For a representation of how this compares to other school systems of the State, it is necessary to convert the yield per mill to yield per mill per ADM. This is shown in **Table 5-6**.

Table 5-3
Assessed Valuation of Classes I, II, and III of Fairhope City

| Assessed Valuation for Classes I, II, & III of Property for the City of Fairhope for Selected Fiscal Years For Fiscal Years Ending Sept. 30 from Revenue Commissioner's Office and Net of Abatements and Exemptions | | | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Category | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Estimated |
| Class I Property | | | | | | | | |
| Total Public Utility Property | 1,512,340.00 | 1,615,900.00 | 1,715,620.00 | 1,842,120.00 | 1,268,220.00 | 1,412,140.00 | 1,362,280.00 | 1,362,280.00 |
| Class II Property | | | | | | | | |
| Airline & Rail Road Property | | | | | | | | |
| Real Property | 101,014,340 | 101,706,440 | 118,056,840 | 136,569,540 | 206,252,360 | 210,904,440 | 199,178,900 | 199,178,900 |
| Personal Property | 8,782,459 | 9,206,300 | 9,499,280 | 10,694,500 | 11,087,680 | 13,396,180 | 13,144,900 | 13,144,900 |
| Total Class II | 109,796,799 | 110,912,740 | 127,556,120 | 147,264,040 | 217,340,040 | 224,300,620 | 212,323,800 | 212,323,800 |
| Industrial Exemptions | 156,340 | 280,980 | 519,360 | 1,598,340 | 1,859,860 | 1,805,200 | 2,007,340 | 2,007,340 |
| Other Exemptions | 22,951,140 | 23,341,880 | 25,133,680 | 26,882,440 | 42,799,400 | 44,669,380 | 45,521,400 | 45,521,400 |
| Abatements | | | | | | 480,000 | 480,000 | 480,000 |
| Total Exemptions | 23,107,480 | 23,622,860 | 25,653,040 | 28,480,780 | 44,659,260 | 46,954,580 | 47,528,740 | 47,528,740 |
| Total Class II Less Exemptions | 86,689,319 | 87,289,880 | 101,903,080 | 118,783,260 | 172,680,780 | 177,346,040 | 164,795,060 | 164,795,060 |
| Class III Property | | | | | | | | |
| Assessment - Current Use | 59,560 | 56,240 | 59,200 | 57,920 | 77,620 | 59,100 | 58,660 | 58,660 |
| Assessment - Other | 76,177,900 | 81,891,380 | 96,632,900 | 111,307,560 | 167,706,620 | 166,145,900 | 166,179,620 | 166,179,620 |
| Total Class III | 76,237,460 | 81,947,620 | 96,692,100 | 111,365,480 | 167,784,240 | 166,205,000 | 166,238,280 | 166,238,280 |
| Homestead Exemptions | 5,448,460 | 6,113,540 | 7,247,560 | 7,743,500 | 13,829,300 | 14,386,000 | 13,788,580 | 13,788,580 |
| Total Class III Less Exemptions | 70,789,000 | 75,834,080 | 89,444,540 | 103,621,980 | 153,954,940 | 151,819,000 | 152,449,700 | 152,449,700 |
| Penalties | 74,380 | 59,100 | 70,640 | - | 94,980 | 58,220 | 98,700 | 98,700 |
| Total Assessed Value | 187,620,979 | 194,535,360 | 226,034,480 | 260,471,640 | 386,487,480 | 391,975,980 | 380,023,060 | 380,023,060 |
| Total Net Assessed Value | 159,065,039 | 164,798,960 | 193,133,880 | 224,247,360 | 327,998,920 | 330,635,400 | 318,225,740 | 318,225,740 |
| Less Cost of Collection | n/a | n/a | n/a | n/a | 196,799 | 198,381 | 190,935 | 190,935 |
| TOTAL NET TAXES DUE | \$ 2,385,975.59 | \$ 2,471,984.40 | \$ 2,897,008.20 | \$ 3,363,710.40 | \$ 4,723,184.45 | \$ 4,761,149.76 | \$ 4,582,450.66 | \$ 4,582,450.66 |

*Taxes Estimated for FY 2010

Table 5-4
Assessed Valuation of Motor Vehicles, Classes I, II, and IV of Fairhope City

| Assessed Valuation for Motor Vehicle Class I, II, and IV of Property for the City of Fairhope for Selected Fiscal Years For Fiscal Years Ending Sept. 30 Probate Judge's Office and Net of Abatements, Exemptions and Cost of Collection | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Category | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Estimated |
| Class I, II & IV | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 31,743,560 | \$ 31,896,800 | \$ 31,896,800 |
| Annual Change | n/a | n/a | n/a | n/a | n/a | \$ 31,743,560 | \$ 153,240 | \$ - |
| Percent Change | n/a | n/a | n/a | n/a | n/a | n/a | 0.48% | 0.00% |
| Tax Collections* | \$ 297,374.73 | \$ 337,767.35 | \$ 381,196.57 | \$ 416,390.24 | \$ 438,399.48 | \$ 462,219.20 | \$ 467,238.26 | \$ 467,238.26 |

*Taxes Estimated for FY 2010

Table 5-5
Assessed Valuation of All Classes of Fairhope City

| Assessed Valuation for Classes I, II, III & IV of Property for the City of Fairhope for Selected Fiscal Years For Fiscal Years Ending Sept. 30 from Revenue, Commissioners' Office and Probate Judge's Office and Net of Abatements, Exemptions and Cost of Collection | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Category | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Estimated |
| Net Taxes Received | \$ 2,683,350 | \$ 2,809,752 | \$ 3,278,205 | \$ 3,780,101 | \$ 5,161,584 | \$ 5,223,369 | \$ 5,049,689 | \$ 5,049,689 |
| Percent Change | n/a | 4.71% | 16.67% | 15.31% | 36.55% | 1.20% | -3.33% | 0.00% |
| Number of Mills | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| Yield Per Mill | \$ 178,890 | \$ 187,317 | \$ 218,547 | \$ 252,007 | \$ 344,106 | \$ 348,225 | \$ 336,646 | \$ 336,646 |
| Chargeback** | n/a | n/a | \$ 1,788,900 | \$ 1,873,168 | \$ 2,185,470 | \$ 2,520,067 | \$ 3,441,056 | \$ 3,482,246 |

*Taxes Estimated for FY 2009 and FY 2010

**Chargeback in current ETF Appropriations Bill is based upon the yield of one mill of school tax district ad valorem tax two years earlier

Table 5-6
Yield Per Mill Per ADM for Proposed Fairhope City School System

| Calculation of Wealth of Proposed Fairhope City School System Based Upon Municipal Tax Yield | | | | | | | | |
|--|----------------|-----------------|-----------------|------------------|------------------|----------------------|------------------|---------------------|
| Category | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Estimated |
| Yield Per Mill | n/a | \$ 187,316.78 | \$ 218,546.98 | \$ 252,006.71 | \$ 344,105.60 | \$ 348,224.60 | \$ 336,645.93 | \$ 336,645.93 |
| Chargeback | n/a | n/a | n/a | \$ 1,873,168 | \$ 2,185,470 | \$ 2,520,067 | \$ 3,441,056 | \$ 3,482,246 |
| ADM | n/a | 2,279.00 | 2,279.00 | 2,279.00 | 2,279.00 | 2,279.00 | 2,279.00 | 2,279.00 |
| Yield Per Mill Per ADM | n/a | \$ 82.19 | \$ 95.90 | \$ 110.58 | \$ 150.99 | \$ 152.80 | \$ 147.72 | \$ 147.72 |
| Chargeback/ADM Fairhope | n/a | n/a | \$ 784.95 | \$ 821.93 | \$ 958.96 | \$ 1,105.78 | \$ 1,509.90 | \$ 1,527.97 |
| Chargeback/ADM Baldwin Co. | n/a | n/a | \$920.47 | \$1,004.99 | \$1,000.28 | \$ 1,135.10 | \$ 1,725.92 | \$ 1,639.38 |

*Taxes Estimated for FY 2010

Calculation of the Chargeback for the Proposed Fairhope City School System

From **Table 5-6** above, the chargeback that would be assessed the proposed Fairhope City School System for FY 2010 would be determined by taking the yield of the 15.0 mill municipal rate for FY 2008 actual (two years in arrears) and determining the yield per mill by dividing the yield by 15.0. This **yield per mill is \$348,224.60**. From this value, the chargeback would be multiplied by 10.0 to compute the chargeback of **\$3,482,246**.

In addition from this calculation of wealth, it is shown that for FY 2009-10 (the latest financial data available statewide from the State Department of Education of budgeted local taxes) the yield per mill per ADM would be **\$147.72** for the proposed Fairhope City School System. This value, as seen in **Appendices 7-9** and **7-10**, would rank the proposed Fairhope City School System as **3rd** highest in the State, trailing only Baldwin County and Homewood City School Systems. This is demonstrated in the summary **Table 5-7** which follows:

Table 5-7
Rank of Wealth in Yield Per Mill Per ADM Budgeted for FY 2009-2010

| System Description | FY 2010 Budgeted Total Local Tax Revenues | System ADM | FY 2010 System Value of a Mill | FY 2010 Rank | FY 2010 System Value of a Mill per ADM | FY 2010 Rank |
|---------------------|--|---------------|--------------------------------------|-----------------|---|-----------------|
| Baldwin County | \$ 90,976,697 | 26,735.95 | \$ 4,543,147 | 1 | \$ 169.93 | 1 |
| Homewood City | \$ 24,943,742 | 3,449.45 | \$ 533,374 | 21 | \$ 154.63 | 2 |
| Mountain Brook City | \$ 26,934,019 | 4,366.90 | \$ 554,168 | 19 | \$ 126.90 | 3 |
| Hoover City | \$ 62,676,598 | 12,541.65 | \$ 1,473,787 | 8 | \$ 117.51 | 4 |
| Coosa County | \$ 2,026,861 | 1,331.85 | \$ 148,440 | 70 | \$ 111.45 | 5 |
| Anniston City | \$ 5,400,800 | 2,377.55 | \$ 260,964 | 45 | \$ 109.76 | 6 |
| Washington County | \$ 5,241,819 | 3,485.55 | \$ 368,241 | 30 | \$ 105.65 | 7 |
| Tallapoosa County | \$ 6,363,514 | 3,038.05 | \$ 315,227 | 38 | \$ 103.76 | 8 |
| Vestavia Hills City | \$ 30,572,249 | 5,960.90 | \$ 610,949 | 16 | \$ 102.49 | 9 |

However, wealth is not useful for funding schools unless taxed. While the Baldwin County School System has the greatest wealth of any of the 132 school systems in Alabama as budgeted for FY 2010, application of a very low tax rate on this base

yields limited local financial support for schools and students. From these same Appendices 7-9 and 7-10, it is demonstrated why the Baldwin County School System receives a grade of “D” on local tax effort. In the following Table 5-8, the wealth and tax effort of the top ranked school schools in Alabama is demonstrated:

**Table 5-8
Budgeted Tax Wealth and Tax Effort for FY 2010**

| System Description | FY 2010 Budgeted Total Local Tax Revenues | System ADM | FY 2010 System Value of a Mill | FY 2010 Rank | FY 2010 System Value of a Mill per ADM | FY 2010 Rank | FY 2010 System Equivalent Mills | FY 2010 Rank |
|---------------------|--|---------------|--------------------------------------|--------------------|---|--------------------|--|-----------------|
| Baldwin County | \$ 90,976,697 | 26,735.95 | \$ 4,543,147 | 1 | \$ 169.93 | 1 | 20.03 | 111 |
| Homewood City | \$ 24,943,742 | 3,449.45 | \$ 533,374 | 21 | \$ 154.63 | 2 | 46.77 | 22 |
| Mountain Brook City | \$ 26,934,019 | 4,366.90 | \$ 554,168 | 19 | \$ 126.90 | 3 | 48.60 | 17 |
| Hoover City | \$ 62,676,598 | 12,541.65 | \$ 1,473,787 | 8 | \$ 117.51 | 4 | 42.53 | 33 |
| Coosa County | \$ 2,026,861 | 1,331.85 | \$ 148,440 | 70 | \$ 111.45 | 5 | 13.65 | 132 |
| Anniston City | \$ 5,400,800 | 2,377.55 | \$ 260,964 | 45 | \$ 109.76 | 6 | 20.70 | 107 |
| Washington County | \$ 5,241,819 | 3,485.55 | \$ 368,241 | 30 | \$ 105.65 | 7 | 14.23 | 129 |
| Tallapoosa County | \$ 6,363,514 | 3,038.05 | \$ 315,227 | 38 | \$ 103.76 | 8 | 20.19 | 110 |
| Vestavia Hills City | \$ 30,572,249 | 5,960.90 | \$ 610,949 | 16 | \$ 102.49 | 9 | 50.04 | 14 |

From Table 5-6, it is seen that the **chargeback** (required local effort) for the proposed Fairhope City School System for FY 2009-2010 would be **\$3,482,246**, a value two years in arrears of projected current collections. Obviously, when considering the numbers of students to be served and ignoring the financial impact of the state required matches, the proposed Fairhope City School System would be less wealthy than the Baldwin County School System. The next step is to consider the financial impact of the required matches, the cost of central office operations, and debt to be assumed.

Allocation of Tax Revenues

As discussed in an earlier section, the first source of school taxes for the proposed Fairhope City School System will be the apportioned share of the countywide school taxes. These will be apportioned on the basis of the **Countywide Foundation Program Cost Ratio** of the respective school systems of Baldwin County. Simply put, the sum of the calculated foundation program cost for the residual Baldwin County School System would be added to the calculated Foundation Program cost of the proposed Fairhope City School System. The share that each school system’s Foundation Program cost is of the total cost is the share of countywide revenues that each respective school system will receive.

Proposed Fairhope City School System Share of Countywide Taxes

The calculation of the distribution of countywide taxes is based upon the Countywide Foundation Program Cost Ratio as discussed earlier. While this necessitates the calculation of the cost of the **1995 Foundation Program** for both the proposed Fairhope City School System and the residual Baldwin County School

System (these direct calculations follow in a later section) in the calculation of state resources, the results are provided here in **Table 5-9** for ease of discussion.

Table 5-9
Proposed Baldwin Countywide Foundation Program Cost Ratio for 2009-2010

| COUNTYWIDE FOUNDATION PROGRAM COST RATIO | | |
|--|-----------------------|---|
| School System | Amount | Percent of Total Baldwin County* |
| Fairhope Foundation Program | \$ 11,440,313 | 8.494410% |
| Net Baldwin County Foundation Program | \$ 123,240,172 | 91.505590% |
| Countywide Total* | \$ 134,680,485 | 100.000000% |
| <i>*Note: Countywide Foundation Program Cost Ratio is each school system's share of the total foundation program costs of all the school systems of the county and is calculated annually by the State Superintendent of Education by statute.</i> | | |

By state law which has been previously discussed, the proposed Fairhope City School System's share of countywide revenues would be **8.494410 percent** of all countywide taxes and other applicable revenue resources. This calculation would be performed annually by the State Superintendent of Education as is provided by law and provided to county revenue officials. In final negotiations for separation, this calculation would also be the basis for allocation of escrowed financial assets. Obviously as one school system of a county grows in student population to the detriment of any others of the county, their percent share of countywide taxes will increase. By the same token, should the cost factors driving the **1995 Foundation Program** (such as teachers' rank and experience) increase disproportionately, so will the **Countywide Foundation Program Cost Ratio**. This logic holds true as the **1995 Foundation Program** is a cost reimbursement program and as state money follows students, not school systems.

As presented earlier, Fairhope City is located in **Baldwin County School Tax District Number 2**, which levies and collects 3.0 mills of ad valorem tax. Therefore, upon formation of a city school system, a new tax district would statutorily be created which is contiguous with the city limits of Fairhope. The yield of 3.0 mills of school ad valorem tax district tax, which is calculated upon the yield projected from 3.0 mills of Fairhope municipal ad valorem tax, will also be revenue to the proposed Fairhope City School System. School Ad Valorem District Tax is not shared, but must be expended in the Tax District where levied and collected, both by the provisions of **Amendment 3, Section 2**, and by implementing statute for this constitutional provision. However, this requirement is not audited by the Alabama State Department of Education nor accommodated in the state accounting system.

(balance of this page left intentionally blank)

**B. PROPOSED FAIRHOPE CITY SCHOOL SYSTEM
LOCAL TAX REVENUES, FY 2009-2010**

The calculation of the apportionment of the countywide and district (area) ad valorem revenues budgeted for FY 2009-2010 to the proposed Fairhope City School System follows in **Table 5-10**. As will be seen, a portion of the ad valorem tax revenues will be apportioned by the **Countywide Foundation Program Cost Ratio**, and a portion will be levied and collected in the **school tax district**, which will be the city boundary of Fairhope. By one criterion, the financial picture of the residual Baldwin County school system will actually improve to \$3,017.71 per student. This is because the value of a mill in Fairhope on a per student basis is less than that for the county overall.

Fairhope forming an independent city school system, because it is a less wealthy area, makes the residual county school system slightly wealthier. **Table 5-10** estimates the **Total Predicted Local Tax Revenues for FY 2009-2010** which are derived using previous **Table 5-9**:

**Table 5-10
Total Predicted Local Tax Revenues for the
Proposed Fairhope City School System for FY 2009-2010**

| Revenue Code | Description | FY 2010 | FY 2010 | FY 2010 | FY 2010 | FY 2010 | FY 2010 Net |
|---------------------------|--|-----------------------|-------------------------------|-----------------------------|--------------------------|--------------------------|-------------------------|
| | | General Fund Budgeted | Special Revenue Fund Budgeted | FY 2010 Memo Total Budgeted | Estimated Fairhope Ratio | Fairhope Estimated Taxes | Residual Baldwin County |
| 6010 | County Regular Ad Valorem - 4.0 Mills | \$ 16,666,232 | \$ - | \$ 16,666,232 | 0.0849441 | \$ 1,415,698 | \$ 15,250,534 |
| 6032 | County Special Ad Valorem - 5.0 Mills | \$ 20,832,039 | \$ - | \$ 20,832,039 | 0.0849441 | \$ 1,769,559 | \$ 19,062,480 |
| 6095 | County Business Privilege Tax | \$ 1,055,000 | \$ - | \$ 1,055,000 | 0.0849441 | \$ 89,616 | \$ 965,384 |
| 6110 | County Sales Tax - 1 cent | \$ 36,060,000 | \$ - | \$ 36,060,000 | 0.0849441 | \$ 3,063,084 | \$ 32,996,916 |
| 6110 | County Sales Tax - 0.55 cents | \$ - | \$ 12,800,000 | \$ 12,800,000 | 0.0849441 | \$ 1,087,285 | \$ 11,712,715 |
| 6140 | County Alcoholic Beverage Tax | \$ 350,000 | \$ - | \$ 350,000 | 0.0849441 | \$ 29,730 | \$ 320,270 |
| 6170 | Mineral Lease Documentary | \$ 2,000 | \$ - | \$ 2,000 | 0.0849441 | \$ 170 | \$ 1,830 |
| 6190 | Other County Tax | \$ 75,000 | \$ - | \$ 75,000 | 0.0849441 | \$ 6,371 | \$ 68,629 |
| 6210 | Regular District Ad Valorem | \$ 12,516,426 | \$ - | \$ 12,516,426 | n/a | \$ 1,009,938 | \$ 11,506,488 |
| 6370 | Helping Schools Vehicle Tags | \$ 50,000 | \$ - | \$ 50,000 | 0.0849441 | \$ 4,247 | \$ 45,753 |
| 6380 | Manufactured Homes Reg. Fee | \$ 30,000 | \$ - | \$ 30,000 | 0.0849441 | \$ 2,548 | \$ 27,452 |
| | TOTAL | \$ 87,636,697 | \$ 12,800,000 | \$ 100,436,697 | n/a | \$ 8,478,246 | \$ 91,958,451 |
| <i>Note: Not included</i> | | | | | | | |
| 6510 | County Commission Appropriations | | | \$ 40,000.00 | | | |
| 6520 | Municipal Appropriations - City of Foley | | | \$ 500,000.00 | | | |
| | TOTAL ALL | | | \$ 100,976,697 | | | |

As is seen in **Table 5-10**, all county taxes are apportioned by the **Countywide Foundation Program Cost Ratio (0.0849441)** which means that, in accordance with state law, the Proposed Fairhope City School System would be entitled to 8.49441% of countywide taxes. This differs slightly from the **Baldwin County ADM Ratio for FY 2009-2010** which follows in **Table 5-11**:

(balance of this page is left intentionally blank)

**Table 5-11
Baldwin County ADM Ratio for FY 2009-2010**

| BALDWIN COUNTY COUNTYWIDE ADM RATIO | | |
|--|--------------------------------|---|
| School System | Number of Pupils in ADM | Percent of Total Baldwin County* |
| Fairhope Foundation Program | 2,279.00 | 8.524103% |
| Net Baldwin County Foundation Program | <u>24,456.95</u> | <u>91.475897%</u> |
| Countywide Total | 26,735.95 | 100.000000% |

The difference in the two calculations is that while countywide taxes follow students, they follow students by statute in terms of the reimbursement for the 1995 Foundation Program which is required to be offered all students. Variations in the costs determined for students in the proposed Fairhope City School System versus the residual Baldwin County School System determine the difference.

As is seen in **Table 5-12** below, the proposed Fairhope City School System will in total generate a slightly reduced amount of local tax revenues per student at \$3,720.16 when compared to the Baldwin County School System budgeted at \$3,756.62 and net to the residual Baldwin County School System at \$3,760.01. In terms of the share of local tax revenues, the creation of the proposed Fairhope City School System should have virtually no financial impact to the Baldwin County School System.

**Table 5-12
Calculation of Local Tax Revenues Per Student for FY 2009-2010**

| Category | FY 2010 Baldwin County Budgeted | FY 2010 Fairhope Estimated Taxes | FY 2010 Net Residual Baldwin County |
|----------------------------------|--|---|--|
| Local Tax-Based Revenue | \$100,436,697 | \$ 8,478,246 | \$ 91,958,451 |
| Student Enrollment in ADM | <u>26,735.95</u> | <u>\$ 2,279</u> | <u>\$ 24,457</u> |
| Local Tax-Based Revenues Per ADM | \$ 3,756.62 | \$ 3,720.16 | \$ 3,760.01 |

A further step in this analysis is to calculate the impact of the required local match for state funds when state revenues are considered. The mere levy and collection of local tax revenues on a per student basis does not mean they are available for local purposes. The local match for two state programmatic funding formulae must be met. School internal funds are **not** available for this purpose.

State Matching Requirements for the Proposal Fairhope City School System

As has been discussed in **Chapter 2**, the State requires a local match for its two major state funding formulae. The first is foremost the **1995 Foundation Program**; the second is the **1995 Capital Purchase Allocation**. The steps to calculate the **1995 Capital Purchase Allocation** will follow. However, the summary **Table 5-13** which follows details the required local matches.

Table 5-13
Summary of Required State Matches
for the Proposed Fairhope City School System

| Summary of Required State Matches for FY 2009-2010 (Estimated) | | | |
|---|--|---|--|
| State Aid Program | Budgeted Baldwin County School System | Proposed Fairhope City School System | Net Residual Baldwin County |
| 1995 Foundation Program | \$ 45,431,470 | \$ 3,482,246 | \$ 41,949,224 |
| 1995 Capital Purchase Allocation | \$ 3,932,434 | \$ 301,326 | \$ 3,631,108 |
| Countywide Total | \$ 49,363,904 | \$ 3,783,572 | \$ 45,580,332 |

The analysis to this point has focused primarily on local tax resources and the required state matches. Local taxes are the component of school revenues which are considered in the state allocation of state financial aid; local taxes, after these matches have been made, are the funds over which local boards can exercise local control. These are known as **unrestricted local revenues**. For example, in **Table 5-14**, Local Food Service Income is presented:

Table 5-14
Baldwin County Local Food Service Income Budgeted for FY 2009-2010

| Revenue Description | Revenue Code | Line Item Amount | Total |
|--|-------------------------|-----------------------------|-----------------|
| Food Service Income (6700-6799) | | | |
| Daily Sales - Lunch | 6710 | \$ 2,633,482.00 | |
| Daily Sales - Breakfast | 6720 | \$ 231,936.00 | |
| Daily Sales - A la carte | 6730 | \$ 1,102,879.00 | |
| Other Food Service Income | 6790 | \$ 63,477.00 | |
| Subtotal Food Service Income | | | \$ 4,031,774.00 |

The proposed Fairhope City School System will earn these types of local food service income. But like many other types of revenues, they are collected and dispersed where actually collected and do not become an unrestricted net revenue for general operations. Therefore, they do not represent financial resources which the school board may use for general operating purposes.

Other sources of local funds for the Baldwin County School System might not be available to the proposed Fairhope City School System. Examples follow in **Table 5-15**:

Table 5-15
Other Local Revenues for Baldwin County for FY 2009-2010

| Revenue Description | Revenue Code | Line Item Amount | Total |
|--|-------------------------|-----------------------------|-----------------|
| Earnings on Investments (6800-6899) | | | |
| Interest | 6810 | \$ 25,000.00 | |
| Interest | 6810 | \$ 10,250.00 | |
| Interest | 6810 | \$ 100,000.00 | |
| Subtotal Earnings on Investments | | | \$ 135,250.00 |
| Other Local Revenue (6900-6999) | | | |
| Rentals | 6910 | \$ 1,000.00 | |
| Charges for Services | 6921 | \$ 838,641.00 | |
| Fees | 6930 | \$ 12,000.00 | |
| Contributions from Private Sources | 6940 | \$ 33,400.00 | |
| Medicaid Administrative Outreach Program | 6965 | \$ 500,000.00 | |
| Subtotal Other Local Revenue | | | \$ 1,385,041.00 |

School Internal Funds: Public and Non-Public

School Funds generated internally within a school site are accounted for in the accounting system. In Alabama, the funds maintained at the local schools are recorded in two major categories: **Public Funds** and **Non-Public Funds**.

(1) Public Funds generally contain revenues that are generated by a school-wide activity. The revenues thus generated are unrestricted and can be expended for the benefit of all students at that school site. These funds are controlled primarily by the principal and cannot be used by the school board for general purposes.

(2) Non-Public Funds contain revenues that are generated for a specific group. The revenues are restricted to be expended for the benefit of that specific group. These funds are controlled by the sponsor/students of the specific group and/or the parental organization. Consequently, these revenues represent two very different types of activities. Therefore, they are recorded in the accounting system differently. The proper classification is discussed in the following sections.

Public Funds are always recorded as **Special Revenue** funds under Governmental Funds in the state accounting system. Examples follow in **Table 5-16**.

Table 5-16
Revenue Source Codes for Public Funds - Type 12

| <u>Local School Revenue – Public</u> | <u>Revenue Account Code</u> (7000-7999) |
|--------------------------------------|--|
| Admissions | 7110 |
| Appropriations | 7140 |
| Concessions | 7180 |
| Commissions | 7220 |
| Dues & Fees (Required) | 7260 |
| Fines & Penalties | 7300 |
| Fund Raiser | 7340 |
| Grants | 7380 |
| Sales | 7420 |
| Donations | 7430 |
| Accommodations | 7440 |
| Other | 7490 |

Non-Public Funds are always classified as **Fiduciary Funds** in the accounting system and are designated as **Expendable Trust Funds**. They are held in trust by the school for expenditure only at the direction of and on behalf of selected individuals or groups. The accounting of these funds is found in the following **Table 5-17**.

Table 5-17
Revenue Codes for Non-Public Funds – Type 32
Local School Revenue - Non Public **Revenue Account Code**
(7500-7999)

| | |
|----------------------------|------|
| Concessions | 7510 |
| Dues & Fees (Self-imposed) | 7610 |
| Fund Raiser | 7710 |
| Donations | 7810 |
| Accommodations | 7850 |
| Other | 7910 |

These funds are budgeted annually by each local school site. For the schools serving the students residing in Fairhope, a summary of these estimated funds follows in **Table 5-18**.

Table 5-18
Summary of Estimated School Internal Funds
Budgeted for FY 2009-2010 in the School Sites of Fairhope

| PUBLIC | NON-PUBLIC | TOTAL |
|------------|------------|-------------|
| \$ 996,912 | \$ 360,549 | \$1,357,461 |

While these funds are very important to the operation of these schools, they are not a consideration of the fiscal capacity and feasibility of the proposed Fairhope City School System. They are restricted to spending at the school site where generated and are not available for educational initiatives of the local board of education. They will be displayed, however, in the total projected budget for FY 2009-2010 of the proposed Fairhope City School System. These funds are included in the reported revenues per student and expenditures per student of the school systems of Alabama.

(balance of this page left intentionally blank)

C. PROPOSED FAIRHOPE CITY SCHOOL SYSTEM STATE REVENUES, FY 2009-2010

The proposed Fairhope City School System would participate in the allocation of all state revenues provided for public school operations, including the 1995 Foundation Program, and Categorical Aid programs, including the 1995 Capital Purchase Allocation, Transportation Program (this is an optional decision of city boards of education), and other line items and special funds appropriated by the Legislature. The 1995 Foundation Program is by far the largest. In **Table 5-19**, which follows, the Foundation Program and other allocations for the five schools are presented in detail and in summary.

These Foundation Program allocations are from State Department of Education calculations and presented by the Baldwin County School Board in their **Proposed FY 2010 Budget**. Other appropriation amounts are from information provided by the Baldwin County School System. While these amounts are the Foundation Program allocation, the State only requires that the staff included within these calculations be budgeted at the school site in meeting classroom cap limitations imposed by the State Board of Education. But state law further provides additional guidance regarding the local board of education's responsibility to allocate state and local Foundation Program funds to each school:

§ 16-13-231. Purposes and plan of apportionment.

(d) The local board of education shall allocate state and local Foundation Program funds to each school in an equitable manner, based on the needs of the students and the schools, as reflected in the current year's actual student populations, including at-risk students, students receiving special education services, and students enrolled in vocational/technical educational programs. The local board of education shall report annually to the State Board of Education on how all state and local funds for public education, including Foundation Program funds and capital outlay funds, have been allocated to each of its schools or area vocational centers (*Code of Alabama 1975*, Section 16-13-231(b)(1)d).

Irrespective of this apparent conflict between statutory provisions above for budgeting Foundation Program funds (ETF and local share) where needed versus the State Board of Education rule where earned (previously discussed under classroom caps), given the fact that the financial support of Baldwin County Schools (and the proposed Fairhope City School System) from local taxes is substantially greater than the 10.0 mill chargeback, this is and should be a moot issue and the local foundation program share has been budgeted where earned and additional local funds as well. For the most part, this will be in the form of additional certificated personnel.

Table 5-19
Estimated Foundation Program and Other State Allocations
for the Proposed Fairhope City School System for FY 2000-2010

*State Department of Education
FY 2010 Foundation Program
Proposed System Allocation Report*

| 000 Fairhope | Factor | Fairhope K-1 | Fairhope Primary 2-3 | Fairhope Intermediate 4-5 | Fairhope Middle 6-8 | Fairhope High 9-12 | Total K-12 |
|--|---------------|-------------------------|-------------------------------------|--|------------------------------------|-----------------------------------|-----------------------|
| System ADM | | 340.00 | 376.00 | 365.00 | 550.00 | 648.00 | 2,279.00 |
| Foundation Program Units | | | | | | | |
| Teachers | | 24.64 | 27.25 | 17.06 | 26.87 | 36.00 | 131.81 |
| Principals | | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 5.00 |
| Assistant Principals | | - | - | - | 1.00 | 1.00 | 2.00 |
| Counselors | | 0.50 | 0.50 | 0.50 | 1.50 | 1.50 | 4.50 |
| Librarians | | 0.50 | 0.50 | 0.50 | 1.00 | 1.00 | 3.50 |
| Voc. Ed. Directors | | - | - | - | - | - | - |
| Voc. Ed. Counselors | | - | - | - | - | - | - |
| Total Units | | 26.64 | 29.25 | 19.06 | 31.37 | 40.50 | 146.81 |
| Foundation Program (State and Local Funds) Per Unit | | | | | | | |
| Salaries | | \$ 1,238,245 | \$ 1,359,509 | \$ 885,816 | \$ 1,458,159 | \$ 1,882,630 | \$ 6,824,359 |
| Fringe Benefits | | 502,744 | 551,979 | 359,653 | 592,032 | 764,373 | 2,770,782 |
| Other Current Expense | \$12,302 | 327,697 | 359,789 | 234,428 | 385,896 | 498,231 | 1,806,041 |
| State Fiscal Stabilization Fund | \$3,698 | 98,506 | 108,153 | 70,469 | 116,001 | 149,769 | 542,899 |
| Classroom Instructional Support | | - | - | - | - | - | - |
| Teacher Materials and Supplies/TU | \$0.00 | - | - | - | - | - | - |
| Technology/TU | \$0.00 | - | - | - | - | - | - |
| Library Enhancement/TU | \$0.00 | - | - | - | - | - | - |
| Professional Development/TU | \$0.00 | - | - | - | - | - | - |
| Common Purchase | \$0.00 | - | - | - | - | - | - |
| Textbooks per ADM | \$17.17 | 5,838 | \$6,455.92 | \$6,267.05 | \$9,443.50 | 11,126 | 39,130 |
| Total Foundation Program - net of Fiscal Stabilization Fund | | 2,074,523 | 2,277,733 | 1,486,164 | 2,445,532 | 3,156,361 | 11,440,313 |
| State Funds - Local Boards of Education | | | | | | | |
| Foundation Program - ETF | | n/a | n/a | n/a | n/a | n/a | \$ 7,958,067 |
| School Nurses Program | | - | - | - | - | - | 87,734 |
| High Hopes | | n/a | n/a | n/a | n/a | n/a | - |
| Salaries - 1% per Act 97-238 | | n/a | n/a | n/a | n/a | n/a | - |
| Technology Coordinator | | n/a | n/a | n/a | n/a | n/a | 30,337 |
| Transportation | | - | - | - | - | - | - |
| Operating Allocation | | n/a | n/a | n/a | n/a | n/a | n/a |
| Fleet Renewal | \$5,024 | n/a | n/a | n/a | n/a | n/a | n/a |
| Current Units | | TBD | TBD | TBD | TBD | TBD | TBD |
| At Risk | | n/a | n/a | n/a | n/a | n/a | - |
| Preschool Program | | n/a | n/a | n/a | n/a | n/a | - |
| Subtotal ETF | | - | - | - | - | - | 8,076,138 |
| Capital Purchase | | - | - | - | - | - | 411,061 |
| Subtotal PSF | | - | - | - | - | - | 411,061 |
| Total State Funds | | - | - | - | - | - | 8,487,199 |
| Local Funds | | | | | | | |
| Foundation Program Mills | 10.000000 | n/a | n/a | - | - | n/a | 3,482,246 |
| Capital Purchase Mills | 0.865321 | n/a | n/a | - | - | n/a | 301,326 |
| Total Local Funds | | n/a | n/a | - | - | n/a | 3,783,572 |

Budgeting of Certificated and Non-Certificated Personnel

In accordance with state statutes and regulations, teacher units earned at local school sites are generally budgeted there on the basis of the prior year's ADM, the current ADM, and instructional needs. As student ADM declines, the earned teacher units do not reflect that until the next fiscal year. Therefore, the current teachers, and support personnel with continuing status protection at the school site of employment at separation, will become the employees of the proposed Fairhope City School System. Their employment rights are guaranteed by tenure rights, the fair dismissal act, and specific state statute addressing employment rights when a new city school system is formed:

§ 16-24-2 Criteria for continuing service status for teachers, principals and supervisors; list of persons recommended for continuing status; effect of consolidation or separation of schools.

(d) When two or more school systems are consolidated under one board of education, or when one or more schools are separated from a school system in order to become a part of or to constitute another school system, the continuing service status of the teachers involved in such changes is in no way jeopardized (*Code of Alabama 1975, Section 16-24-2*).

Review of the personnel budgeted by the school sites of Fairhope in the following **Table 5-20**, as previously presented in **Chapter 2**, illustrates the current employees based upon FY 2009-2010 calculations and the numbers of personnel employed from local funds. Of the 240.88 total certificated employees, 94.06% are reported to be funded from state funds and 4.15% from local funds. In negotiations for the final separation agreement of the proposed Fairhope City School System with the Baldwin County School System, it would be anticipated that some excess personnel could be offered continuing status with the Baldwin County School System. In addition, normal attrition will further reduce numbers of employees.

**Table 5-20
Budgeted Certificated Employees
for Schools of the City of Fairhope for FY 2009-2010**

| Type | Number By | | | | | | | | | | Total Employees |
|---|-------------------|--------|------|------|------|-----------------|-------------|-------------|-------------|---------------|-----------------|
| | **Level of Degree | | | | | Source of Funds | | | | | |
| | BS | MS | 6Y | DO | ND | State Earned | Other State | Federal | Local | | |
| Teachers | 83.00 | 118.72 | 7.00 | 2.00 | 0.00 | 203.23 | 1.82 | 4.34 | 4.99 | 214.38 | |
| Librarians | 0.00 | 4.00 | 2.00 | 0.00 | 0.00 | 6.00 | 0.00 | 0.00 | 0.00 | 6.00 | |
| Counselors | 0.00 | 6.50 | 1.00 | 0.00 | 0.00 | 6.50 | 0.00 | 0.00 | 1.00 | 7.50 | |
| Administrators | 0.00 | 6.50 | 4.00 | 2.00 | 0.00 | 9.00 | 0.00 | 0.00 | 4.00 | 13.00 | |
| Certified Support Personnel | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Non. Cert. Supp. Personnel | | | | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Total | | | | | | 224.73 | 1.82 | 4.34 | 9.99 | 240.88 | |
| Percent of Employees by Source of Funds | | | | | | 93.30% | 0.76% | 1.80% | 4.15% | | |

It should be anticipated that the proposed Fairhope City School System, upon fiscal and final separation, would plan to budget at least this many local personnel – 9.99 whose cost has been previously estimated at \$778,477.62 for FY 2009-2010.

School Transportation and the Proposed Fairhope City School System

It will be noted that while no allocation for transportation is included in **Table 5-19**, should the proposed Fairhope City Board of Education decide to create a student transportation program, it would be basically state funded, including a supervisor of transportation. Transportation equipment of the Baldwin County School System serving the attendance area of the Fairhope City Schools would become the property

of the proposed Fairhope City School System. These vehicles are enumerated in **Table 5-21, Inventory of Buses Serving Fairhope Area Schools**. The number of years in service is also indicated.

**Table 5-21
Inventory of Buses Serving Fairhope Area Schools**

| Bus Number | Year in Service | Make | Vehicle Identification Number | Cost New | Bus Type | Book Value |
|------------------------------|-----------------|---------------|-------------------------------|--------------|-------------|--------------|
| Fairhope K-1 Center | | | | | | |
| 03-09 | 2003 | International | 4DRBRABN03A951161 | \$ 49,975.00 | C | \$ 19,115.40 |
| 03-11 | 2003 | International | 4DRBRABN63A951164 | \$ 49,975.00 | C | \$ 19,115.40 |
| 06-19 | 2006 | International | 4DRBUAFN76A260142 | \$ 61,226.29 | C | \$ 40,868.54 |
| 07-32 | 2007 | International | 4DRBUAFN07A398378 | \$ 65,350.76 | C | \$ 49,829.96 |
| Fairhope Elementary | | | | | | |
| 05-25 | 2005 | International | 4DRBUAFN95A985871 | \$ 53,971.00 | C | \$ 30,898.37 |
| Fairhope Intermediate | | | | | | |
| 05-17 | 2005 | International | 4DRBUAFN5A985863 | \$ 53,971.00 | C | \$ 30,898.37 |
| 06-18 | 2006 | International | 4DRBUAFN56A260141 | \$ 61,226.29 | C | \$ 40,868.54 |
| Fairhope Middle | | | | | | |
| 02-14 | 2002 | AMTRAN | 1HVBRAAN21A936948 | \$ 45,761.00 | C | \$ 9,124.65 |
| 02-18 | 2002 | AMTRAN | 1HVBRAAN31A936957 | \$ 45,761.00 | C | \$ 9,124.65 |
| 03-01W | 2003 | AMTRAN | 4DRBRABN93B948995 | \$ 60,899.00 | C with lift | \$ 12,964.52 |
| 06-11 | 2006 | International | 4DRBUAFN86A260134 | \$ 61,226.29 | C | \$ 40,868.54 |
| 07-33 | 2007 | International | 4DRBUAFN27A398379 | \$ 65,350.76 | C | \$ 49,829.96 |
| 07-41 | 2007 | International | 4DRBUAFN87A482576 | \$ 65,350.76 | C | \$ 49,829.96 |
| Fairhope High | | | | | | |
| 02106 | 2001 | AMTRAN | 1HVBRABM51A937316 | \$ 47,250.00 | C | \$ 9,095.62 |
| 02107 | 2001 | AMTRAN | 1HVBRABM71A937317 | \$ 47,250.00 | C | \$ 9,095.62 |
| 02108 | 2001 | AMTRAN | 1HVBRABM91A937318 | \$ 47,250.00 | C | \$ 9,095.62 |
| 03-04 | 2003 | International | 4DRBRABN93A951157 | \$ 49,975.00 | C | \$ 19,115.40 |
| 03-10 | 2003 | International | 4DRBRABN43A951163 | \$ 49,975.00 | C | \$ 19,115.40 |
| 04-01W | 2004 | International | 4DRBRABN34A965542 | \$ 59,940.00 | C with lift | \$ 19,402.95 |
| 05-15 | 2005 | International | 4DRBUAFN65A985861 | \$ 53,971.00 | C | \$ 30,898.37 |
| 05-16 | 2005 | International | 4DRBUAFN85A985862 | \$ 53,971.00 | C | \$ 30,898.37 |
| 05-24 | 2005 | International | 4DRBUAFN75A985870 | \$ 53,971.00 | C | \$ 30,898.37 |
| 06-15 | 2006 | International | 4DRBUAFN56A260138 | \$ 61,226.29 | C | \$ 40,868.54 |
| 06-16 | 2006 | International | 4DRBUAFN76A260139 | \$ 61,226.29 | C | \$ 40,868.54 |
| 06-17 | 2006 | International | 4DRBUAFN36A260140 | \$ 61,226.29 | C | \$ 40,868.54 |
| 07-31 | 2007 | International | 4DRBUAFN97A398377 | \$ 65,350.76 | C | \$ 49,829.96 |
| 07-34 | 2007 | International | 4DRBUAFN97A398380 | \$ 65,350.76 | C | \$ 49,829.96 |
| 09-20 | 2009 | International | 4DRBUSKN09B088191 | \$ 73,267.00 | C | \$ 69,786.81 |

Since operational cost is an allowable cost-reimbursement program by state funds, it does not affect the results of this analysis through FY 2009-2010 at proration. It has been basically revenues in and expenditures out. However, this is not exactly true for two reasons. (1) If the state does not reimburse full cost of operations, this excess cost must be paid from the local general fund. (2) School-based transportation requirements for academic and athletic activities are not state-funded. However, their costs can be offset in various ways by school internal funds. Irrespective, this academic and athletic transportation costs will exist with or without a system-wide transportation program. **Note that the proposed allocation of operations under SDE guideline for FY 2011 will no longer be a full-cost reimbursement model.**

Should the proposed Fairhope City School System decide to operate a system-wide student transportation program, the state cost for reimbursement is made in

arrears of operations. Therefore, with appropriate legislative statutory language, the first year of operations would have to be carried by local revenues or by transfer of funds voluntarily from the Baldwin County Board of Education. The case with the fleet renewal allocation is different. It is based upon the identification number of a school bus chassis and the year it was placed in service. Therefore, fleet renewal funds are allocated on a current basis to the school system operating the school bus by chassis number, and the proposed Fairhope City School System should receive current state reimbursement. In addition, escrowed fleet renewal funds for the school buses transferred to the proposed Fairhope City School System should also be transferred.

**Table 5-22
Debt Service Schedule for Capital Lease Purchase
of Transportation Equipment Servings Schools of Fairhope**

| Capital Lease Purchase of Buses- Fleet Renewal 2006 Issue | | | | | | |
|--|-----------------------|-------------------|--------------------|-------------------------|-----------------|-------------------|
| | Baldwin County | | | Fairhope's Share | | |
| Payment | Principal | Interest | Yearly | Principal | Interest | Total |
| Dates | 100.00% | 100.00% | Total | 7.66% | 7.66% | annual pyt |
| 2009-2010 | \$ 474,874 | \$ 154,794 | \$ 629,668 | \$36,375 | \$11,857 | \$48,233 |
| 2010-2011 | \$ 495,541 | \$ 134,127 | \$ 629,668 | \$37,958 | \$10,274 | \$48,233 |
| 2011-2012 | \$ 517,106 | \$ 112,562 | \$ 629,668 | \$39,610 | \$8,622 | \$48,233 |
| 2012-2013 | \$ 539,610 | \$ 90,058 | \$ 629,668 | \$41,334 | \$6,898 | \$48,233 |
| 2013-2014 | \$ 563,094 | \$ 66,574 | \$ 629,668 | \$43,133 | \$5,100 | \$48,233 |
| 2014-2015 | \$ 587,599 | \$ 42,069 | \$ 629,668 | \$45,010 | \$3,222 | \$48,233 |
| 2015-2016 | \$ 613,171 | \$ 16,497 | \$ 629,668 | \$46,969 | \$1,264 | \$48,233 |
| 2016-2017 | \$ 52,287 | \$ 186 | \$ 52,473 | \$4,005 | \$14 | \$4,019 |
| TOTAL | \$3,843,282 | \$ 616,867 | \$4,460,149 | \$294,395 | \$47,252 | \$341,647 |

Should the proposed Fairhope City Board of Education choose, upon final fiscal separation, to accept the transportation equipment serving the school sites of Fairhope, the debt above in **Table 5-22**, as applicable to the year of final separation, would be assumed.

Based upon similarly sized school systems operating a student transportation program, a reasonable annual operating allocation could vary between \$600,000 and \$800,000 (\$550,000 to \$725,000 operating allocation and \$50,000 to \$75,000 fleet renewal allocation) based upon the reimbursement amounts approved by the Legislature. Calculations based upon Baldwin County cost experience in terms of cost per day per student transported and cost per mile per day yield similar cost, but on the high side. This amount could be reduced depending upon the numbers of students to be transported and the miles to be traveled should the proposed Fairhope City School System transportation program only accept students who reside in the city limits.

1995 Capital Purchase Allocation

The proposed Fairhope City School System would earn an annual allocation for Capital Purchase (acquisition of land, renovation, construction, etc.) from the state

Public School Fund on a matching basis. Since the proposed Fairhope City School System is approximately equal in wealth as compared to the Baldwin County School System in terms of yield per mill per ADM, the match would be proportionately the same for state and local funds. Detail for the calculation of the Capital Purchase Allocation follows for the proposed Fairhope City School System in **Table 5-23**:

Public School Fund Capital Purchase Allocation for FY 2009-2010

If the proposed Fairhope City School System had been in existence in FY 2009-2010, it would have earned a state allocation for capital outlay. The intent of the legislation authorizing this allocation is that the amount from the state could be used on a pay-as-you-go basis, escrowed for future capital purchase expenditures, or pledged for repayment of a “Pooled Purchase” bond issue from the **Alabama Public School and College Authority (APSCA)**. The Pooled Purchase bond issue would allow the proposed Fairhope City School System to pledge up to 95% of the projected state allocation to be intercepted by the State Comptroller and paid to the APSCA to retire the debt obligation (a more realistic percentage could be 80% which is the statutorily permissible limit for local revenue warrant issues).

The amount of the Pooled Purchase available to the proposed Fairhope City School System would be in increments of \$5,000 and contingent upon interest rates at time of bond sale less shared underwriting costs. The following **Table 5-23** details the state allocation and local matching requirement which would have been available in FY 2006 to the proposed Fairhope City School System. The local required match can be made by an amount placed in escrow, actual capital outlay expenditure, or an equivalent amount in existing debt service. However, any total amount listed below would be offset by existing APSCA pooled purchase debt service.

**Table 5-23
Estimated Capital Purchase Allocation
for FY 2009-2010 for Proposed Fairhope City School System**

| Category | FY 2010 Mills Equalized | Capital Purchase Allocation Share of \$175,000,000 | Required Local Required Match for \$175,000,000 | FY 2009 ADM | Total Equalized Amount per ADM | FY 2010 Total for Capital Purchase | Capital Purchase Allocation Share of \$20,000,000 | Capital Purchase Total State Allocation |
|-----------------------------|-------------------------------|--|---|-----------------|---|---|---|--|
| Baldwin County Total | 0.865321 | \$ 3,931,281 | \$ 3,931,281 | 26,735.95 | \$294.08 | \$7,862,561 | \$ 449,454 | \$ 4,380,735 |
| Fairhope City | 0.865321 | \$ 368,887 | \$ 301,326 | 2,279.00 | \$294.08 | \$670,213 | \$ 42,174 | \$ 411,061 |
| Baldwin County NET | 0.865321 | \$ 3,562,394 | \$ 3,629,954 | 24,456.95 | \$294.08 | \$7,192,348 | \$ 407,280 | \$ 407,280 |

While normally the calculation of the **Capital Purchase Allocation** is difficult to explain, it is even more complicated for FY 2010 in **Table 5-23** above. While normally entire estimated revenues primarily from the statewide 3.0 mill ad valorem tax are allocated with a required local match, for FY 2009-2010 different rules apply. Because of the shortfall in Education Trust Fund revenues from the state, the Legislature decided to appropriate an additional \$20 million from the Public School Fund to local boards which has been a cushion against any financial emergency in the future. While the regular \$175 million allocation did require the statutory local match by local boards, the additional \$20 million did not require a local match. That is the reason for

the two columns of state funds in **Table 5-23**. This special situation will not be repeated in the foreseeable future do to the decline in the rate of growth of state ad valorem tax revenues.

General Assumption of Baldwin County School System Debt

Given the necessity for the proposed Fairhope City School System to assume the annual debt service from **2007 School Warrant Issue** illustrated in **Chapter 2**, this allocation is already dedicated. The adjustment for debt assumption and the Capital Purchase Program follows in **Table 5-24**:

**Table 5-24
Assumption of Debt Service and
Available Revenues Dedicated for Debt Service for FY 2009-2010**

| Category | Amount |
|--|-----------------------|
| DEBT TO BE ASSUMED: | |
| Annual Debt from 2007 Revenue Anticipation Warrant Issue | \$ (2,687,031) |
| REVENUES RESTRICTED TO DEBT SERVICE | |
| State PSF Capital Purchase Allocation | \$ 411,061 |
| Countywide \$0.55 Sales Tax | \$ 1,087,285 |
| Balance to be Paid from Local Taxes | \$ (1,188,686) |

Since the required local match can be in the form of existing debt service and is calculated above in **Table 5-23** to be **\$301,326**, it is safe to assume that this requirement can be made through the allocation of the **\$0.55** sales tax and its expenditure as restricted by statute for debt service. However, the net for debt service to be paid from local taxes does present a challenge. The proposed Fairhope City School System, if created, could participate in the next Alabama Public School and College Authority Bond Pooled Purchase Bond issue funded by the state from the intercept of the PSF Capital Purchase Allocation for additional capital outlay purposes. However, the likelihood of assuming additional debt in the near future appears unobtainable, unless debt is issued on behalf of the proposed Fairhope City School System for the City of Fairhope.

In addition, it should be noted that should the Fairhope City Council pass a resolution creating a Fairhope City Board of Education, the retirement of debt would still be assumed by the Baldwin County Board of Education until the fiscal year of final separation. Realistically, this means that approximately two years of debt service will have already been paid, thus reducing the sum of payments remaining.

(balance of page left intentionally blank)

D. PROPOSED FAIRHOPE CITY SCHOOL SYSTEM FEDERAL REVENUES, FY 2009-2010

Federal funds cannot be considered when calculating the financial feasibility of a proposed new city school system to meet state requirements. Federal funding is meant to supplement, not supplant, state funding requirements (state and local funds). While there may be limited federal flexibility to use some federal funds in this manner, for purposes of the feasibility study, they will not be included. Federal funds are important to the operation of the schools of the proposed Fairhope City School System, but will not represent a significant issue.

Like state funds and countywide local funds, federal funds (with few minor exceptions) follow the students whom they are designated to serve. It doesn't matter which school system or school a given student attends, the designated funds will find their way to the student. Proportionate shares of all of these revenues from federal, state, and local revenue sources will be available to the proposed Fairhope City School System. It must be noted that for the fiscal years ending 2010 and 2011, a large portion of state funding which has declined has been replaced by federal funds through the **American Reinvestment and Recovery Act (ARRA)**. This of course makes comparisons more complicated for FY 2011-2012.

(balance of page left intentionally blank)

**E. PROPOSED FAIRHOPE CITY SCHOOL SYSTEM
TOTAL REVENUES, FY 2009-2010**

From the financial information previously provided, **Table 5-25** summarizes the revenues by source which would be available to the schools serving the resident students of the City of Fairhope for FY 2009-2010:

**Table 5-25
Estimated Revenues by Source of
Proposed Fairhope City School System for FY 2009-2010**

| CATEGORY | Budgeted Baldwin County School System | Baldwin County School System Per ADM | Proposed Fairhope City School System | Proposed Fairhope City School System Per ADM |
|---|--|---|---|---|
| Pupil Count in ADM | | 26,735.95 | | 2,279.00 |
| 1. STATE SOURCES | | | | |
| State Foundation and Other Line Items | n/a | n/a | 8,076,138 | n/a |
| Student Transportation | n/a | n/a | 0 | n/a |
| Capital Purchase Allocation | n/a | n/a | 411,061 | n/a |
| Other State Appropriations | n/a | n/a | \$ 408,424 | n/a |
| Total State Sources | \$ 111,301,170 | \$ 4,162.98 | 8,895,623 | \$ 3,903.30 |
| 2. FEDERAL SOURCES - Includes ARRA | \$ 38,092,824 | \$ 1,424.78 | \$ 3,247,072 | \$ 1,424.78 |
| 3. LOCAL SOURCES | | | | |
| Local Taxes | \$ 100,976,697 | \$ 3,776.81 | \$ 8,478,246 | \$ 3,720.16 |
| Local Food Service Income | \$ 4,031,774 | \$ 150.80 | \$ 343,673 | \$ 150.80 |
| Local School Internal Accounts | \$ 5,775,930 | \$ 216.04 | \$ 1,357,461 | \$ 595.64 |
| Local Other | \$ 1,283,277 | \$ 48.00 | \$ 118,062 | \$ 51.80 |
| Other Local Sources | \$ 1,520,291 | \$ 56.86 | \$ - | \$ - |
| 4. OTHER FINANCING SOURCES | \$ 5,806,892 | \$ 217.19 | \$ - | \$ - |
| TOTAL ALL SOURCES | \$ 268,788,855 | \$ 10,053.46 | \$ 22,440,137 | \$ 9,846.48 |

It must be noted that this is a financial picture taken for a portion of one fiscal year (effects of proration and the additional Baldwin County 1.00 cent local sales tax have not been evaluated as both are considered temporary) in a fluid economy. Educational programs from the state and federal levels are due for revision and reinterpretation on a year-by-year basis. Nevertheless, for the purposes of this study, sufficient information has been analyzed to develop sound financial conclusions.

The following financial resources have been determined to be available to the proposed Fairhope City School System.

- (1) The state allocations are shown not as program cost, but net amount from the state (less chargeback and/or local match).
- (2) Federal revenues are shown as previously estimated.

- (3) Local revenues are shown as previously estimated:
 - (a) the countywide cost ratio of **8.524103%** being applied to countywide revenues (tax-based and other) (this ratio is recalculated annually);
 - (b) the yield of the 3.0 mill district tax being based upon the ad valorem tax yield per mill of the City of Fairhope; and
 - (c) school internal account revenues, child nutrition revenues, and other local sources.

Restricted Local Revenues

All of the estimated local revenues are not available for general budgeting by the proposed Fairhope City Board of Education. Restrictions of several types exist and must be accounted for first. They follow.

1. The local match must be met to receive state funds. Since the **1995 Foundation Program** match must be made in current revenues available for the spending purposes of the **1995 Foundation Program**, they must be unrestricted. This amount has been previously estimated at **\$3,482,246**. The match for the **1995 Capital Purchase Allocation** from the **Public School Fund** can be from existing debt service so this value will be included in item number 2.
2. The yield of the **0.55 cent countywide sales tax** (restricted for capital outlay) is estimated at **\$1,087,285**. This is a sufficient amount to provide for the **Public School Fund Capital Purchase Match** of **\$301,326**, which can be used to pay **APSCA** for the debt service on the assumed debt for the Proposed Fairhope City School System. However as was detailed **Table 5-24** on page 114, there remains an unfunded annual debt of **\$1,188,686**. This amount must further be considered as a claim on local taxes, further reducing the amount to be considered as unrestricted local tax revenues available for board control.
3. Revenues must be identified to provide for central administrative services of the proposed Fairhope City Board of Education. These can be paid from the General Fund or the Special Revenue Fund (others may also qualify). Such funds are thus restricted and not available for other purposes. Generally, statewide it is assumed that these costs should not exceed **3.5%** of the budgeted expenditures from all revenue sources. The Baldwin County School System expended **3.00%** of current expenditures for general administrative services for FY 2009-2010 or \$7,655,770. This is demonstrated in the following **Table 5-26** (excludes capital outlay and debt service). This would mean about **\$660,000** on a proportionate basis would be a roll-over new expenditure based upon this percent of expenditures for **General Administrative Services** for the proposed Fairhope City School System.

However, given the fact that the proposed Fairhope City School System will initially be comparatively small in both student enrollment and total revenues

(a diseconomy of scale), a more reasonable estimate may well be 3.5% of \$22,000,000 or **\$800,000** (this would not include funding from restricted funds for a federal programs coordinator or a special education coordinator which could be paid from federal funds and which may be classified as Instructional Support Personnel). A minimally staffed central office could be implemented for \$800,000 of local tax revenues. However, this represents another claim against local tax revenues and further diminishes unrestricted local tax revenues.

4. As previously discussed in **Chapter 2**, there is the cost of locally funded teacher units to be considered. This cost was estimated to be **\$778,478** for FY 2009-2010. It seems unreasonable to expect that the proposed Fairhope City Board of Education would wish to reduce personnel at the five school sites. Therefore this amount must be considered as a further claim against local tax revenues and further diminishes unrestricted local revenues.

Table 5-26
Expenditures by Function of the
Baldwin County School System for FY 2009-2010

| Baldwin County Board of Education | | |
|---|---------------------------|-------------------------|
| FY 2009 Expenditures by Function | | |
| (Excludes Capital/Debt Service and Other Expenditures) | Total Expenditures | Percent of Total |
| Instructional Services | \$146,924,271 | 57.53% |
| Instructional Support Services | \$47,036,602 | 18.42% |
| Operation & Maintenance | \$28,039,741 | 10.98% |
| Auxiliary Services | \$25,710,651 | 10.07% |
| General Administrative Services | \$7,655,770 | 3.00% |
| Capital Outlay | \$0 | 0.00% |
| Debt Services | \$0 | 0.00% |
| Other Expenditures | \$0 | 0.00% |
| Total Expenditures | \$255,367,035 | 100.00% |

The total of the mandated costs against the local tax revenues is presented in **Table 5-28** which follows. However, first the summary of debt to be assumed from the 2007 Baldwin County Board of Education Revenue Anticipation Warrant Issue is presented as **Table 5-27** in order to explain the source of debt to be assumed.

Table 5-27
Debt To Be Assumed on School Sites in Fairhope from the
2007 Baldwin County Board of Education Revenue Anticipation Warrant Issue

| Summary of Debt on Fairhope School Sites | |
|---|----------------------|
| School Site | Amount |
| Fairhope K-1 School | \$ 8,600 |
| New Fairhope Elementary School | \$ 1,663,964 |
| New Fairhope Intermediate School | \$ 11,664,138 |
| Fairhope Middle School | \$ 22,125,369 |
| Fairhope High School Wing | \$ 5,716,715 |
| Total | \$ 41,178,786 |

Note: Sum of detail may not equal total due to rounding provided in debt service schedule.

Table 5-28
Calculation of Unrestricted Local Tax Revenues
for Proposed Fairhope City School System for FY 2009-2010

| CATEGORY | FY 2010 Fairhope Estimated Revenues | PER ADM |
|---|--|--------------------|
| ADM | | 2,279.00 |
| REVENUES: | | |
| 1 Local Tax-Based Revenue | \$ 8,478,246 | \$ 3,720.16 |
| 2 Less Local Revenue Restricted for Capital Outlay | \$ (1,087,285) | \$ (477.09) |
| 3 Less Restricted 1995 Foundation Program Local Match | \$ (3,482,246) | \$ (1,527.97) |
| 4 Less Restricted 1995 Capital Purchase Allocation Local Match | \$ (301,326) | \$ (132.22) |
| 5 Net Unrestricted Local Tax Revenues | \$ 3,607,390 | \$ 1,582.88 |
| EXPENDITURES: | | |
| 6 Required Assumption of Debt Service | \$ (2,685,648) | \$ (1,178.43) |
| 7 Offset by 1995 State Capital Purchase Allocation | \$ 411,061 | \$ 180.37 |
| 8 Credit for 1995 for Capital Purchase Allocation Local Match | \$ 301,326 | \$ 132.22 |
| 9 Baldwin County \$0.55 Sales Tax | \$ 1,087,285 | \$ 477.09 |
| 10 Net Required Debt Service Expenditures | \$ (885,977) | \$ (388.76) |
| 11 Excess Cost for General Administrative Services | \$ (800,000) | \$ (351.03) |
| 12 Excess Cost for Local Teacher Units | \$ (778,478) | \$ (341.59) |
| BALANCE UNRESTRICTED LOCAL TAX REVENUES FOR GENERAL PURPOSES | \$ 1,142,935 | \$ 501.51 |
| Note: Balance is item 5 less items 10, 11, and 12 | | |

The conclusion from this analysis is that a very large debt load would be assumed by the Proposed Fairhope City School System. A result of this is that additional sources of revenue should be considered. It is a reasonable expectation that the Fairhope City Council could provide in-kind support services, an annual appropriation, or both to offset any additional costs. An additional tax dedicated for the proposed Fairhope City School System (school tax or tax for schools) could be considered as well. Options for such a tax will follow in **Chapter 6**. Irrespective of the costs of operating a central office, a larger concern would be the necessity to provide both an operating budget for the operation of the Board of Education of the Fairhope City School System from the creation of the system by resolution of the City Council to the final separation, and an escrow account of funds necessary to finance the actual separation and partially forward fund the first year of operation.

Fiscal Effort of the Proposed Fairhope City School System

As previously discussed, **Fiscal Effort** is a measure of the extent to which a government's fiscal capacity is actually used. In Alabama, **Fiscal Effort** is determined by the number of equivalent mills from tax-based resources. Since Fiscal Effort must be measured by the criterion determined to measure Fiscal Capacity, this is an inevitable consequence of Alabama's tax policy. To make this calculation, the total of the tax-based local revenues for a given fiscal year is divided by the yield of one-mill of school district tax, as determined from the most recent financial statement by the local board of education.

This measure of **Fiscal Effort** or **Tax Effort** is presented on the annual **Report Cards** for each local board of education. Alabama determines local tax effort in terms of equivalent mills. Revenues earmarked for capital outlay at the local level are not included in this calculation. Therefore, the **\$0.55 cent countywide sales tax**, a tax effort of the citizens of Baldwin County estimated at \$12,800,000 for FY 2009-2010, is not recognized as a tax effort by the Alabama State Department of Education.

The following calculation of equivalent mills can be made in the following **Table 5-29** for the proposed Fairhope City School System:

Table 5-29
Calculation of Equivalent Mills
for the Proposed Fairhope City School System for FY 2009-2010

| School System | FY 2010 All Tax Revenues Budgeted | FY 2010 \$0.55 Sales Tax Only | FY 2010 All Revenues Budgeted Net of \$0.55 Sales Tax* |
|--|---|----------------------------------|--|
| Baldwin County School System | 24.2026 | 3.06797 | 21.1346 |
| Proposed Fairhope City School System | 25.1845 | 3.22976 | 21.9547 |
| Net Residual Baldwin County | 23.9756 | 3.05377 | 20.9219 |
| <i>* The State Department of Education Report Card Calculation of Equivalent Mills does not include earmarked capital outlay revenues.</i> | | | |

From this calculation, it is demonstrated that from General Fund revenues only (unrestricted) the proposed **Fairhope City School System would have 25.18 equivalent mills** and would have ranked **85th** statewide for FY 2009-2010 (note: this calculation is performed by including local tax revenues earmarked for capital outlay as they are a real part of local tax effort). Baldwin County at 24.20 would have ranked **91st** (see **Appendixes 7-11** and **7-12**). This is an amount below the state average of 32.55 for FY 2009-2010 budgeted data. This low ranking is an inescapable result when the wealth is so high (denominator of equivalent mills is so high) and tax rate is so low (numerator of equivalent mills).

Unrestricted Local Tax Revenues per Student in ADM

The paradox of Alabama's school funding formulae is the apparent lack of consistency between constructs of wealth, local funding, and tax effort. It is noteworthy that the yield per mill per ADM (wealth) is very nearly the same for both Fairhope and Baldwin County as a whole. This means that in terms of the ad valorem tax base and the number of students to be served, the proposed Fairhope City School System represents the entire county accurately. In terms of actual local tax revenues, the fact that Baldwin County voters over the years have minimized school tax district taxes and maximized countywide taxes means that the wealth of the county at large follows students. Of the **12.0** mills levied and collected in **Tax District 2**, **9.0** mills of these are countywide taxes. Therefore, irrespective of how many city school systems

are created – Gulf Shores, Orange Beach, Fairhope, etc. – the tax wealth of the entire county is taxed for all school children, and the money is distributed practically on a per student basis. That means that even if Pleasure Island, with its high concentration of assessed valuation, becomes a separate school system, the Baldwin County School System and the proposed Fairhope City School System will continue to receive the growth in 9.0 mills of tax dollars from Pleasure Island. However, the past wealth of Pleasure Island may be a fleeting dream.

In summary, the definition of wealth in Alabama is by ad valorem tax. There are two requirements based upon this wealth for participating in state school funding formula. Local boards of education must meet this statutory match before any consideration of what unrestricted local tax revenues are available. This relationship is shown in **Table 5-30** which follows.

**Table 5-30
Unrestricted Local Taxes for FY 2009-2010 Based on State Mandates**

| Category | Baldwin County School System | Proposed Fairhope City School System |
|---|---------------------------------|--|
| Local Tax-Based Revenues | \$ 100,436,697 | \$ 8,478,246 |
| Less 1995 Foundation Program Match | \$ (45,431,470) | \$ (3,482,246) |
| Less 1995 Capital Purchase Allocation Match | \$ (3,932,434) | \$ (301,326) |
| Net Unrestricted Local Tax Revenues | \$ 51,072,793 | \$ 4,694,674 |
| ADM | 26,735.95 | 2,279.00 |
| Net Unrestricted Local Tax Revenues Per ADM | \$ 1,910.27 | \$ 2,059.97 |

These results can be compared with other school systems of Alabama for FY 2009-2010 by reviewing **Appendices 7-15** and **7-16**. However, these amounts per ADM are very unimpressive when compared to the top ten school systems in Alabama as budgeted for FY 2009-2010 in **Table 5-31** which follows:

**Table 5-31
Unrestricted Budgeted Local Tax Revenues Per ADM for FY 2009-2010**

| System Number | System Description | FY 2010 System FP Chargeback | FY 2010 System Local Capital Purchase | FY 2010 Total Local Match | FY 2010 Budgeted Local Tax Revenues | Unrestricted Net Local Tax Revenues | Total Per ADM | Rank |
|---------------|---------------------|------------------------------------|--|------------------------------|---|---|------------------|------|
| 181 | Oxford City | \$ 2,225,730 | \$ 193,919 | \$ 2,419,649 | \$ 26,637,899 | \$ 24,218,250 | \$ 6,051.01 | 1 |
| 157 | Homewood City | \$ 5,333,740 | \$ 462,592 | \$ 5,796,332 | \$ 24,943,742 | \$ 19,147,410 | \$ 5,550.86 | 2 |
| 175 | Mountain Brook City | \$ 5,541,680 | \$ 479,837 | \$ 6,021,517 | \$ 26,934,019 | \$ 20,912,502 | \$ 4,788.87 | 3 |
| 202 | Vestavia Hills City | \$ 6,109,490 | \$ 526,052 | \$ 6,635,542 | \$ 30,572,249 | \$ 23,936,707 | \$ 4,015.62 | 4 |
| 158 | Hoover City | \$ 14,737,870 | \$ 1,280,423 | \$ 16,018,293 | \$ 62,676,598 | \$ 46,658,305 | \$ 3,720.27 | 5 |
| 110 | Auburn City | \$ 6,092,780 | \$ 527,186 | \$ 6,619,966 | \$ 28,141,647 | \$ 21,521,681 | \$ 3,602.71 | 6 |
| 132 | Enterprise City | \$ 2,140,590 | \$ 183,211 | \$ 2,323,801 | \$ 23,355,487 | \$ 21,031,686 | \$ 3,376.90 | 7 |
| 200 | Tuscaloosa City | \$ 8,914,490 | \$ 772,058 | \$ 9,686,548 | \$ 39,790,930 | \$ 30,104,382 | \$ 3,002.53 | 8 |
| 127 | Decatur City | \$ 5,525,190 | \$ 475,478 | \$ 6,000,668 | \$ 31,755,515 | \$ 25,754,847 | \$ 2,952.47 | 9 |
| 141 | Florence City | \$ 3,201,230 | \$ 278,652 | \$ 3,479,882 | \$ 14,799,062 | \$ 11,319,180 | \$ 2,741.35 | 10 |

This Table lends further credence to the evidence previously presented that a high wealth school system may actually have few local revenues to operate that system.

The final distinction that must be made in this analysis is the relatively low local tax revenues per pupil available in the wealthiest county (for school purposes) in the state. Furthermore, this relatively low local tax revenues per pupil in ADM is further eroded by the required state matches. At this point, the relatively low unrestricted local tax revenues per pupil is due to a local political unwillingness to accept a higher tax rate and a state political willingness to require a local match. From this point, a local political willingness to enter into long term debt (\$150,000,000 local warrant issue and other instrumentalities of debt) have served to meet the growth in student population and to provide relatively desirable school site facilities.

However, this debt comes at a price of reduced unrestricted local taxes which can be used for general operations, to offset state proration, to offset losses in local property values, and so forth. This relatively high debt which for FY 2009 which accounted for **20.47%** of total spending (not current) means that fewer resources are available for other functions (see **Table 5-32** which follows). This relatively high debt becomes more concentrated in effect when assumed by the proposed Fairhope City School System. This is not to say that the debt and capital outlay were not worthy expenditures. It is, however, to state the financial difficulty of a financial separation for the proposed Fairhope City School System.

**Table 5-32
Baldwin County Board of Education Total Expenditures for FY 2009-2010**

| Baldwin County Board of Education FY 2009 Expenditures | | | |
|---|---|-----------------------------------|---------------------------------|
| Unaudited Total Expenditures | [Includes Capital, Debt Service] | | |
| | Total Expenditures | Per Pupil Expenditures | Per Pupil Percentage |
| Instructional Services | \$146,924,271 | \$5,495 | 44.55% |
| Instructional Support Services | \$47,036,602 | \$1,759 | 14.26% |
| Operation & Maintenance | \$28,039,741 | \$1,049 | 8.50% |
| Auxiliary Services | \$25,710,651 | \$962 | 7.80% |
| General Administrative Services | \$7,655,770 | \$286 | 2.32% |
| Capital Outlay | \$49,794,695 | \$1,862 | 15.10% |
| Debt Services | \$17,715,578 | \$663 | 5.37% |
| Other Expenditures | \$6,899,072 | \$258 | 2.09% |
| Total Expenditures | \$329,776,380 | \$12,528 | 100.00% |

(balance of this page left intentionally blank)

6. SUMMARY AND CONCLUSIONS

A. REVENUES AVAILABLE

Local tax-based revenues estimated for the proposed Fairhope City School System appear inadequate to meet estimated expenditure obligations for current operations and to meet expenditure obligations for capital outlay and debt service, and in addition meet expectations of resident parents and students. Consideration must be made for paying assumed debt service. In terms of tax wealth, tax effort, and local tax-based revenues per student, the proposed Fairhope City School System is virtually identical to that of the Baldwin County School System on a per student basis. As noted, the State Department of Education does not include local revenues earmarked, dedicated, or pledged to capital outlay debt service in calculating the number of equivalent mills. The calculation of equivalent mills and tax-effort presented in this analysis does include tax-based local revenues available for all purposes since tax-payers do make this tax effort, irregardless of earmarking.

From the analysis presented in **Chapter 5**, the following recommendations for additional continuing tax revenues are made. On the basis of the increased debt load percentage wise of the budget that the proposed Fairhope City School System would assume on a per student basis (generally the input variable for federal, state and local funding), it is recommended that the per student additional cost be funded through additional local taxation or other revenue means. This would amount, for FY 2009-2010, to around \$1,850,000. It is further recommended that as costs for General Administrative Services as a percentage of a smaller budget for the proposed Fairhope City School System will be proportionately greater than for the Baldwin County School System, additional resources annually in the amount of \$150,000 be provided through additional local revenues. **This means that approximately \$2,000,000 should be provided through additional local resources.**

An existing revenue source that accrues to the Fairhope City Council could be considered. Of the Fairhope City Sales/Use Tax levied and collected at the rate of 2.0%, the projected yield for FY 2009-2010 is reported to be \$3,800,000. An allocation from this revenue source is a possibility or an additional rate increase. That general rate is in addition to selective rates on other transactions, including selective sales taxes, license taxes, and the lodging tax which are also available to the City Council.

The second major source of revenue is the Ad Valorem tax. For example, the authority under Amendment 382 for a 3.0 mill school tax district ad valorem tax is unused. However, this authorization as it is for a school tax could not be brought by the Fairhope City Board of Education for a referendum until after final financial separation. If approved, this tax could yield around \$1,000,000 based upon FY 2009 Assessments. A means that could allow for a more timely ad valorem tax increase could be by the process outlined in Amendment 373 to change the rate of an existing

millage. This could be done for a municipal millage and the proceeds dedicated to the proposed Fairhope City School System.

The Amendment 373 process consists of the following steps:

- (a) **Public Hearing.** The local taxing authority (the city council) conducts a public hearing on the proposed tax increase at which the local taxing authority formally votes to propose the increase. The approved request is given to the local legislative delegation for submission as a local act to the legislature.
- (b) **Local Legislation.** The legislature approves the proposed increase through the passage of a local act; and
- (c) **Local Referendum.** Voters approve the proposed increase in a local election.

An advantage of this Amendment 373 process is that it can be accomplished in a timely manner and prior to the final fiscal separation of the Proposed Fairhope City School System. It is a municipal tax and not a school tax; it could be a tax for schools.

B. PERSONNEL AVAILABLE

The certificated and support personnel assigned to the five buildings that will become under the control of the proposed Fairhope City Board of Education will become employees of the proposed Fairhope City School System.

§ 16-24-2. Criteria for continuing service status for teachers, principals and supervisors; list of persons recommended for continuing status; effect of consolidation or separation of schools.

d) When two or more school systems are consolidated under one board of education, or when one or more schools are separated from a school system in order to become a part of or to constitute another school system, the continuing service status of the teachers involved in such changes is in no way jeopardized.

While the number of personnel may be excessive for what might be the residual or resident student population estimated from the City of Fairhope, negotiations with the Baldwin County Board of Education could reduce the number. However, the excess physical plant capacity of the five school sites could accommodate future expansion of the City and/or the Proposed Fairhope City School System.

C. FORWARD FUNDING OF SCHOOL SYSTEM ADMINISTRATION

It is recommended that if a decision for a separate city school system for Fairhope is undertaken, the city council must provide for funding for the new Board

and administration at the same time approval of a city council resolution for separation is approved. Such funding would also assist in creating a reserve fund to be available for cash flow of the new city school system. While the state scholastic year begins July 1, the state fiscal year for the allocation of state revenues begins October 1, with actual receipts from the state due and payable at the of October. While at financial separation the Fairhope City School System would receive federal, state, and local revenues, this would generally not be available until the end of October. The scholastic year and 12-month contracts would have begun July 1. In addition, teachers would normally receive a paycheck for August and September as a component of the scholastic year. Attention must be paid to separation negotiations with the Baldwin County Board of Education for the three months discrepancy in state vs. scholastic years.

These revenues should be from city tax sources which are immediately available to the Council for action. Sources could include a new tax, a city council appropriation, or a loan made by the city to the new board of education. School ad valorem taxes will be collected in arrears after the final separation agreement is made. Legal assistance is highly desirable in these issues.

It is recommended that at least a superintendent and a chief school fiscal officer (statutory requirement) be employed by the newly appointed Fairhope City Board of Education as soon as possible to oversee and implement the transition to a new city system. Immediate participation in financial training and professional development will be essential for any professional employee.

D. FAIRHOPE CITY SCHOOL SYSTEM SHARE OF BALDWIN COUNTY SCHOOL SYSTEM FUND BALANCES

The capital outlay and debt load to be assumed by the proposed Fairhope City School System could be at least partially offset by the following considerations.

- (1) At final implementation of separation, the Fairhope City School System would be entitled to its share of escrowed Capital Purchase Allocation from the Public School Fund in escrow by the Baldwin County Board of Education. The resident students of Fairhope helped earn this allocation, and the residents of Fairhope paid the three mill statewide ad valorem tax which funds it.
- (2) At final implementation of separation, the Fairhope City School System would be entitled to its share of any fund balance in the General Fund of the Baldwin County Public School System. These taxes were paid on behalf of all school students of Baldwin County, including those residing in Fairhope.
- (3) At final implementation of separation, the Fairhope City School System would be entitled to its share of any escrowed fund balance of revenue warrants and

or bond issues by the Baldwin County Board of Education for which the Fairhope City School System will be assigned debt service.

- (4) At initial implementation of separation, the Fairhope City School System would be entitled to full documentation detailing existing debt service on transferred buildings, supplies and equipment and land, and to the degree such debt is validated, an enumeration of the projects or improvements made at these schools, as well as title to the property.
- (5) At final implementation of separation, the Fairhope City School System would be entitled to all fund balances in school internal accounts, including school accounts in the Special Revenue Fund or Expendable Trust accounts of the Fiduciary Fund of the Baldwin School System of the school sites in Fairhope.

7. APPENDICES

| | Title | Page Number |
|------|---|----------------|
| 7-1 | Per Capita Income and Rank by County in Alabama for 2000-2008..... | 129 |
| 7-2 | Rank by Per Capita Income and by Cities with School Systems in Alabama, 1999 | 130 |
| 7-3 | Section 269, Constitution of 1901 as Amended with Proposed Amendment for November 2, 2010, Statewide Referendum..... | 131 |
| 7-4 | Amendment 3: Statewide Application 3.0 Mill Countywide and 3.0 Mill School District Ad Valorem Tax | 132 |
| 7-5 | Amendment 162 Ratified: Additional Tax for School Purposes in Baldwin County | 133 |
| 7-6 | Local Act Special Sales Tax for Baldwin County: Act Number 84-523..... | 134 |
| 7-7 | Franchise, Excise, and Privilege License Taxes for Baldwin County Schools Authorized by Section 40-12-4, <i>Code of Alabama 1975</i> | 136 |
| 7-8 | Amendment 778: Minimum Ad Valorem Tax Rate for General School Purposes | 139 |
| 7-9 | Calculation of Yield per Mill per ADM for County School Systems for FY 2009-10 | 140 |
| 7-10 | Calculation of Yield per Mill per ADM for City School Systems for FY 2009-10 | 141 |
| 7-11 | Calculation of Equivalent Mills for County School Systems for FY 2009-10 | 142 |
| 7-12 | Calculation of Equivalent Mills for City School Systems for FY 2009-10 | 143 |
| 7-13 | Capital Purchase Allocation for FY 2009-10 for County School Systems | 144 |
| 7-14 | Capital Purchase Allocation for FY 2009-10 for City School Systems | 145 |

| | | |
|------|---|-----|
| 7-15 | Unrestricted Local Tax Revenues per ADM for FY 2009-10 for County School Systems | 146 |
| 7-16 | Unrestricted Local Tax Revenues per ADM for FY 2009-10 for City School Systems | 147 |
| 7-17 | Fairhope K-1 Center School Site Facilities Summary | 148 |
| 7-18 | Fairhope Primary School Site Facilities Summary | 149 |
| 7-19 | Fairhope Intermediate School Site Facilities Summary | 150 |
| 7-20 | Fairhope Middle School Site Facilities Summary | 151 |
| 7-21 | Fairhope High School Site Facilities Summary | 152 |
| 7-22 | Fairhope K-1 Center Attachment to Exhibit P-II for FY 2010 Budget | 153 |
| 7-23 | Fairhope Primary School Attachment to Exhibit P-II for FY 2010 Budget .. | 154 |
| 7-24 | Fairhope Intermediate School Attachment to Exhibit P-II for FY 2010 Budget | 155 |
| 7-25 | Fairhope Middle School Attachment to Exhibit P-II for FY 2010 Budget | 156 |
| 7-26 | Fairhope High School Attachment to Exhibit P-II for FY 2010 Budget | 157 |

Appendix 7-1

Per Capita Income by County in Alabama for 2000-2008

| Per Capita Income by County for Alabama, 2000 to 2008 | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| County | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2008 Rank |
| State total | 24,069 | 25,090 | 25,802 | 26,729 | 28,370 | 29,838 | 31,415 | 32,803 | 33,655 | n/a |
| Autauga, AL | 23,235 | 24,750 | 24,981 | 26,260 | 27,130 | 28,643 | 29,886 | 31,488 | 32,547 | 11 |
| Baldwin, AL | 26,528 | 26,833 | 27,148 | 27,455 | 29,433 | 31,163 | 33,681 | 35,146 | 35,738 | 5 |
| Barbour, AL | 18,571 | 19,648 | 19,887 | 19,942 | 20,984 | 21,783 | 22,424 | 23,428 | 23,764 | 65 |
| Bibb, AL | 17,869 | 18,326 | 18,693 | 19,409 | 20,694 | 21,179 | 22,488 | 23,598 | 24,401 | 63 |
| Blount, AL | 20,382 | 21,786 | 21,404 | 22,154 | 23,043 | 23,780 | 24,020 | 25,299 | 25,868 | 53 |
| Bullock, AL | 15,663 | 17,621 | 18,020 | 17,925 | 19,145 | 19,285 | 20,561 | 20,907 | 21,634 | 66 |
| Butler, AL | 18,861 | 20,710 | 21,781 | 22,257 | 23,470 | 24,008 | 25,046 | 26,700 | 27,800 | 38 |
| Calhoun, AL | 21,521 | 22,502 | 23,652 | 24,893 | 26,460 | 27,535 | 29,063 | 31,163 | 32,199 | 12 |
| Chambers, AL | 20,210 | 21,785 | 21,987 | 22,309 | 23,424 | 24,054 | 25,124 | 26,139 | 26,020 | 52 |
| Cherokee, AL | 18,442 | 20,047 | 20,556 | 21,273 | 22,427 | 23,274 | 24,023 | 25,834 | 26,780 | 46 |
| Chilton, AL | 19,610 | 20,531 | 20,786 | 21,320 | 22,496 | 23,965 | 25,488 | 26,933 | 27,477 | 43 |
| Choctaw, AL | 19,568 | 19,975 | 21,010 | 21,828 | 22,529 | 23,620 | 25,193 | 26,253 | 26,763 | 47 |
| Clarke, AL | 20,415 | 20,846 | 21,441 | 22,484 | 23,817 | 24,633 | 26,098 | 27,962 | 28,949 | 29 |
| Clay, AL | 18,586 | 20,201 | 20,447 | 21,573 | 23,172 | 24,676 | 26,130 | 26,717 | 26,710 | 48 |
| Cleburne, AL | 18,211 | 19,886 | 20,175 | 20,953 | 23,187 | 24,485 | 25,233 | 26,935 | 27,593 | 41 |
| Coffee, AL | 23,790 | 26,031 | 26,838 | 27,825 | 29,551 | 30,284 | 31,150 | 33,032 | 33,884 | 8 |
| Colbert, AL | 21,351 | 21,757 | 22,263 | 23,574 | 24,170 | 25,348 | 26,718 | 28,192 | 29,314 | 28 |
| Conecuh, AL | 19,298 | 20,548 | 20,431 | 21,289 | 22,533 | 23,939 | 24,735 | 25,588 | 26,981 | 44 |
| Coosa, AL | 18,191 | 18,550 | 18,567 | 19,990 | 21,379 | 22,152 | 23,849 | 24,634 | 25,342 | 59 |
| Covington, AL | 19,761 | 21,956 | 22,275 | 23,624 | 24,807 | 25,268 | 26,066 | 27,199 | 28,271 | 34 |
| Crenshaw, AL | 21,538 | 23,754 | 22,614 | 23,966 | 26,404 | 28,730 | 28,215 | 29,462 | 30,040 | 23 |
| Cullman, AL | 22,017 | 23,736 | 23,413 | 24,490 | 25,982 | 27,328 | 27,657 | 28,496 | 28,930 | 31 |
| Dale, AL | 20,289 | 21,008 | 21,595 | 22,473 | 23,982 | 25,762 | 26,792 | 28,350 | 29,438 | 26 |
| Dallas, AL | 19,425 | 20,456 | 21,103 | 22,100 | 23,758 | 24,871 | 26,491 | 27,096 | 28,065 | 35 |
| DeKalb, AL | 20,722 | 21,706 | 22,043 | 22,773 | 24,279 | 24,206 | 24,483 | 25,528 | 26,059 | 51 |
| Elmore, AL | 23,618 | 24,236 | 24,511 | 25,482 | 26,251 | 27,207 | 28,649 | 29,914 | 31,043 | 16 |
| Escambia, AL | 19,073 | 19,545 | 18,937 | 20,268 | 21,583 | 23,295 | 24,523 | 25,200 | 26,612 | 49 |
| Etowah, AL | 21,586 | 22,555 | 23,264 | 24,205 | 25,304 | 26,358 | 27,360 | 28,995 | 29,947 | 24 |
| Fayette, AL | 18,904 | 20,085 | 20,087 | 20,891 | 21,456 | 22,427 | 23,385 | 24,635 | 25,014 | 61 |
| Franklin, AL | 20,099 | 21,727 | 21,490 | 21,843 | 23,244 | 24,173 | 23,905 | 25,339 | 25,698 | 55 |
| Geneva, AL | 20,095 | 22,683 | 23,160 | 24,079 | 24,816 | 26,487 | 26,845 | 28,519 | 29,419 | 27 |
| Greene, AL | 17,649 | 18,614 | 19,382 | 20,909 | 23,387 | 27,096 | 29,906 | 30,871 | 31,713 | 13 |
| Hale, AL | 16,297 | 17,044 | 17,843 | 19,200 | 20,391 | 21,975 | 23,694 | 24,226 | 25,431 | 58 |
| Henry, AL | 19,847 | 21,957 | 22,739 | 23,204 | 23,353 | 25,319 | 25,866 | 27,050 | 28,022 | 36 |
| Houston, AL | 24,696 | 26,249 | 27,234 | 27,652 | 29,524 | 31,141 | 32,759 | 34,683 | 35,289 | 6 |
| Jackson, AL | 21,690 | 22,009 | 21,882 | 22,786 | 24,322 | 25,643 | 26,775 | 27,869 | 28,842 | 32 |
| Jefferson, AL | 31,235 | 32,295 | 33,799 | 34,728 | 37,482 | 39,005 | 41,370 | 42,551 | 43,180 | 2 |
| Lamar, AL | 18,810 | 20,416 | 20,439 | 20,784 | 21,176 | 22,600 | 23,821 | 24,871 | 25,502 | 57 |
| Lauderdale, AL | 22,335 | 23,468 | 23,606 | 24,302 | 25,463 | 26,999 | 28,287 | 30,277 | 31,118 | 15 |
| Lawrence, AL | 20,116 | 21,069 | 20,767 | 22,655 | 23,471 | 24,301 | 25,180 | 26,823 | 28,946 | 30 |
| Lee, AL | 20,577 | 21,089 | 21,747 | 22,553 | 23,884 | 24,748 | 26,123 | 27,476 | 27,749 | 39 |
| Limestone, AL | 22,471 | 23,660 | 24,126 | 26,763 | 26,747 | 28,239 | 29,751 | 30,575 | 31,130 | 14 |
| Lowndes, AL | 17,758 | 18,565 | 18,607 | 19,712 | 21,997 | 23,233 | 24,248 | 25,358 | 27,568 | 42 |
| Macon, AL | 15,706 | 16,322 | 16,842 | 17,617 | 19,216 | 20,254 | 21,434 | 22,580 | 24,725 | 62 |
| Madison, AL | 29,109 | 29,478 | 30,343 | 31,448 | 32,966 | 34,784 | 36,608 | 38,679 | 39,954 | 3 |
| Marengo, AL | 21,520 | 22,994 | 23,437 | 24,158 | 25,948 | 27,485 | 28,684 | 29,522 | 30,422 | 19 |
| Marion, AL | 18,326 | 18,843 | 19,699 | 20,508 | 22,650 | 24,263 | 24,797 | 25,991 | 26,816 | 45 |
| Marshall, AL | 21,705 | 23,705 | 23,949 | 25,121 | 26,561 | 27,456 | 28,130 | 29,443 | 30,046 | 22 |
| Mobile, AL | 21,847 | 22,500 | 22,947 | 23,534 | 24,707 | 26,476 | 28,624 | 29,481 | 30,567 | 18 |
| Monroe, AL | 19,588 | 21,016 | 20,505 | 22,020 | 23,627 | 24,466 | 25,126 | 26,309 | 27,628 | 40 |
| Montgomery, AL | 27,530 | 28,991 | 30,757 | 31,885 | 34,061 | 35,356 | 37,150 | 38,154 | 39,182 | 4 |
| Morgan, AL | 25,083 | 25,496 | 26,153 | 27,130 | 28,598 | 29,685 | 31,257 | 32,734 | 33,519 | 9 |
| Perry, AL | 17,131 | 17,740 | 18,019 | 19,748 | 20,981 | 22,773 | 24,033 | 24,708 | 26,101 | 50 |
| Pickens, AL | 19,024 | 20,438 | 20,511 | 21,699 | 23,465 | 25,133 | 25,212 | 26,757 | 27,887 | 37 |
| Pike, AL | 21,077 | 22,991 | 23,787 | 25,040 | 27,413 | 29,051 | 29,341 | 31,345 | 32,889 | 10 |
| Randolph, AL | 17,994 | 18,872 | 19,410 | 20,014 | 21,521 | 22,037 | 22,655 | 24,413 | 25,245 | 60 |
| Russell, AL | 19,831 | 21,109 | 21,511 | 22,661 | 23,395 | 24,702 | 26,061 | 27,284 | 28,548 | 33 |
| St. Clair, AL | 21,495 | 22,730 | 23,063 | 23,733 | 25,703 | 27,191 | 28,290 | 29,479 | 30,316 | 21 |
| Shelby, AL | 33,135 | 33,697 | 34,005 | 34,249 | 36,838 | 40,017 | 41,879 | 44,401 | 44,658 | 1 |
| Sumter, AL | 16,731 | 17,130 | 18,004 | 18,730 | 20,054 | 20,811 | 22,270 | 22,975 | 24,129 | 64 |
| Talladega, AL | 19,156 | 20,701 | 22,192 | 24,004 | 25,322 | 27,171 | 28,073 | 29,522 | 30,324 | 20 |
| Tallapoosa, AL | 21,464 | 22,062 | 21,626 | 22,710 | 24,165 | 25,513 | 27,545 | 28,708 | 29,889 | 25 |
| Tuscaloosa, AL | 24,579 | 25,761 | 26,636 | 27,452 | 28,347 | 30,303 | 31,940 | 33,692 | 34,492 | 7 |
| Walker, AL | 20,827 | 22,241 | 23,296 | 24,276 | 25,515 | 27,216 | 28,685 | 29,710 | 30,572 | 17 |
| Washington, AL | 18,118 | 18,764 | 18,888 | 19,470 | 21,235 | 21,567 | 22,665 | 24,217 | 25,506 | 56 |
| Wilcox, AL | 16,072 | 16,796 | 17,057 | 18,050 | 19,185 | 19,039 | 20,165 | 20,818 | 21,228 | 67 |
| Winston, AL | 18,951 | 20,003 | 20,064 | 20,590 | 22,455 | 23,893 | 24,021 | 24,851 | 25,707 | 54 |

Source: Bureau of Economic Analysis, Regional Economic Information System, April 2010

Appendix 7-2
Rank by Per Capita Income and by Cities with School Systems for 1999

| Rank of All Cities | Places | Per Capita Income | System Number | Rank of Cities With School Systems |
|--------------------|-------------------------------|-------------------|---------------|------------------------------------|
| 1 | Mountain Brook city, Alabama | \$ 59,085 | 175 | 1 |
| 3 | Vestavia Hills city, Alabama | \$ 40,392 | 202 | 2 |
| 10 | Hoover city, Alabama | \$ 33,361 | 158 | 3 |
| 18 | Madison city, Alabama | \$ 27,821 | 169 | 4 |
| 19 | Trussville city, Alabama | \$ 27,235 | 205 | 5 |
| 28 | Homewood city, Alabama | \$ 25,491 | 157 | 6 |
| 30 | Fairhope city, Alabama | \$ 25,237 | n/a | n/a |
| 33 | Huntsville city, Alabama | \$ 24,015 | 159 | 7 |
| 53 | Muscle Shoals city, Alabama | \$ 21,113 | 176 | 8 |
| 57 | Hartselle city, Alabama | \$ 20,727 | 156 | 9 |
| 62 | Dothan city, Alabama | \$ 20,539 | 130 | 10 |
| 64 | Enterprise city, Alabama | \$ 20,493 | 132 | 11 |
| 65 | Decatur city, Alabama | \$ 20,431 | 127 | 12 |
| 69 | Arab city, Alabama | \$ 20,035 | 106 | 13 |
| 72 | Pell City city, Alabama | \$ 19,935 | 183 | 14 |
| 79 | Fort Payne city, Alabama | \$ 19,690 | 143 | 15 |
| 81 | Jasper city, Alabama | \$ 19,491 | 163 | 16 |
| 82 | Saraland city, Alabama | \$ 19,470 | 187 | 17 |
| 83 | Florence city, Alabama | \$ 19,464 | 141 | 18 |
| 87 | Athens city, Alabama | \$ 19,315 | 107 | 19 |
| 90 | Tuscaloosa city, Alabama | \$ 19,129 | 200 | 20 |
| 100 | Anniston city, Alabama | \$ 18,769 | 105 | 21 |
| 106 | Leeds city, Alabama | \$ 18,573 | 167 | 22 |
| 108 | Guntersville city, Alabama | \$ 18,503 | 154 | 23 |
| 111 | Cullman city, Alabama | \$ 18,484 | 125 | 24 |
| 114 | Scottsboro city, Alabama | \$ 18,430 | 190 | 25 |
| 120 | Tuscumbia city, Alabama | \$ 18,302 | 201 | 26 |
| 125 | Brewton city, Alabama | \$ 18,185 | 116 | 27 |
| 132 | Opelika city, Alabama | \$ 18,023 | 179 | 28 |
| 153 | Alexander City city, Alabama | \$ 17,305 | 102 | 29 |
| 154 | Andalusia city, Alabama | \$ 17,292 | 104 | 30 |
| 168 | Rosa town, Alabama | \$ 17,042 | 189 | 31 |
| 181 | Demopolis city, Alabama | \$ 16,687 | 128 | 32 |
| 186 | Linden city, Alabama | \$ 16,536 | 168 | 33 |
| 194 | Auburn city, Alabama | \$ 16,431 | 110 | 34 |
| 200 | Albertville city, Alabama | \$ 16,336 | 101 | 35 |
| 207 | Sylacauga city, Alabama | \$ 16,209 | 193 | 36 |
| 209 | Oneonta city, Alabama | \$ 16,166 | 178 | 37 |
| 211 | Eufaula city, Alabama | \$ 16,146 | 133 | 38 |
| 213 | Haleyville city, Alabama | \$ 16,139 | 155 | 39 |
| 218 | Jacksonville city, Alabama | \$ 16,035 | 162 | 40 |
| 219 | Sheffield city, Alabama | \$ 16,022 | 192 | 41 |
| 221 | Ozark city, Alabama | \$ 15,984 | 181 | 42 |
| 224 | Winfield city, Alabama | \$ 15,814 | 204 | 43 |
| 229 | Talladega city, Alabama | \$ 15,733 | 194 | 44 |
| 230 | Midfield city, Alabama | \$ 15,729 | 171 | 45 |
| 232 | Attalla city, Alabama | \$ 15,727 | 109 | 46 |
| 233 | Boaz city, Alabama | \$ 15,664 | 115 | 47 |
| 234 | Birmingham city, Alabama | \$ 15,663 | 114 | 48 |
| 237 | Lanett city, Alabama | \$ 15,614 | 165 | 49 |
| 238 | Gadsden city, Alabama | \$ 15,610 | 144 | 50 |
| 240 | Troy city, Alabama | \$ 15,589 | 199 | 51 |
| 245 | Paint Rock town, Alabama | \$ 15,551 | 182 | 52 |
| 252 | Elba city, Alabama | \$ 15,382 | 131 | 53 |
| 259 | Opp city, Alabama | \$ 15,281 | 180 | 54 |
| 281 | Thomasville city, Alabama | \$ 14,916 | 198 | 55 |
| 283 | Geneva city, Alabama | \$ 14,877 | 146 | 56 |
| 286 | Tallassee city, Alabama | \$ 14,859 | 195 | 57 |
| 300 | Phenix City city, Alabama | \$ 14,619 | 184 | 58 |
| 301 | Fairfield city, Alabama | \$ 14,607 | 137 | 59 |
| 324 | Piedmont city, Alabama | \$ 14,220 | 185 | 60 |
| 328 | Dadeville city, Alabama | \$ 14,178 | 126 | 61 |
| 329 | Tarrant city, Alabama | \$ 14,149 | 197 | 62 |
| 334 | Roanoke city, Alabama | \$ 14,088 | 188 | 63 |
| 371 | Selma city, Alabama | \$ 13,369 | 191 | 64 |
| 422 | Bessemer city, Alabama | \$ 12,232 | 113 | 65 |

Appendix 7-3

Section 269, Constitution of 1901 as Amended

Section 269. Special county school taxes.

The several counties in this state shall have power to levy and collect a special tax not exceeding ten cents on each one hundred dollars of taxable property in such counties, for the support of public schools; provided, that the rate of such tax, the time it is to continue, and the purpose thereof, shall have been first submitted to a vote of the qualified electors of the county, and voted for by three-fifths of those voting at such election; but the rate of such special tax shall not increase the rate of taxation, state and county combined, in any one year, to more than one dollar and twenty-five cents on each one hundred dollars of taxable property; excluding, however, all special county taxes for public buildings, roads, bridges, and the payment of debts existing at the ratification of the Constitution of eighteen hundred and seventy-five. The funds arising from such special school tax shall be so apportioned and paid through the proper school officials to the several schools in the townships and districts in the county that the school terms of the respective schools shall be extended by such supplement as nearly the same length of time as practicable; provided, that this section shall not apply to the cities of Decatur, New Decatur, and Cullman.

Section 269, Constitution of 1901 as Proposed to be Amended By Act 2009-551, 2009 Regular Session On Ballot for November 2, 2010, Statewide General Election

Section 269. Special county school taxes.

The several counties in this state shall have power to levy and collect a special tax not exceeding ten cents on each one hundred dollars of taxable property in such counties, for the support and furtherance of education in such manner as may be authorized by the legislature; provided, that the rate of such tax, the time it is to continue, and the purpose thereof, shall have been first submitted to a vote of the qualified electors of the county, and voted for by ~~three-fifths~~ a majority of those voting at such election; but the rate of such special tax shall not increase the rate of taxation, state and county combined, in any one year, to more than one dollar and twenty-five cents on each one hundred dollars of taxable property; excluding, however, all special county taxes for public buildings, roads, bridges, and the payment of debts existing at the ratification of the Constitution of eighteen hundred and seventy-five.

Appendix 7-4

Amendment 3: Statewide Application 3.0 Mill Countywide and 3.0 Mill School District Ad Valorem Tax

Article XIX, Section 1. The several counties in the state shall have power to levy and collect a special county tax not exceeding thirty cents on each one hundred dollars worth of taxable property in such counties in addition to that now authorized or that may hereafter be authorized for public school purposes, and in addition to that now authorized under section 260 of article XIV of the Constitution; provided, that the rate of such tax, the time it is to continue and the purpose thereof shall have been first submitted to the vote of the qualified electors of the county, and voted for by a majority of those voting at such election.

Section 2. The several school districts of any county in the state shall have power to levy and collect a special district tax not exceeding thirty cents on each one hundred dollars worth of taxable property in such district for public school purposes; provided, that a school district under the meaning of this section shall include incorporated cities or towns, or any school district of which an incorporated city or town is a part, or such other school districts now existing or hereafter formed as may be approved by the county board of education; provided further, that the rate of such tax, the time it is to continue and the purpose thereof shall have been first submitted to the vote of the qualified electors of the district and voted for by a majority of those voting at such election; provided further, that no district tax shall be voted or collected except in such counties as are levying and collecting not less than a three-mill special county school tax.

Section 3. The funds arising from the special county school tax levied and collected by any county shall be apportioned and expended as the law may direct, and the funds arising from the special school tax levied in any district which votes the same independently of the county shall be expended for the exclusive benefit of the district, as the law may direct (*Constitution of 1901, Amendment 3*).

Appendix 7-5

Amendment 162 Ratified: Additional Tax for School Purposes in Baldwin County

Section 1. The court of county commissioners, board of revenue, or other like governing body of Baldwin county shall have power to levy and provide for collection of an additional county tax of fifty cents on each one hundred dollars worth of taxable property in the county, for public school purposes, in the same manner and subject to the same election requirements as provided in the third amendment to this Constitution with respect to other county school taxes. The tax herein authorized shall be in addition to all other county taxes authorized in this Constitution as amended, and the proceeds thereof shall be spent for public school purposes only.

Section 2. If this amendment is approved and a majority of the qualified electors of the county who vote thereon vote in favor of the adoption of this amendment when it is submitted, the additional tax provided for in section 1 may be levied and collected thereafter without any other election having been held thereon. But if this amendment is approved and a majority of the qualified electors of the county who vote thereon vote against its approval, the tax may not be levied unless the rate of the tax, the time it is to continue, and the purpose thereof shall have been again submitted to a vote of the qualified electors of the county and voted for by a majority of those voting at the election. Subsequent elections may be held at intervals of not less than one year, and shall be called, held, and conducted in the same way, according to the general laws, as other elections on the question of levying special county school taxes.

(Proposed by Acts 1961, p. 570, submitted December 5, 1961, and proclaimed ratified December 18, 1961.)

Appendix 7-6

Local Act Special Sales Tax for Baldwin County:
Act Number 84-523

Act No. 84-523

H. 935—Reps. McMillan, Penry

AN ACT

To amend Section 8 of Act No. 83-532, H. 609, Regular Session 1983 (Acts 1983, p. 827), which act levies an additional sales tax in Baldwin County, so as to provide further for the distribution of a certain portion of the proceeds of said tax so as to provide for the leasing or building and operation of a home for juveniles through the juvenile court of Baldwin County

Be It Enacted by the Legislature of Alabama:

Section 1. Section 8 of Act No. 83-532, H. 609, Regular Session 1983 (Acts 1983, p. 827), is hereby amended to read as follows:

“Section 8. The state department of revenue shall charge Baldwin County for collecting the special county tax levied under this act such amount or percentage of total collections as may be agreed upon by the commissioner of revenue and the Baldwin County Commission, but such charge shall not, in any event, exceed ten percent of the total amount of the special county tax collected in said county under this act. Such charge for collecting such special tax may be deducted each month from the gross revenues from such special tax before certification of the amount of the proceeds thereof due Baldwin County for that month. The commissioner of revenue shall pay into the state treasury all tax collected under this act, as such tax is received by the department of revenue, and on or before the first day of each successive month (commencing with the month following the month in which the department makes the first collection hereunder) the commissioner shall certify to the state comptroller the amount of tax collected under the provisions of this act and paid by him into the state treasury for the benefit of Baldwin County during the month immediately preceding such certification. Provided, however, that before certifying the amount of the tax paid into the state treasury for the benefit of Baldwin County during each month, the commissioner may deduct from the tax collected in said month the charge due the department for the collection of the

tax for the county. It shall be the duty of the comptroller to issue his warrant each month payable to the county treasurer of Baldwin County in his official capacity in an amount equal to the amount so certified by the commissioner of revenue as having been collected for the use of the county. All revenues arising from the taxes herein authorized to be levied shall be distributed as follows: (a) Fifty-five percent (55%) shall be distributed to the Baldwin County board of education to be utilized exclusively for capital improvement, capital construction and maintenance purposes; (b) five percent (5%) shall be distributed to Faulkner State Junior College in Bay Minette to be used as other appropriations to said school are used; and (c) forty percent (40%) shall be deposited in the general fund of the county to be expended as other county funds. Provided, however, in the initial fiscal year that this sales tax is levied, prior to any distribution provided herein, a one-time disbursement of two percent (2%) of all revenues arising from said tax shall be appropriated for the erection of a suitable county animal pound as provided in Section 3-7-7, Code of Alabama 1975. Said one-time two percent (2%) appropriation shall be made only during the fiscal year that the sales tax provided by this act is implemented. Effective for the fiscal year beginning October 1, 1984, and each fiscal year thereafter, prior to any other distribution, two percent (2%) of all net revenues herein collected shall be appropriated to the juvenile court for Baldwin County to be used for the leasing or building, staffing, and operation of a home for juveniles."

Section 2. This act shall become effective immediately upon its passage and approval by the Governor, or upon its otherwise becoming a law.

Approved May 30, 1984

Time: 2:00 P.M.

Appendix 7-7

Franchise, Excise, and Privilege License Taxes for Baldwin County Schools

Section 40-12-4. County license tax for school purposes - Authority to levy.

(a) In order to provide funds for public school purposes, the governing body of each of the several counties in this state is hereby authorized by ordinance to levy and provide for the assessment and collection of franchise, excise and privilege license taxes with respect to privileges or receipts from privileges exercised in such county, which shall be in addition to any and all other county taxes heretofore or hereafter authorized by law in such county. Such governing body may, in its discretion, submit the question of levying any such tax to a vote of the qualified electors of the county. If such governing body submits the question to the voters, then the governing body shall also provide for holding and canvassing the returns of the election and for giving notice thereof. All the proceeds from any tax levied pursuant to this section less the cost of collection thereof shall be used exclusively for public school purposes, including specifically and without limitation capital improvements and the payment of debt service on obligations issued therefor.

(b) Notwithstanding anything to the contrary herein, said governing body shall not levy any tax hereunder measured by gross receipts, except a sales or use tax which parallels, except for the rate of tax, that imposed by the state under this title. Any such sales or use tax on any automotive vehicle, truck trailer, trailer, semitrailer, or travel trailer required to be registered or licensed with the probate judge, where not collected by a licensed Alabama dealer at time of sale, shall be collected and fees paid in accordance with the provisions of Sections 40-23-104 and 40-23-107, respectively. No such governing body shall levy any tax upon the privilege of engaging in any business or profession unless such tax is levied uniformly and at the same rate against every person engaged in the pursuit of any business or profession within the county; except, that any tax levied hereunder upon the privilege of engaging in any business or profession may be measured by the number of employees of such business or the number of persons engaged in the pursuit of such profession. In all counties having more than one local board of education, revenues collected under the provisions of this section shall be distributed within such county on the same basis of the total calculated costs for the Foundation Program for those local boards of education within the county.

Appendix 7-8

Amendment 778: Minimum ad valorem tax rate for general school purposes.

(a) There is hereby authorized and there shall be levied and collected for general public school purposes, for the ad valorem tax year commencing October 1, 2006, and for each ad valorem tax year thereafter, in each school district of the state, in addition to all other taxes, a special ad valorem school property tax at a rate equal to the difference between ten dollars on each one thousand dollars of taxable property in such district and the sum of the rates per thousand of all the ad valorem property taxes described in Section (b) hereof otherwise levied and collected for general public school purposes in such school district and required or permitted by the terms of this amendment to be taken into account for purposes of determining the rate of said tax. The County Commission or other like governing body of each county in the State is hereby directed to compute and determine annually the rate or rates of, and to levy and collect in and for the benefit of each school district within such county, the additional ad valorem property tax authorized hereby, in compliance with the provisions of this amendment. The proceeds from said tax shall not, any provisions of any law or of this constitution to the contrary notwithstanding, be subject to any fees, charges or commissions for assessment or collection by any person whatever, it being the intent hereof that the full amounts of the proceeds of said tax collected shall be used for general public school purposes.

(b) The following described ad valorem property taxes, to the extent the use of the proceeds thereof is not lawfully restricted, earmarked or otherwise designated for a purpose or purposes more particular than general public school purposes, now or hereafter levied and collected in each school district of the State, shall be taken into account annually in determining the rate of the tax required to be levied each year pursuant to the provisions of Section (a) of this amendment:

(1) countywide ad valorem property taxes levied and collected for public school or educational purposes under the provisions of Section 269 of, or Amendments 3 or 202 [§§269.01 through 269.04] to, the Constitution of Alabama of 1901 or any amendment thereto adopted subsequent to the adoption of this amendment similarly authorizing the levy of such taxes,

(2) countywide ad valorem property taxes levied and collected for public school or educational purposes,

(3) that portion, expressed as an ad valorem tax millage rate, of any local countywide ad valorem property tax or taxes levied and collected in any county of the state for general purposes that is paid or required to be distributed to or used for the benefit of the respective public school system or

systems of the county to which the school district has reference, and that is designated by official action of the taxing authority levying the same as creditable for purposes of Section (a) of this amendment, provided that any such portion of such tax once so designated may not thereafter be designated for other than general school purposes and shall be recorded as a school tax that may be levied and collected without limit as to time,

(4) school district ad valorem property taxes levied and collected under the provisions of Amendments 3 or 382 to the Constitution of 1901 [§§269.01 through 269.04], or the provisions of any constitutional amendment applicable only to the county (or part thereof) in which the school district is located authorizing the levy of an ad valorem property tax in the school district, and

(5) any ad valorem property taxes otherwise levied by and collected in any municipality of the state for public school purposes the proceeds of which are paid or required to be used for the benefit of the school system of such municipality, and that are designated by the taxing authority levying the tax as creditable for purposes of Section (a) of this amendment, provided that any such tax once so designated may not thereafter be designated for other than general school purposes and shall be recorded as a school tax that may be levied and collected without limit as to time.

(c) Each local taxing authority in the State levying ad valorem property taxes for public school purposes shall annually notify the Alabama Department of Revenue, the Alabama State Superintendent of Education, and the Director of Finance of all ad valorem property taxes so levied by such authority for school purposes (including the tax authorized to be levied hereby), of the authority under which such taxes were levied and collected, the provisions of any referendum at which they were approved pertaining to the rates thereof, the time they are to continue, the purposes for which they were approved, and the particular constitutional authority under which they were submitted for referendum, if applicable.

(d) The levy and collection of the additional ad valorem property tax authorized and required to be levied and collected pursuant to the provisions of this amendment shall not affect or reduce any authorization heretofore or hereafter otherwise existing for the levy of any school district or countywide ad valorem property tax or taxes, whether such levy is subject to approval by the qualified electors of the jurisdiction in which the tax may be levied at a referendum election or otherwise.

(e) The tax levied pursuant to this amendment may be pledged for payment of any debt obligations incurred for public school purposes for which any other ad valorem property tax levied in the school district in which the tax is levied is or may be pledged for repayment. No provision of this amendment shall affect or impair the

validity of any pledge of any local ad valorem property tax heretofore or hereafter made for the payment of any indebtedness of any type whatever.

(f) Any provision of the Constitution of Alabama of 1901, as amended, to the contrary notwithstanding, all ad valorem property taxes for public school or education purposes in the state of Alabama the levy of which has been approved by a majority vote of the appropriate electorate prior to the ratification of this amendment by the qualified electors of the State, and the levy and collection of any such tax from the date of the initial levy thereof, are hereby authorized, ratified and confirmed regardless of any statutory or constitutional defects, mistakes, errors or ambiguities in the authorization or levy thereof or the election thereon, or in any act of the Legislature with respect thereto; provided, however, that the authorization, ratification and confirmation effected by this Section (f) shall not be applicable to any tax the validity of which was being challenged in appropriate judicial proceedings in any proper court on the date of final passage of the act of the legislature pursuant to which this amendment was proposed.

Appendix 7-9
Calculation of Yield per Mill per ADM for
County School Systems for FY 2009-10

| System Number | System Description | Total Local Tax Revenues | System ADM | System Value of a Mill | Rank State-Wide | System Value of a Mill per ADM | Rank State-Wide |
|---------------|-----------------------|--------------------------|------------------|------------------------|-----------------|--------------------------------|-----------------|
| 001 | Autauga County | \$ 11,715,360 | 9,854.10 | \$ 601,130 | 18 | \$ 61.00 | 48 |
| 002 | Baldwin County | \$ 90,976,697 | 26,735.95 | \$ 4,543,147 | 1 | \$ 169.93 | 1 |
| 003 | Barbour County | \$ 1,481,371 | 1,051.10 | \$ 106,252 | 96 | \$ 101.09 | 11 |
| 004 | Bibb County | \$ 3,574,648 | 3,737.45 | \$ 146,699 | 72 | \$ 39.25 | 102 |
| 005 | Blount County | \$ 5,613,150 | 8,399.15 | \$ 313,665 | 39 | \$ 37.34 | 105 |
| 006 | Bullock County | \$ 1,662,688 | 1,611.40 | \$ 72,445 | 112 | \$ 44.96 | 84 |
| 007 | Butler County | \$ 4,457,110 | 3,348.25 | \$ 202,511 | 59 | \$ 60.48 | 50 |
| 008 | Calhoun County | \$ 15,362,360 | 9,255.95 | \$ 257,227 | 46 | \$ 27.79 | 126 |
| 009 | Chambers County | \$ 5,516,040 | 4,045.00 | \$ 242,379 | 49 | \$ 59.92 | 52 |
| 010 | Cherokee County | \$ 5,946,149 | 4,071.55 | \$ 236,149 | 51 | \$ 58.00 | 54 |
| 011 | Chilton County | \$ 6,751,278 | 7,626.30 | \$ 369,241 | 29 | \$ 48.42 | 73 |
| 012 | Choctaw County | \$ 3,567,611 | 1,886.50 | \$ 182,519 | 62 | \$ 96.75 | 13 |
| 013 | Clarke County | \$ 3,882,270 | 3,390.30 | \$ 281,007 | 42 | \$ 82.89 | 24 |
| 014 | Clay County | \$ 1,469,170 | 2,133.80 | \$ 92,897 | 103 | \$ 43.54 | 93 |
| 015 | Cleburne County | \$ 2,709,830 | 2,620.40 | \$ 114,933 | 93 | \$ 43.86 | 91 |
| 016 | Coffee County | \$ 3,030,630 | 2,192.65 | \$ 120,719 | 86 | \$ 55.06 | 59 |
| 017 | Colbert County | \$ 6,966,891 | 2,933.25 | \$ 254,249 | 47 | \$ 86.68 | 21 |
| 018 | Conecuh County | \$ 2,727,599 | 1,701.60 | \$ 134,769 | 81 | \$ 79.20 | 28 |
| 019 | Coosa County | \$ 2,026,861 | 1,331.85 | \$ 148,440 | 70 | \$ 111.45 | 5 |
| 020 | Covington County | \$ 4,355,340 | 3,102.60 | \$ 220,710 | 54 | \$ 71.14 | 36 |
| 021 | Crenshaw County | \$ 2,161,445 | 2,365.30 | \$ 130,064 | 83 | \$ 54.99 | 60 |
| 022 | Cullman County | \$ 11,386,039 | 9,889.20 | \$ 513,196 | 22 | \$ 51.89 | 69 |
| 023 | Dale County | \$ 2,963,780 | 2,863.40 | \$ 104,878 | 97 | \$ 36.63 | 107 |
| 024 | Dallas County | \$ 2,905,559 | 4,213.55 | \$ 188,747 | 60 | \$ 44.80 | 85 |
| 025 | DeKalb County | \$ 8,431,395 | 8,923.30 | \$ 301,490 | 40 | \$ 33.79 | 116 |
| 026 | Elmore County | \$ 15,881,000 | 11,214.55 | \$ 845,868 | 12 | \$ 75.43 | 34 |
| 027 | Escambia County | \$ 7,343,640 | 4,682.50 | \$ 276,014 | 43 | \$ 58.95 | 53 |
| 028 | Etowah County | \$ 9,285,077 | 9,159.80 | \$ 428,889 | 28 | \$ 46.82 | 79 |
| 029 | Fayette County | \$ 2,794,408 | 2,515.65 | \$ 119,441 | 88 | \$ 47.48 | 78 |
| 030 | Franklin County | \$ 3,341,563 | 3,230.15 | \$ 139,929 | 74 | \$ 43.32 | 94 |
| 031 | Geneva County | \$ 1,690,704 | 2,710.65 | \$ 118,154 | 90 | \$ 43.59 | 92 |
| 032 | Greene County | \$ 3,923,738 | 1,422.15 | \$ 121,205 | 85 | \$ 85.23 | 22 |
| 033 | Hale County | \$ 4,906,976 | 2,989.15 | \$ 112,745 | 95 | \$ 37.72 | 104 |
| 034 | Henry County | \$ 3,028,399 | 2,780.15 | \$ 133,485 | 82 | \$ 48.01 | 74 |
| 035 | Houston County | \$ 9,692,735 | 6,292.25 | \$ 471,528 | 24 | \$ 74.94 | 35 |
| 036 | Jackson County | \$ 10,364,686 | 5,925.20 | \$ 332,526 | 36 | \$ 56.12 | 56 |
| 037 | Jefferson County | \$ 77,259,426 | 36,245.65 | \$ 2,423,808 | 5 | \$ 66.87 | 39 |
| 038 | Lamar County | \$ 2,080,590 | 2,343.85 | \$ 97,899 | 101 | \$ 41.77 | 97 |
| 039 | Lauderdale County | \$ 12,810,535 | 8,905.25 | \$ 365,991 | 31 | \$ 41.10 | 98 |
| 040 | Lawrence County | \$ 7,914,010 | 5,429.05 | \$ 296,601 | 41 | \$ 54.63 | 61 |
| 041 | Lee County | \$ 21,799,700 | 9,745.20 | \$ 512,741 | 23 | \$ 52.61 | 67 |
| 042 | Limestone County | \$ 16,822,180 | 8,734.70 | \$ 343,828 | 32 | \$ 39.36 | 101 |
| 043 | Lowndes County | \$ 2,350,602 | 1,971.65 | \$ 94,115 | 102 | \$ 47.73 | 75 |
| 044 | Macon County | \$ 3,989,443 | 2,964.00 | \$ 119,737 | 87 | \$ 40.40 | 100 |
| 045 | Madison County | \$ 40,048,100 | 19,386.50 | \$ 858,310 | 11 | \$ 44.27 | 87 |
| 046 | Marengo County | \$ 2,032,350 | 1,562.95 | \$ 136,085 | 79 | \$ 87.07 | 20 |
| 047 | Marion County | \$ 3,189,220 | 3,747.00 | \$ 175,126 | 63 | \$ 46.74 | 80 |
| 048 | Marshall County | \$ 7,724,897 | 5,733.00 | \$ 154,105 | 68 | \$ 26.88 | 129 |
| 049 | Mobile County | \$ 122,683,314 | 62,207.15 | \$ 3,988,446 | 2 | \$ 64.12 | 43 |
| 050 | Monroe County | \$ 2,759,700 | 4,155.75 | \$ 183,770 | 61 | \$ 44.22 | 88 |
| 051 | Montgomery County | \$ 76,449,836 | 31,588.45 | \$ 2,452,949 | 4 | \$ 77.65 | 32 |
| 052 | Morgan County | \$ 22,476,314 | 7,723.15 | \$ 681,484 | 15 | \$ 88.24 | 19 |
| 053 | Perry County | \$ 1,475,880 | 1,942.15 | \$ 78,848 | 109 | \$ 40.60 | 99 |
| 054 | Pickens County | \$ 2,360,000 | 3,020.90 | \$ 136,281 | 78 | \$ 45.11 | 82 |
| 055 | Pike County | \$ 3,991,428 | 2,196.75 | \$ 116,668 | 91 | \$ 53.11 | 66 |
| 056 | Randolph County | \$ 3,311,273 | 2,306.60 | \$ 216,198 | 55 | \$ 93.73 | 15 |
| 057 | Russell County | \$ 5,529,587 | 3,387.20 | \$ 149,074 | 69 | \$ 44.01 | 90 |
| 058 | Saint Clair County | \$ 10,980,000 | 8,331.95 | \$ 449,528 | 27 | \$ 53.95 | 63 |
| 059 | Shelby County | \$ 86,369,511 | 27,122.00 | \$ 2,202,460 | 6 | \$ 81.21 | 26 |
| 060 | Sumter County | \$ 3,039,170 | 2,329.95 | \$ 115,237 | 92 | \$ 49.46 | 72 |
| 061 | Talladega County | \$ 16,386,695 | 7,843.20 | \$ 748,253 | 13 | \$ 95.40 | 14 |
| 062 | Tallapoosa County | \$ 6,363,514 | 3,038.05 | \$ 315,227 | 38 | \$ 103.76 | 8 |
| 063 | Tuscaloosa County | \$ 40,419,462 | 17,452.80 | \$ 1,116,325 | 9 | \$ 63.96 | 44 |
| 064 | Walker County | \$ 14,784,400 | 8,273.80 | \$ 463,299 | 25 | \$ 56.00 | 57 |
| 065 | Washington County | \$ 5,241,819 | 3,485.55 | \$ 368,241 | 30 | \$ 105.65 | 7 |
| 066 | Wilcox County | \$ 3,082,710 | 2,090.90 | \$ 138,741 | 76 | \$ 66.35 | 40 |
| 067 | Winston County | \$ 5,474,381 | 2,732.00 | \$ 245,182 | 48 | \$ 89.74 | 17 |

Appendix 7-10
Calculation of Yield per Mill per ADM
for City School Systems for FY 2009-10

| System Number | System Description | Total Local Tax Revenues | System ADM | System Value of a Mill | Rank State-Wide | System Value of a Mill per ADM | Rank State-Wide |
|---------------|---------------------|--------------------------|-------------------|------------------------|-----------------|--------------------------------|-----------------|
| 101 | Albertville City | \$ 4,631,145 | 3,842.75 | \$ 169,192 | 65 | \$ 44.03 | 89 |
| 102 | Alexander City | \$ 5,343,230 | 3,446.05 | \$ 270,724 | 44 | \$ 78.56 | 30 |
| 104 | Andalusia City | \$ 2,613,039 | 1,680.90 | \$ 100,918 | 99 | \$ 60.04 | 51 |
| 105 | Anniston City | \$ 5,400,800 | 2,377.55 | \$ 260,964 | 45 | \$ 109.76 | 6 |
| 106 | Arab City | \$ 3,440,363 | 2,392.90 | \$ 88,621 | 106 | \$ 37.03 | 106 |
| 107 | Athens City | \$ 10,278,006 | 3,058.55 | \$ 214,805 | 56 | \$ 70.23 | 38 |
| 109 | Attalla City | \$ 1,693,642 | 1,715.95 | \$ 37,088 | 130 | \$ 21.61 | 132 |
| 110 | Auburn City | \$ 28,141,647 | 5,973.75 | \$ 609,278 | 17 | \$ 101.99 | 10 |
| 113 | Bessemer City | \$ 6,417,520 | 4,380.30 | \$ 157,512 | 67 | \$ 35.96 | 109 |
| 114 | Birmingham City | \$ 80,167,571 | 27,525.15 | \$ 2,742,260 | 3 | \$ 99.63 | 12 |
| 115 | Boaz City | \$ 4,512,610 | 2,229.05 | \$ 77,019 | 111 | \$ 34.55 | 111 |
| 116 | Brewton City | \$ 3,250,650 | 1,197.75 | \$ 65,185 | 116 | \$ 54.42 | 62 |
| 125 | Cullman City | \$ 7,077,237 | 2,865.10 | \$ 239,999 | 50 | \$ 83.77 | 23 |
| 126 | Daleville City | \$ 1,686,930 | 1,229.95 | \$ 79,500 | 108 | \$ 64.64 | 42 |
| 127 | Decatur City | \$ 31,755,515 | 8,723.15 | \$ 552,519 | 20 | \$ 63.34 | 45 |
| 128 | Demopolis City | \$ 2,726,878 | 2,425.05 | \$ 71,550 | 113 | \$ 29.50 | 124 |
| 130 | Dothan City | \$ 18,010,720 | 9,223.50 | \$ 732,431 | 14 | \$ 79.41 | 27 |
| 131 | Elba City | \$ 1,094,040 | 809.40 | \$ 26,643 | 131 | \$ 32.92 | 117 |
| 132 | Enterprise City | \$ 23,355,487 | 6,228.10 | \$ 214,059 | 57 | \$ 34.37 | 114 |
| 133 | Eufaula City | \$ 4,436,374 | 2,751.50 | \$ 118,620 | 89 | \$ 43.11 | 95 |
| 137 | Fairfield City | \$ 2,060,565 | 2,303.20 | \$ 71,149 | 114 | \$ 30.89 | 122 |
| 141 | Florence City | \$ 14,799,062 | 4,129.05 | \$ 320,123 | 37 | \$ 77.53 | 33 |
| 143 | Fort Payne City | \$ 3,969,503 | 2,930.25 | \$ 147,962 | 71 | \$ 50.49 | 71 |
| 144 | Gadsden City | \$ 9,104,080 | 5,623.05 | \$ 341,014 | 33 | \$ 60.65 | 49 |
| 146 | Geneva City | \$ 1,633,307 | 1,249.25 | \$ 40,392 | 126 | \$ 32.33 | 118 |
| 154 | Guntersville City | \$ 4,316,950 | 1,886.55 | \$ 122,530 | 84 | \$ 64.95 | 41 |
| 155 | Haleyville City | \$ 2,667,607 | 1,618.90 | \$ 41,007 | 125 | \$ 25.33 | 131 |
| 156 | Hartselle City | \$ 6,337,928 | 3,178.90 | \$ 98,869 | 100 | \$ 31.10 | 121 |
| 157 | Homewood City | \$ 24,943,742 | 3,449.45 | \$ 533,374 | 21 | \$ 154.63 | 2 |
| 158 | Hoover City | \$ 62,676,598 | 12,541.65 | \$ 1,473,787 | 8 | \$ 117.51 | 4 |
| 159 | Huntsville City | \$ 80,282,610 | 22,971.95 | \$ 1,815,749 | 7 | \$ 79.04 | 29 |
| 162 | Jacksonville City | \$ 2,889,403 | 1,699.60 | \$ 78,136 | 110 | \$ 45.97 | 81 |
| 163 | Jasper City | \$ 7,175,031 | 2,664.70 | \$ 165,699 | 66 | \$ 62.18 | 47 |
| 165 | Lanett City | \$ 1,172,865 | 899.45 | \$ 37,838 | 129 | \$ 42.07 | 96 |
| 167 | Leeds City | \$ 3,171,383 | 1,434.90 | \$ 101,118 | 98 | \$ 70.47 | 37 |
| 168 | Linden City | \$ 554,527 | 502.00 | \$ 13,629 | 132 | \$ 27.15 | 128 |
| 169 | Madison City | \$ 24,115,911 | 8,520.25 | \$ 455,034 | 26 | \$ 53.41 | 64 |
| 171 | Midfield City | \$ 1,696,360 | 1,230.00 | \$ 43,374 | 123 | \$ 35.26 | 110 |
| 175 | Mountain Brook City | \$ 26,934,019 | 4,366.90 | \$ 554,168 | 19 | \$ 126.90 | 3 |
| 176 | Muscle Shoals City | \$ 6,233,535 | 2,750.25 | \$ 143,300 | 73 | \$ 52.10 | 68 |
| 178 | Oneonta City | \$ 1,987,826 | 1,406.85 | \$ 67,110 | 115 | \$ 47.70 | 77 |
| 179 | Opelika City | \$ 13,437,205 | 4,279.95 | \$ 332,558 | 35 | \$ 77.70 | 31 |
| 180 | Opp City | \$ 2,065,990 | 1,371.80 | \$ 43,109 | 124 | \$ 31.43 | 119 |
| 181 | Oxford City | \$ 26,637,899 | 4,002.35 | \$ 222,573 | 52 | \$ 55.61 | 58 |
| 182 | Ozark City | \$ 4,394,500 | 2,498.75 | \$ 90,676 | 104 | \$ 36.29 | 108 |
| 183 | Pell City | \$ 5,460,220 | 4,151.10 | \$ 221,417 | 53 | \$ 53.34 | 65 |
| 184 | Phenix City | \$ 10,790,096 | 6,045.40 | \$ 204,367 | 58 | \$ 33.81 | 115 |
| 185 | Piedmont City | \$ 1,667,890 | 1,067.05 | \$ 40,269 | 127 | \$ 37.74 | 103 |
| 187 | Saraland City | \$ 4,529,120 | 1,518.65 | \$ 136,857 | 77 | \$ 90.12 | 16 |
| 188 | Roanoke City | \$ 1,565,280 | 1,518.15 | \$ 52,213 | 120 | \$ 34.39 | 113 |
| 189 | Russellville City | \$ 3,878,701 | 2,429.45 | \$ 63,200 | 117 | \$ 26.01 | 130 |
| 190 | Scottsboro City | \$ 5,468,200 | 2,667.90 | \$ 135,494 | 80 | \$ 50.79 | 70 |
| 191 | Selma City | \$ 3,798,680 | 3,815.05 | \$ 172,068 | 64 | \$ 45.10 | 83 |
| 192 | Sheffield City | \$ 2,754,518 | 1,172.45 | \$ 52,481 | 119 | \$ 44.76 | 86 |
| 193 | Sylacauga City | \$ 4,169,852 | 2,401.20 | \$ 114,543 | 94 | \$ 47.70 | 76 |
| 194 | Talladega City | \$ 3,790,220 | 2,576.25 | \$ 88,907 | 105 | \$ 34.51 | 112 |
| 195 | Tallassee City | \$ 1,928,163 | 1,998.80 | \$ 54,287 | 118 | \$ 27.16 | 127 |
| 197 | Tarrant City | \$ 2,357,362 | 1,400.60 | \$ 80,683 | 107 | \$ 57.61 | 55 |
| 198 | Thomasville City | \$ 1,664,440 | 1,548.65 | \$ 45,494 | 122 | \$ 29.38 | 125 |
| 199 | Troy City | \$ 4,692,057 | 2,232.25 | \$ 139,863 | 75 | \$ 62.66 | 46 |
| 200 | Tuscaloosa City | \$ 39,790,930 | 10,026.35 | \$ 891,449 | 10 | \$ 88.91 | 18 |
| 201 | Tuscumbia City | \$ 3,082,620 | 1,536.75 | \$ 48,282 | 121 | \$ 31.42 | 120 |
| 202 | Vestavia Hills City | \$ 30,572,249 | 5,960.90 | \$ 610,949 | 16 | \$ 102.49 | 9 |
| 204 | Winfield City | \$ 1,807,269 | 1,289.90 | \$ 38,142 | 128 | \$ 29.57 | 123 |
| 205 | Trussville City | \$ 11,489,267 | 4,118.55 | \$ 339,998 | 34 | \$ 82.55 | 25 |
| | TOTAL | \$ 1,641,643,189 | 743,264.95 | \$ 50,437,932 | n/a | \$ 67.86 | n/a |

Appendix 7-11
Calculation of Equivalent Mills for County School Systems for FY 2009-10

| System Number | System Description | Total Local Tax Revenues | System ADM | System Value of a Mill | Rank State-Wide | System Value of a Mill per ADM | Rank State-Wide | System Equivalent Mills | Rank State-Wide |
|---------------|-----------------------|--------------------------|------------------|------------------------|-----------------|--------------------------------|-----------------|-------------------------|-----------------|
| 001 | Autauga County | \$ 11,715,360 | 9,854.10 | \$ 601,130 | 18 | \$ 61.00 | 48 | 19.49 | 115 |
| 002 | Baldwin County | \$ 90,976,697 | 26,735.95 | \$ 4,543,147 | 1 | \$ 169.93 | 1 | 20.03 | 111 |
| 003 | Barbour County | \$ 1,481,371 | 1,051.10 | \$ 106,252 | 96 | \$ 101.09 | 11 | 13.94 | 130 |
| 004 | Bibb County | \$ 3,574,648 | 3,737.45 | \$ 146,699 | 72 | \$ 39.25 | 102 | 24.37 | 91 |
| 005 | Blount County | \$ 5,613,150 | 8,399.15 | \$ 313,665 | 39 | \$ 37.34 | 105 | 17.90 | 120 |
| 006 | Bullock County | \$ 1,662,688 | 1,611.40 | \$ 72,445 | 112 | \$ 44.96 | 84 | 22.95 | 95 |
| 007 | Butler County | \$ 4,457,110 | 3,348.25 | \$ 202,511 | 59 | \$ 60.48 | 50 | 22.01 | 102 |
| 008 | Calhoun County | \$ 15,362,360 | 9,255.95 | \$ 257,227 | 46 | \$ 27.79 | 126 | 59.72 | 7 |
| 009 | Chambers County | \$ 5,516,040 | 4,045.00 | \$ 242,379 | 49 | \$ 59.92 | 52 | 22.76 | 96 |
| 010 | Cherokee County | \$ 5,946,149 | 4,071.55 | \$ 236,149 | 51 | \$ 58.00 | 54 | 25.18 | 85 |
| 011 | Chilton County | \$ 6,751,278 | 7,626.30 | \$ 369,241 | 29 | \$ 48.42 | 73 | 18.28 | 118 |
| 012 | Choctaw County | \$ 3,567,611 | 1,886.50 | \$ 182,519 | 62 | \$ 96.75 | 13 | 19.55 | 114 |
| 013 | Clarke County | \$ 3,882,270 | 3,390.30 | \$ 281,007 | 42 | \$ 82.89 | 24 | 13.82 | 131 |
| 014 | Clay County | \$ 1,469,170 | 2,133.80 | \$ 92,897 | 103 | \$ 43.54 | 93 | 15.82 | 123 |
| 015 | Cleburne County | \$ 2,709,830 | 2,620.40 | \$ 114,933 | 93 | \$ 43.86 | 91 | 23.58 | 93 |
| 016 | Coffee County | \$ 3,030,630 | 2,192.65 | \$ 120,719 | 86 | \$ 55.06 | 59 | 25.10 | 86 |
| 017 | Colbert County | \$ 6,966,891 | 2,933.25 | \$ 254,249 | 47 | \$ 86.68 | 21 | 27.40 | 77 |
| 018 | Conecuh County | \$ 2,727,599 | 1,701.60 | \$ 134,769 | 81 | \$ 79.20 | 28 | 20.24 | 109 |
| 019 | Coosa County | \$ 2,026,861 | 1,331.85 | \$ 148,440 | 70 | \$ 111.45 | 5 | 13.65 | 132 |
| 020 | Covington County | \$ 4,355,340 | 3,102.60 | \$ 220,710 | 54 | \$ 71.14 | 36 | 19.73 | 113 |
| 021 | Crenshaw County | \$ 2,161,445 | 2,365.30 | \$ 130,064 | 83 | \$ 54.99 | 60 | 16.62 | 122 |
| 022 | Cullman County | \$ 11,386,039 | 9,889.20 | \$ 513,196 | 22 | \$ 51.89 | 69 | 22.19 | 100 |
| 023 | Dale County | \$ 2,963,780 | 2,863.40 | \$ 104,878 | 97 | \$ 36.63 | 107 | 28.26 | 75 |
| 024 | Dallas County | \$ 2,905,559 | 4,213.55 | \$ 188,747 | 60 | \$ 44.80 | 85 | 15.39 | 124 |
| 025 | DeKalb County | \$ 8,431,395 | 8,923.30 | \$ 301,490 | 40 | \$ 33.79 | 116 | 27.97 | 76 |
| 026 | Elmore County | \$ 15,881,000 | 11,214.55 | \$ 845,868 | 12 | \$ 75.43 | 34 | 18.77 | 116 |
| 027 | Escambia County | \$ 7,343,640 | 4,682.50 | \$ 276,014 | 43 | \$ 58.95 | 53 | 26.61 | 82 |
| 028 | Etowah County | \$ 9,285,077 | 9,159.80 | \$ 428,889 | 28 | \$ 46.82 | 79 | 21.65 | 104 |
| 029 | Fayette County | \$ 2,794,408 | 2,515.65 | \$ 119,441 | 88 | \$ 47.48 | 78 | 23.40 | 94 |
| 030 | Franklin County | \$ 3,341,563 | 3,230.15 | \$ 139,929 | 74 | \$ 43.32 | 94 | 23.88 | 92 |
| 031 | Geneva County | \$ 1,690,704 | 2,710.65 | \$ 118,154 | 90 | \$ 43.59 | 92 | 14.31 | 128 |
| 032 | Greene County | \$ 3,923,738 | 1,422.15 | \$ 121,205 | 85 | \$ 85.23 | 22 | 32.37 | 61 |
| 033 | Hale County | \$ 4,906,976 | 2,989.15 | \$ 112,745 | 95 | \$ 37.72 | 104 | 43.52 | 29 |
| 034 | Henry County | \$ 3,028,399 | 2,780.15 | \$ 133,485 | 82 | \$ 48.01 | 74 | 22.69 | 97 |
| 035 | Houston County | \$ 9,692,735 | 6,292.25 | \$ 471,528 | 24 | \$ 74.94 | 35 | 20.56 | 108 |
| 036 | Jackson County | \$ 10,364,686 | 5,925.20 | \$ 332,526 | 36 | \$ 56.12 | 56 | 31.17 | 65 |
| 037 | Jefferson County | \$ 77,259,426 | 36,245.65 | \$ 2,423,808 | 5 | \$ 66.87 | 39 | 31.88 | 63 |
| 038 | Lamar County | \$ 2,080,590 | 2,343.85 | \$ 97,899 | 101 | \$ 41.77 | 97 | 21.25 | 105 |
| 039 | Lauderdale County | \$ 12,810,535 | 8,905.25 | \$ 365,991 | 31 | \$ 41.10 | 98 | 35.00 | 54 |
| 040 | Lawrence County | \$ 7,914,010 | 5,429.05 | \$ 296,601 | 41 | \$ 54.63 | 61 | 26.68 | 81 |
| 041 | Lee County | \$ 21,799,700 | 9,745.20 | \$ 512,741 | 23 | \$ 52.61 | 67 | 42.52 | 34 |
| 042 | Limestone County | \$ 16,822,180 | 8,734.70 | \$ 343,828 | 32 | \$ 39.36 | 101 | 48.93 | 16 |
| 043 | Lowndes County | \$ 2,350,602 | 1,971.65 | \$ 94,115 | 102 | \$ 47.73 | 75 | 24.98 | 87 |
| 044 | Macon County | \$ 3,989,443 | 2,964.00 | \$ 119,737 | 87 | \$ 40.40 | 100 | 33.32 | 58 |
| 045 | Madison County | \$ 40,048,100 | 19,386.50 | \$ 858,310 | 11 | \$ 44.27 | 87 | 46.66 | 23 |
| 046 | Marengo County | \$ 2,032,350 | 1,562.95 | \$ 136,085 | 79 | \$ 87.07 | 20 | 14.93 | 127 |
| 047 | Marion County | \$ 3,189,220 | 3,747.00 | \$ 175,126 | 63 | \$ 46.74 | 80 | 18.21 | 119 |
| 048 | Marshall County | \$ 7,724,897 | 5,733.00 | \$ 154,105 | 68 | \$ 26.88 | 129 | 50.13 | 13 |
| 049 | Mobile County | \$ 122,683,314 | 62,207.15 | \$ 3,988,446 | 2 | \$ 64.12 | 43 | 30.76 | 68 |
| 050 | Monroe County | \$ 2,759,700 | 4,155.75 | \$ 183,770 | 61 | \$ 44.22 | 88 | 15.02 | 126 |
| 051 | Montgomery County | \$ 76,449,836 | 31,588.45 | \$ 2,452,949 | 4 | \$ 77.65 | 32 | 31.17 | 66 |
| 052 | Morgan County | \$ 22,476,314 | 7,723.15 | \$ 681,484 | 15 | \$ 88.24 | 19 | 32.98 | 60 |
| 053 | Perry County | \$ 1,475,880 | 1,942.15 | \$ 78,848 | 109 | \$ 40.60 | 99 | 18.72 | 117 |
| 054 | Pickens County | \$ 2,360,000 | 3,020.90 | \$ 136,281 | 78 | \$ 45.11 | 82 | 17.32 | 121 |
| 055 | Pike County | \$ 3,991,428 | 2,196.75 | \$ 116,668 | 91 | \$ 53.11 | 66 | 34.21 | 55 |
| 056 | Randolph County | \$ 3,311,273 | 2,306.60 | \$ 216,198 | 55 | \$ 93.73 | 15 | 15.32 | 125 |
| 057 | Russell County | \$ 5,529,587 | 3,387.20 | \$ 149,074 | 69 | \$ 44.01 | 90 | 37.09 | 47 |
| 058 | Saint Clair County | \$ 10,980,000 | 8,331.95 | \$ 449,528 | 27 | \$ 53.95 | 63 | 24.43 | 90 |
| 059 | Shelby County | \$ 86,369,511 | 27,122.00 | \$ 2,202,460 | 6 | \$ 81.21 | 26 | 39.22 | 42 |
| 060 | Sumter County | \$ 3,039,170 | 2,329.95 | \$ 115,237 | 92 | \$ 49.46 | 72 | 26.37 | 83 |
| 061 | Talladega County | \$ 16,386,695 | 7,843.20 | \$ 748,253 | 13 | \$ 95.40 | 14 | 21.90 | 103 |
| 062 | Tallapoosa County | \$ 6,363,514 | 3,038.05 | \$ 315,227 | 38 | \$ 103.76 | 8 | 20.19 | 110 |
| 063 | Tuscaloosa County | \$ 40,419,462 | 17,452.80 | \$ 1,116,325 | 9 | \$ 63.96 | 44 | 36.21 | 51 |
| 064 | Walker County | \$ 14,784,400 | 8,273.80 | \$ 463,299 | 25 | \$ 56.00 | 57 | 31.91 | 62 |
| 065 | Washington County | \$ 5,241,819 | 3,485.55 | \$ 368,241 | 30 | \$ 105.65 | 7 | 14.23 | 129 |
| 066 | Wilcox County | \$ 3,082,710 | 2,090.90 | \$ 138,741 | 76 | \$ 66.35 | 40 | 22.22 | 99 |
| 067 | Winston County | \$ 5,474,381 | 2,732.00 | \$ 245,182 | 48 | \$ 89.74 | 17 | 22.33 | 98 |

Appendix 7-12
Calculation of Equivalent Mills for City School Systems for FY 2009-10

| System Number | System Description | Total Local Tax Revenues | System ADM | System Value of a Mill | Rank State-Wide | System Value of a Mill per ADM | Rank State-Wide | System Equivalent Mills | Rank State-Wide |
|---------------|---------------------|--------------------------|-------------------|------------------------|-----------------|--------------------------------|-----------------|-------------------------|-----------------|
| 101 | Alberville City | \$ 4,631,145 | 3,842.75 | \$ 169,192 | 65 | \$ 44.03 | 89 | 27.37 | 78 |
| 102 | Alexander City | \$ 5,343,230 | 3,446.05 | \$ 270,724 | 44 | \$ 78.56 | 30 | 19.74 | 112 |
| 104 | Andalusia City | \$ 2,613,039 | 1,680.90 | \$ 100,918 | 99 | \$ 60.04 | 51 | 25.89 | 84 |
| 105 | Anniston City | \$ 5,400,800 | 2,377.55 | \$ 260,964 | 45 | \$ 109.76 | 6 | 20.70 | 107 |
| 106 | Arab City | \$ 3,440,363 | 2,392.90 | \$ 88,621 | 106 | \$ 37.03 | 106 | 38.82 | 44 |
| 107 | Athens City | \$ 10,278,006 | 3,058.55 | \$ 214,805 | 56 | \$ 70.23 | 38 | 47.85 | 20 |
| 109 | Attalla City | \$ 1,693,642 | 1,715.95 | \$ 37,088 | 130 | \$ 21.61 | 132 | 45.67 | 26 |
| 110 | Auburn City | \$ 28,141,647 | 5,973.75 | \$ 609,278 | 17 | \$ 101.99 | 10 | 46.19 | 25 |
| 113 | Bessemer City | \$ 6,417,520 | 4,380.30 | \$ 157,512 | 67 | \$ 35.96 | 109 | 40.74 | 37 |
| 114 | Birmingham City | \$ 80,167,571 | 27,525.15 | \$ 2,742,260 | 3 | \$ 99.63 | 12 | 29.23 | 72 |
| 115 | Boaz City | \$ 4,512,610 | 2,229.05 | \$ 77,019 | 111 | \$ 34.55 | 111 | 58.59 | 8 |
| 116 | Brewton City | \$ 3,250,650 | 1,197.75 | \$ 65,185 | 116 | \$ 54.42 | 62 | 49.87 | 15 |
| 125 | Cullman City | \$ 7,077,237 | 2,865.10 | \$ 239,999 | 50 | \$ 83.77 | 23 | 29.49 | 71 |
| 126 | Daleville City | \$ 1,686,930 | 1,229.95 | \$ 79,500 | 108 | \$ 64.64 | 42 | 21.22 | 106 |
| 127 | Decatur City | \$ 31,755,515 | 8,723.15 | \$ 552,519 | 20 | \$ 63.34 | 45 | 57.47 | 9 |
| 128 | Demopolis City | \$ 2,726,878 | 2,425.05 | \$ 71,550 | 113 | \$ 29.50 | 124 | 38.11 | 45 |
| 130 | Dothan City | \$ 18,010,720 | 9,223.50 | \$ 732,431 | 14 | \$ 79.41 | 27 | 24.59 | 89 |
| 131 | Elba City | \$ 1,094,040 | 809.40 | \$ 26,643 | 131 | \$ 32.92 | 117 | 41.06 | 36 |
| 132 | Enterprise City | \$ 23,355,487 | 6,228.10 | \$ 214,059 | 57 | \$ 34.37 | 114 | 109.11 | 2 |
| 133 | Eufaula City | \$ 4,436,374 | 2,751.50 | \$ 118,620 | 89 | \$ 43.11 | 95 | 37.40 | 46 |
| 137 | Fairfield City | \$ 2,060,565 | 2,303.20 | \$ 71,149 | 114 | \$ 30.89 | 122 | 28.96 | 74 |
| 141 | Florence City | \$ 14,799,062 | 4,129.05 | \$ 320,123 | 37 | \$ 77.53 | 33 | 46.23 | 24 |
| 143 | Fort Payne City | \$ 3,969,503 | 2,930.25 | \$ 147,962 | 71 | \$ 50.49 | 71 | 26.83 | 79 |
| 144 | Gadsden City | \$ 9,104,080 | 5,623.05 | \$ 341,014 | 33 | \$ 60.65 | 49 | 26.70 | 80 |
| 146 | Geneva City | \$ 1,633,307 | 1,249.25 | \$ 40,392 | 126 | \$ 32.33 | 118 | 40.44 | 39 |
| 154 | Guntersville City | \$ 4,316,950 | 1,886.55 | \$ 122,530 | 84 | \$ 64.95 | 41 | 35.23 | 53 |
| 155 | Haleyville City | \$ 2,667,607 | 1,618.90 | \$ 41,007 | 125 | \$ 25.33 | 131 | 65.05 | 3 |
| 156 | Hartselle City | \$ 6,337,928 | 3,178.90 | \$ 98,869 | 100 | \$ 31.10 | 121 | 64.10 | 4 |
| 157 | Homewood City | \$ 24,943,742 | 3,449.45 | \$ 533,374 | 21 | \$ 154.63 | 2 | 46.77 | 22 |
| 158 | Hoover City | \$ 62,676,598 | 12,541.65 | \$ 1,473,787 | 8 | \$ 117.51 | 4 | 42.53 | 33 |
| 159 | Huntsville City | \$ 80,282,610 | 22,971.95 | \$ 1,815,749 | 7 | \$ 79.04 | 29 | 44.21 | 28 |
| 162 | Jacksonville City | \$ 2,889,403 | 1,699.60 | \$ 78,136 | 110 | \$ 45.97 | 81 | 36.98 | 48 |
| 163 | Jasper City | \$ 7,175,031 | 2,664.70 | \$ 165,699 | 66 | \$ 62.18 | 47 | 43.30 | 31 |
| 165 | Lanett City | \$ 1,172,865 | 899.45 | \$ 37,838 | 129 | \$ 42.07 | 96 | 31.00 | 67 |
| 167 | Leeds City | \$ 3,171,383 | 1,434.90 | \$ 101,118 | 98 | \$ 70.47 | 37 | 31.36 | 64 |
| 168 | Linden City | \$ 554,527 | 502.00 | \$ 13,629 | 132 | \$ 27.15 | 128 | 40.69 | 38 |
| 169 | Madison City | \$ 24,115,911 | 8,520.25 | \$ 455,034 | 26 | \$ 53.41 | 64 | 53.00 | 10 |
| 171 | Midfield City | \$ 1,696,360 | 1,230.00 | \$ 43,374 | 123 | \$ 35.26 | 110 | 39.11 | 43 |
| 175 | Mountain Brook City | \$ 26,934,019 | 4,366.90 | \$ 554,168 | 19 | \$ 126.90 | 3 | 48.60 | 17 |
| 176 | Muscle Shoals City | \$ 6,233,535 | 2,750.25 | \$ 143,300 | 73 | \$ 52.10 | 68 | 43.50 | 30 |
| 178 | Oneonta City | \$ 1,987,826 | 1,406.85 | \$ 67,110 | 115 | \$ 47.70 | 77 | 29.62 | 70 |
| 179 | Opelika City | \$ 13,437,205 | 4,279.95 | \$ 332,558 | 35 | \$ 77.70 | 31 | 40.41 | 40 |
| 180 | Opp City | \$ 2,065,990 | 1,371.80 | \$ 43,109 | 124 | \$ 31.43 | 119 | 47.92 | 19 |
| 181 | Oxford City | \$ 26,637,899 | 4,002.35 | \$ 222,573 | 52 | \$ 55.61 | 58 | 119.68 | 1 |
| 182 | Ozark City | \$ 4,394,500 | 2,498.75 | \$ 90,676 | 104 | \$ 36.29 | 108 | 48.46 | 18 |
| 183 | Pell City | \$ 5,460,220 | 4,151.10 | \$ 221,417 | 53 | \$ 53.34 | 65 | 24.66 | 88 |
| 184 | Phenix City | \$ 10,790,096 | 6,045.40 | \$ 204,367 | 58 | \$ 33.81 | 115 | 52.80 | 11 |
| 185 | Piedmont City | \$ 1,667,890 | 1,067.05 | \$ 40,269 | 127 | \$ 37.74 | 103 | 41.42 | 35 |
| 187 | Saraland City | \$ 4,529,120 | 1,518.65 | \$ 136,857 | 77 | \$ 90.12 | 16 | 33.09 | 59 |
| 188 | Roanoke City | \$ 1,565,280 | 1,518.15 | \$ 52,213 | 120 | \$ 34.39 | 113 | 29.98 | 69 |
| 189 | Russellville City | \$ 3,878,701 | 2,429.45 | \$ 63,200 | 117 | \$ 26.01 | 130 | 61.37 | 6 |
| 190 | Scottsboro City | \$ 5,468,200 | 2,667.90 | \$ 135,494 | 80 | \$ 50.79 | 70 | 40.36 | 41 |
| 191 | Selma City | \$ 3,798,680 | 3,815.05 | \$ 172,068 | 64 | \$ 45.10 | 83 | 22.08 | 101 |
| 192 | Sheffield City | \$ 2,754,518 | 1,172.45 | \$ 52,481 | 119 | \$ 44.76 | 86 | 52.49 | 12 |
| 193 | Sylacauga City | \$ 4,169,852 | 2,401.20 | \$ 114,543 | 94 | \$ 47.70 | 76 | 36.40 | 50 |
| 194 | Talladega City | \$ 3,790,220 | 2,576.25 | \$ 88,907 | 105 | \$ 34.51 | 112 | 42.63 | 32 |
| 195 | Tallassee City | \$ 1,928,163 | 1,998.80 | \$ 54,287 | 118 | \$ 27.16 | 127 | 35.52 | 52 |
| 197 | Tarrant City | \$ 2,357,362 | 1,400.60 | \$ 80,683 | 107 | \$ 57.61 | 55 | 29.22 | 73 |
| 198 | Thomasville City | \$ 1,664,440 | 1,548.65 | \$ 45,494 | 122 | \$ 29.38 | 125 | 36.59 | 49 |
| 199 | Troy City | \$ 4,692,057 | 2,232.25 | \$ 139,863 | 75 | \$ 62.66 | 46 | 33.55 | 57 |
| 200 | Tuscaloosa City | \$ 39,790,930 | 10,026.35 | \$ 891,449 | 10 | \$ 88.91 | 18 | 44.64 | 27 |
| 201 | Tuscumbia City | \$ 3,082,620 | 1,536.75 | \$ 48,282 | 121 | \$ 31.42 | 120 | 63.85 | 5 |
| 202 | Vestavia Hills City | \$ 30,572,249 | 5,960.90 | \$ 610,949 | 16 | \$ 102.49 | 9 | 50.04 | 14 |
| 204 | Winfield City | \$ 1,807,269 | 1,289.90 | \$ 38,142 | 128 | \$ 29.57 | 123 | 47.38 | 21 |
| 205 | Trussville City | \$ 11,489,267 | 4,118.55 | \$ 339,998 | 34 | \$ 82.55 | 25 | 33.79 | 56 |
| TOTAL | | \$ 1,641,643,189 | 743,264.95 | \$ 50,437,932 | n/a | \$ 67.86 | n/a | 32.55 | n/a |

Appendix 7-13
Capital Purchase Allocation for FY 2009-10 for County School Systems

| System Number | System Description | FY 2009 System ADM | System Value Mill | System Value Mill per ADM | FY 2010 System Capital Purchase | System Local Capital Purchase | FY 2010 Total Per ADM |
|---------------|-----------------------|--------------------|---------------------|---------------------------|---------------------------------|-------------------------------|-----------------------|
| 001 | Autauga County | 9,854.10 | \$ 601,130 | \$61.00 | \$ 2,650,541 | \$ 520,072 | \$ 321.76 |
| 002 | Baldwin County | 26,735.95 | \$ 4,543,147 | \$169.93 | \$ 4,381,855 | \$ 3,932,434 | \$ 310.98 |
| 003 | Barbour County | 1,051.10 | \$ 106,252 | \$101.09 | \$ 242,190 | \$ 91,851 | \$ 317.80 |
| 004 | Bibb County | 3,737.45 | \$ 146,699 | \$39.25 | \$ 1,084,564 | \$ 126,112 | \$ 323.93 |
| 005 | Blount County | 8,399.15 | \$ 313,665 | \$37.34 | \$ 2,453,530 | \$ 268,877 | \$ 324.13 |
| 006 | Bullock County | 1,611.40 | \$ 72,445 | \$44.96 | \$ 458,288 | \$ 62,738 | \$ 323.34 |
| 007 | Butler County | 3,348.25 | \$ 202,511 | \$60.48 | \$ 903,835 | \$ 173,815 | \$ 321.85 |
| 008 | Calhoun County | 9,255.95 | \$ 257,227 | \$27.79 | \$ 2,784,128 | \$ 224,231 | \$ 325.02 |
| 009 | Chambers County | 4,045.00 | \$ 242,379 | \$59.92 | \$ 1,091,919 | \$ 209,984 | \$ 321.85 |
| 010 | Cherokee County | 4,071.55 | \$ 236,149 | \$58.00 | \$ 1,106,936 | \$ 204,317 | \$ 322.05 |
| 011 | Chilton County | 7,626.30 | \$ 369,241 | \$48.42 | \$ 2,146,892 | \$ 316,718 | \$ 323.04 |
| 012 | Choctaw County | 1,886.50 | \$ 182,519 | \$96.75 | \$ 441,954 | \$ 158,324 | \$ 318.20 |
| 013 | Clarke County | 3,390.30 | \$ 281,007 | \$82.89 | \$ 840,011 | \$ 243,463 | \$ 319.58 |
| 014 | Clay County | 2,133.80 | \$ 92,897 | \$43.54 | \$ 608,918 | \$ 81,231 | \$ 323.44 |
| 015 | Cleburne County | 2,620.40 | \$ 114,933 | \$43.86 | \$ 747,778 | \$ 99,756 | \$ 323.44 |
| 016 | Coffee County | 2,192.65 | \$ 120,719 | \$55.06 | \$ 602,460 | \$ 104,340 | \$ 322.35 |
| 017 | Colbert County | 2,933.25 | \$ 254,249 | \$86.68 | \$ 709,359 | \$ 218,911 | \$ 316.46 |
| 018 | Conecuh County | 1,701.60 | \$ 134,769 | \$79.20 | \$ 428,165 | \$ 116,306 | \$ 319.98 |
| 019 | Coosa County | 1,331.85 | \$ 148,440 | \$111.45 | \$ 294,039 | \$ 127,907 | \$ 316.81 |
| 020 | Covington County | 3,102.60 | \$ 220,710 | \$71.14 | \$ 804,621 | \$ 190,590 | \$ 320.77 |
| 021 | Crenshaw County | 2,365.30 | \$ 130,064 | \$54.99 | \$ 649,897 | \$ 112,555 | \$ 322.35 |
| 022 | Cullman County | 9,889.20 | \$ 513,196 | \$51.89 | \$ 2,745,789 | \$ 444,920 | \$ 322.65 |
| 023 | Dale County | 2,863.40 | \$ 104,878 | \$36.63 | \$ 836,446 | \$ 91,664 | \$ 324.13 |
| 024 | Dallas County | 4,213.55 | \$ 188,747 | \$44.80 | \$ 1,198,350 | \$ 164,051 | \$ 323.34 |
| 025 | Dekalb County | 8,923.30 | \$ 301,490 | \$33.79 | \$ 2,632,452 | \$ 262,495 | \$ 324.43 |
| 026 | Elmore County | 11,214.55 | \$ 845,868 | \$75.43 | \$ 2,865,109 | \$ 727,713 | \$ 320.37 |
| 027 | Escambia County | 4,682.50 | \$ 276,014 | \$58.95 | \$ 1,268,521 | \$ 239,027 | \$ 321.95 |
| 028 | Etowah County | 9,159.80 | \$ 428,889 | \$46.82 | \$ 2,587,422 | \$ 372,478 | \$ 323.14 |
| 029 | Fayette County | 2,515.65 | \$ 119,441 | \$47.48 | \$ 710,610 | \$ 102,298 | \$ 323.14 |
| 030 | Franklin County | 3,230.15 | \$ 139,929 | \$43.32 | \$ 924,895 | \$ 120,173 | \$ 323.54 |
| 031 | Geneva County | 2,710.65 | \$ 118,154 | \$43.59 | \$ 773,533 | \$ 103,191 | \$ 323.44 |
| 032 | Greene County | 1,422.15 | \$ 121,205 | \$85.23 | \$ 349,623 | \$ 104,588 | \$ 319.38 |
| 033 | Hale County | 2,989.15 | \$ 112,745 | \$37.72 | \$ 870,298 | \$ 98,276 | \$ 324.03 |
| 034 | Henry County | 2,780.15 | \$ 133,485 | \$48.01 | \$ 782,644 | \$ 115,459 | \$ 323.04 |
| 035 | Houston County | 6,292.25 | \$ 471,528 | \$74.94 | \$ 1,607,553 | \$ 408,305 | \$ 320.37 |
| 036 | Jackson County | 5,925.20 | \$ 332,526 | \$56.12 | \$ 1,622,314 | \$ 287,083 | \$ 322.25 |
| 037 | Jefferson County | 36,245.65 | \$ 2,423,808 | \$66.87 | \$ 9,539,642 | \$ 2,101,104 | \$ 321.16 |
| 038 | Lamar County | 2,343.85 | \$ 97,899 | \$41.77 | \$ 673,380 | \$ 85,172 | \$ 323.64 |
| 039 | Lauderdale County | 8,905.25 | \$ 365,991 | \$41.10 | \$ 2,567,029 | \$ 315,898 | \$ 323.73 |
| 040 | Lawrence County | 5,429.05 | \$ 296,601 | \$54.63 | \$ 1,491,702 | \$ 258,347 | \$ 322.35 |
| 041 | Lee County | 9,745.20 | \$ 512,741 | \$52.61 | \$ 2,696,411 | \$ 446,872 | \$ 322.55 |
| 042 | Limestone County | 8,734.70 | \$ 343,828 | \$39.36 | \$ 2,534,708 | \$ 294,734 | \$ 323.93 |
| 043 | Lowndes County | 1,971.65 | \$ 94,115 | \$47.73 | \$ 555,042 | \$ 81,882 | \$ 323.04 |
| 044 | Macon County | 2,964.00 | \$ 119,737 | \$40.40 | \$ 857,261 | \$ 102,578 | \$ 323.83 |
| 045 | Madison County | 19,386.50 | \$ 858,310 | \$44.27 | \$ 5,532,286 | \$ 738,022 | \$ 323.44 |
| 046 | Marengo County | 1,562.95 | \$ 136,085 | \$87.07 | \$ 381,223 | \$ 117,647 | \$ 319.18 |
| 047 | Marion County | 3,747.00 | \$ 175,126 | \$46.74 | \$ 1,058,437 | \$ 152,370 | \$ 323.14 |
| 048 | Marshall County | 5,733.00 | \$ 154,105 | \$26.88 | \$ 1,729,975 | \$ 133,925 | \$ 325.12 |
| 049 | Mobile County | 62,207.15 | \$ 3,988,446 | \$64.12 | \$ 16,552,474 | \$ 3,444,588 | \$ 321.46 |
| 050 | Monroe County | 4,155.75 | \$ 183,770 | \$44.22 | \$ 1,185,918 | \$ 158,205 | \$ 323.44 |
| 051 | Montgomery County | 31,588.45 | \$ 2,452,949 | \$77.65 | \$ 7,978,902 | \$ 2,131,768 | \$ 320.07 |
| 052 | Morgan County | 7,723.15 | \$ 681,484 | \$88.24 | \$ 1,876,327 | \$ 588,023 | \$ 319.09 |
| 053 | Perry County | 1,942.15 | \$ 78,848 | \$40.60 | \$ 559,845 | \$ 68,894 | \$ 323.73 |
| 054 | Pickens County | 3,020.90 | \$ 136,281 | \$45.11 | \$ 859,156 | \$ 117,616 | \$ 323.34 |
| 055 | Pike County | 2,196.75 | \$ 116,668 | \$53.11 | \$ 607,822 | \$ 100,733 | \$ 322.55 |
| 056 | Randolph County | 2,306.60 | \$ 216,198 | \$93.73 | \$ 547,042 | \$ 187,593 | \$ 318.49 |
| 057 | Russell County | 3,387.20 | \$ 149,074 | \$44.01 | \$ 966,598 | \$ 128,947 | \$ 323.44 |
| 058 | St Clair County | 8,331.95 | \$ 449,528 | \$53.95 | \$ 2,297,345 | \$ 389,276 | \$ 322.45 |
| 059 | Shelby County | 27,122.00 | \$ 2,202,460 | \$81.21 | \$ 6,772,281 | \$ 1,900,744 | \$ 319.78 |
| 060 | Sumter County | 2,329.95 | \$ 115,237 | \$49.46 | \$ 653,662 | \$ 98,778 | \$ 322.94 |
| 061 | Talladega County | 7,843.20 | \$ 748,253 | \$95.40 | \$ 1,852,562 | \$ 644,665 | \$ 318.39 |
| 062 | Tallapoosa County | 3,038.05 | \$ 315,227 | \$103.76 | \$ 691,227 | \$ 273,366 | \$ 317.50 |
| 063 | Tuscaloosa County | 17,452.80 | \$ 1,116,325 | \$63.96 | \$ 4,643,952 | \$ 966,411 | \$ 321.46 |
| 064 | Walker County | 8,273.80 | \$ 463,299 | \$56.00 | \$ 2,265,358 | \$ 400,876 | \$ 322.25 |
| 065 | Washington County | 3,485.55 | \$ 368,241 | \$105.65 | \$ 786,322 | \$ 319,664 | \$ 317.31 |
| 066 | Wilcox County | 2,090.90 | \$ 138,741 | \$66.35 | \$ 552,328 | \$ 119,397 | \$ 321.26 |
| 067 | Winston County | 2,732.00 | \$ 245,182 | \$89.74 | \$ 658,467 | \$ 212,736 | \$ 318.89 |

Appendix 7-14
Capital Purchase Allocation for FY 2009-10 for City School Systems

| System Number | System Description | FY 2009 | | System Value Mill per ADM | FY 2010 System Capital Purchase | System Local Capital Purchase | FY 2010 Total Per ADM |
|---------------|---------------------|------------|-------------------|---------------------------|---------------------------------|-------------------------------|-----------------------|
| | | System ADM | System Value Mill | | | | |
| 101 | Albertville City | 3,842.75 | \$ 169,192 | \$44.03 | \$ 1,096,598 | \$ 146,289 | \$ 323.44 |
| 102 | Alexander City | 3,446.05 | \$ 270,724 | \$78.56 | \$ 867,113 | \$ 235,541 | \$ 319.98 |
| 104 | Andalusia City | 1,680.90 | \$ 100,918 | \$60.04 | \$ 453,747 | \$ 87,259 | \$ 321.85 |
| 105 | Anniston City | 2,377.55 | \$ 260,964 | \$109.76 | \$ 527,194 | \$ 226,276 | \$ 316.91 |
| 106 | Arab City | 2,392.90 | \$ 88,621 | \$37.03 | \$ 699,006 | \$ 76,603 | \$ 324.13 |
| 107 | Athens City | 3,058.55 | \$ 214,805 | \$70.23 | \$ 796,146 | \$ 185,238 | \$ 320.87 |
| 109 | Attalla City | 1,715.95 | \$ 37,088 | \$21.61 | \$ 526,072 | \$ 32,662 | \$ 325.61 |
| 110 | Auburn City | 5,973.75 | \$ 609,278 | \$101.99 | \$ 1,370,685 | \$ 527,186 | \$ 317.70 |
| 113 | Bessemer City | 4,380.30 | \$ 157,512 | \$35.96 | \$ 1,283,781 | \$ 136,434 | \$ 324.23 |
| 114 | Birmingham City | 27,525.15 | \$ 2,742,260 | \$99.63 | \$ 6,368,753 | \$ 2,381,478 | \$ 317.90 |
| 115 | Boaz City | 2,229.05 | \$ 77,019 | \$34.55 | \$ 655,441 | \$ 67,500 | \$ 324.33 |
| 116 | Brewton City | 1,197.75 | \$ 65,185 | \$54.42 | \$ 330,252 | \$ 55,960 | \$ 322.45 |
| 125 | Cullman City | 2,865.10 | \$ 239,999 | \$83.77 | \$ 707,120 | \$ 208,227 | \$ 319.48 |
| 126 | Daleville City | 1,229.95 | \$ 79,500 | \$64.64 | \$ 326,087 | \$ 69,170 | \$ 321.36 |
| 127 | Decatur City | 8,723.15 | \$ 552,519 | \$63.34 | \$ 2,329,521 | \$ 475,478 | \$ 321.56 |
| 128 | Demopolis City | 2,425.05 | \$ 71,550 | \$29.50 | \$ 724,763 | \$ 62,945 | \$ 324.82 |
| 130 | Dothan City | 9,223.50 | \$ 732,431 | \$79.41 | \$ 2,320,864 | \$ 630,434 | \$ 319.98 |
| 131 | Elba City | 809.40 | \$ 26,643 | \$32.92 | \$ 239,560 | \$ 23,110 | \$ 324.52 |
| 132 | Enterprise City | 6,228.10 | \$ 214,059 | \$34.37 | \$ 1,837,345 | \$ 183,211 | \$ 324.43 |
| 133 | Eufaula City | 2,751.50 | \$ 118,620 | \$43.11 | \$ 787,842 | \$ 102,366 | \$ 323.54 |
| 137 | Fairfield City | 2,303.20 | \$ 71,149 | \$30.89 | \$ 686,126 | \$ 61,775 | \$ 324.72 |
| 141 | Florence City | 4,129.05 | \$ 320,123 | \$77.53 | \$ 1,042,954 | \$ 278,652 | \$ 320.08 |
| 143 | Fort Payne City | 2,930.25 | \$ 147,962 | \$50.49 | \$ 819,250 | \$ 126,763 | \$ 322.84 |
| 144 | Gadsden City | 5,623.05 | \$ 341,014 | \$60.65 | \$ 1,512,481 | \$ 296,769 | \$ 321.76 |
| 146 | Geneva City | 1,249.25 | \$ 40,392 | \$32.33 | \$ 370,948 | \$ 34,587 | \$ 324.62 |
| 154 | Guntersville City | 1,886.55 | \$ 122,530 | \$64.95 | \$ 500,166 | \$ 106,096 | \$ 321.36 |
| 155 | Haleyville City | 1,618.90 | \$ 41,007 | \$25.33 | \$ 491,636 | \$ 35,017 | \$ 325.32 |
| 156 | Hartselle City | 3,178.90 | \$ 98,869 | \$31.10 | \$ 946,998 | \$ 85,262 | \$ 324.72 |
| 157 | Homewood City | 3,449.45 | \$ 533,374 | \$154.63 | \$ 615,226 | \$ 462,592 | \$ 312.46 |
| 158 | Hoover City | 12,541.65 | \$ 1,473,787 | \$117.51 | \$ 2,684,239 | \$ 1,280,423 | \$ 316.12 |
| 159 | Huntsville City | 22,971.95 | \$ 1,815,749 | \$79.04 | \$ 5,780,320 | \$ 1,570,153 | \$ 319.98 |
| 162 | Jacksonville City | 1,699.60 | \$ 78,136 | \$45.97 | \$ 481,735 | \$ 67,643 | \$ 323.24 |
| 163 | Jasper City | 2,664.70 | \$ 165,699 | \$62.18 | \$ 714,178 | \$ 142,941 | \$ 321.66 |
| 165 | Lanett City | 899.45 | \$ 37,838 | \$42.07 | \$ 258,408 | \$ 32,685 | \$ 323.63 |
| 167 | Leeds City | 1,434.90 | \$ 101,118 | \$70.47 | \$ 373,507 | \$ 86,903 | \$ 320.87 |
| 168 | Linden City | 502.00 | \$ 13,629 | \$27.15 | \$ 151,483 | \$ 11,727 | \$ 325.12 |
| 169 | Madison City | 8,520.25 | \$ 455,034 | \$53.41 | \$ 2,357,479 | \$ 390,702 | \$ 322.55 |
| 171 | Midfield City | 1,230.00 | \$ 43,374 | \$35.26 | \$ 361,675 | \$ 37,247 | \$ 324.33 |
| 175 | Mountain Brook City | 4,366.90 | \$ 554,168 | \$126.90 | \$ 896,739 | \$ 479,837 | \$ 315.23 |
| 176 | Muscle Shoals City | 2,750.25 | \$ 143,300 | \$52.10 | \$ 763,621 | \$ 123,735 | \$ 322.65 |
| 178 | Oneonta City | 1,406.85 | \$ 67,110 | \$47.70 | \$ 396,045 | \$ 58,426 | \$ 323.04 |
| 179 | Opelika City | 4,279.95 | \$ 332,558 | \$77.70 | \$ 1,081,069 | \$ 288,835 | \$ 320.07 |
| 180 | Opp City | 1,371.80 | \$ 43,109 | \$31.43 | \$ 408,661 | \$ 36,793 | \$ 324.72 |
| 181 | Oxford City | 4,002.35 | \$ 222,573 | \$55.61 | \$ 1,095,840 | \$ 193,919 | \$ 322.25 |
| 182 | Ozark City | 2,498.75 | \$ 90,676 | \$36.29 | \$ 732,335 | \$ 77,829 | \$ 324.23 |
| 183 | Pell City | 4,151.10 | \$ 221,417 | \$53.34 | \$ 1,148,573 | \$ 190,351 | \$ 322.55 |
| 184 | Phenix City | 6,045.40 | \$ 204,367 | \$33.81 | \$ 1,783,447 | \$ 177,837 | \$ 324.43 |
| 185 | Piedmont City | 1,067.05 | \$ 40,269 | \$37.74 | \$ 310,674 | \$ 35,082 | \$ 324.03 |
| 187 | Saraland City | 1,518.65 | \$ 136,857 | \$90.12 | \$ 366,025 | \$ 118,254 | \$ 318.89 |
| 188 | Roanoke City | 1,518.15 | \$ 52,213 | \$34.39 | \$ 447,867 | \$ 44,659 | \$ 324.43 |
| 189 | Russellville City | 2,429.45 | \$ 63,200 | \$26.01 | \$ 735,446 | \$ 54,651 | \$ 325.22 |
| 190 | Scottsboro City | 2,667.90 | \$ 135,494 | \$50.79 | \$ 743,329 | \$ 117,722 | \$ 322.74 |
| 191 | Selma City | 3,815.05 | \$ 172,068 | \$45.10 | \$ 1,085,014 | \$ 148,535 | \$ 323.34 |
| 192 | Sheffield City | 1,172.45 | \$ 52,481 | \$44.76 | \$ 333,449 | \$ 45,648 | \$ 323.34 |
| 193 | Sylacauga City | 2,401.20 | \$ 114,543 | \$47.70 | \$ 675,966 | \$ 99,721 | \$ 323.04 |
| 194 | Talladega City | 2,576.25 | \$ 88,907 | \$34.51 | \$ 757,533 | \$ 78,014 | \$ 324.33 |
| 195 | Tallassee City | 1,998.80 | \$ 54,287 | \$27.16 | \$ 603,153 | \$ 46,693 | \$ 325.12 |
| 197 | Tarrant City | 1,400.60 | \$ 80,683 | \$57.61 | \$ 380,783 | \$ 70,284 | \$ 322.05 |
| 198 | Thomasville City | 1,548.65 | \$ 45,494 | \$29.38 | \$ 464,331 | \$ 38,857 | \$ 324.92 |
| 199 | Troy City | 2,232.25 | \$ 139,863 | \$62.66 | \$ 596,122 | \$ 121,675 | \$ 321.56 |
| 200 | Tuscaloosa City | 10,026.35 | \$ 891,449 | \$88.91 | \$ 2,426,219 | \$ 772,058 | \$ 318.99 |
| 201 | Tuscumbia City | 1,536.75 | \$ 48,282 | \$31.42 | \$ 465,247 | \$ 41,888 | \$ 330.00 |
| 202 | Vestavia Hills City | 5,960.90 | \$ 610,949 | \$102.49 | \$ 1,367,736 | \$ 526,052 | \$ 317.70 |
| 204 | Winfield City | 1,289.90 | \$ 38,142 | \$29.57 | \$ 385,506 | \$ 33,481 | \$ 324.82 |
| 205 | Trussville City | 4,118.55 | \$ 339,998 | \$82.55 | \$ 1,020,448 | \$ 295,760 | \$ 319.58 |
| | State Total | 743,264.95 | \$ 50,437,932 | \$67.86 | \$ 195,000,000 | \$ 43,644,984 | \$ 321.08 |

Appendix 7-15
Unrestricted Local Tax Revenues per ADM
for FY 2009-10 for County School Systems

| System Number | System Description | System ADM | FY 2010 System FP Chargeback | System Local Capital Purchase | FY 2010 Total Local Match | Budgeted Local Tax Revenues | Unrestricted Net Local Tax Revenues | Total Per ADM | Rank |
|---------------|-----------------------|------------------|------------------------------|-------------------------------|---------------------------|-----------------------------|-------------------------------------|--------------------|-----------|
| 001 | Autauga County | 9,854.10 | \$ 6,011,300 | \$ 520,072 | \$ 6,531,372 | \$ 11,715,360 | \$ 5,183,988 | \$ 526.07 | 113 |
| 002 | Baldwin County | 26,735.95 | \$ 45,431,470 | \$ 3,932,434 | \$ 49,363,904 | \$ 90,976,697 | \$ 41,612,793 | \$ 1,556.44 | 34 |
| 003 | Barbour County | 1,051.10 | \$ 1,062,520 | \$ 91,851 | \$ 1,154,371 | \$ 1,481,371 | \$ 327,000 | \$ 311.10 | 125 |
| 004 | Bibb County | 3,737.45 | \$ 1,466,990 | \$ 126,112 | \$ 1,593,102 | \$ 3,574,648 | \$ 1,981,546 | \$ 530.19 | 112 |
| 005 | Blount County | 8,399.15 | \$ 3,136,650 | \$ 268,877 | \$ 3,405,527 | \$ 5,613,150 | \$ 2,207,623 | \$ 262.84 | 127 |
| 006 | Bullock County | 1,611.40 | \$ 724,450 | \$ 62,738 | \$ 787,188 | \$ 1,662,688 | \$ 875,500 | \$ 543.32 | 111 |
| 007 | Butler County | 3,348.25 | \$ 2,025,110 | \$ 173,815 | \$ 2,198,925 | \$ 4,457,110 | \$ 2,258,185 | \$ 674.44 | 96 |
| 008 | Calhoun County | 9,255.95 | \$ 2,572,270 | \$ 224,231 | \$ 2,796,501 | \$ 15,362,360 | \$ 12,565,859 | \$ 1,357.60 | 44 |
| 009 | Chambers County | 4,045.00 | \$ 2,423,790 | \$ 209,984 | \$ 2,633,774 | \$ 5,516,040 | \$ 2,882,266 | \$ 712.55 | 94 |
| 010 | Cherokee County | 4,071.55 | \$ 2,361,490 | \$ 204,317 | \$ 2,565,807 | \$ 5,946,149 | \$ 3,380,342 | \$ 830.23 | 80 |
| 011 | Chilton County | 7,626.30 | \$ 3,692,410 | \$ 316,718 | \$ 4,009,128 | \$ 6,751,278 | \$ 2,742,150 | \$ 359.56 | 118 |
| 012 | Choctaw County | 1,886.50 | \$ 1,825,190 | \$ 158,324 | \$ 1,983,514 | \$ 3,567,611 | \$ 1,584,097 | \$ 839.70 | 79 |
| 013 | Clarke County | 3,390.30 | \$ 2,810,070 | \$ 243,463 | \$ 3,053,533 | \$ 3,882,270 | \$ 828,737 | \$ 244.44 | 128 |
| 014 | Clay County | 2,133.80 | \$ 928,970 | \$ 81,231 | \$ 1,010,201 | \$ 1,469,170 | \$ 458,969 | \$ 215.09 | 129 |
| 015 | Cleburne County | 2,620.40 | \$ 1,149,330 | \$ 99,756 | \$ 1,249,086 | \$ 2,709,830 | \$ 1,460,744 | \$ 557.45 | 110 |
| 016 | Coffee County | 2,192.65 | \$ 1,207,190 | \$ 104,340 | \$ 1,311,530 | \$ 3,030,630 | \$ 1,719,100 | \$ 784.03 | 84 |
| 017 | Colbert County | 2,933.25 | \$ 2,542,490 | \$ 218,911 | \$ 2,761,401 | \$ 6,966,891 | \$ 4,205,490 | \$ 1,433.73 | 38 |
| 018 | Conecuh County | 1,701.60 | \$ 1,347,690 | \$ 116,306 | \$ 1,463,996 | \$ 2,727,599 | \$ 1,263,603 | \$ 742.60 | 89 |
| 019 | Coosa County | 1,331.85 | \$ 1,484,400 | \$ 127,907 | \$ 1,612,307 | \$ 2,026,861 | \$ 414,554 | \$ 311.26 | 124 |
| 020 | Covington County | 3,102.60 | \$ 2,207,100 | \$ 190,590 | \$ 2,397,690 | \$ 4,355,340 | \$ 1,957,650 | \$ 630.97 | 102 |
| 021 | Crenshaw County | 2,365.30 | \$ 1,300,640 | \$ 112,555 | \$ 1,413,195 | \$ 2,161,445 | \$ 748,250 | \$ 316.34 | 123 |
| 022 | Cullman County | 9,889.20 | \$ 5,131,960 | \$ 444,920 | \$ 5,576,880 | \$ 11,386,039 | \$ 5,809,159 | \$ 587.42 | 105 |
| 023 | Dale County | 2,863.40 | \$ 1,048,780 | \$ 91,664 | \$ 1,140,444 | \$ 2,963,780 | \$ 1,823,336 | \$ 636.77 | 101 |
| 024 | Dallas County | 4,213.55 | \$ 1,887,470 | \$ 164,051 | \$ 2,051,521 | \$ 2,905,559 | \$ 854,038 | \$ 202.69 | 130 |
| 025 | Dekalb County | 8,923.30 | \$ 3,014,900 | \$ 262,495 | \$ 3,277,395 | \$ 8,431,395 | \$ 5,154,000 | \$ 577.59 | 106 |
| 026 | Elmore County | 11,214.55 | \$ 8,458,680 | \$ 727,713 | \$ 9,186,393 | \$ 15,881,000 | \$ 6,694,607 | \$ 596.96 | 73 |
| 027 | Escambia County | 4,682.50 | \$ 2,760,140 | \$ 239,027 | \$ 2,999,167 | \$ 7,343,640 | \$ 4,344,473 | \$ 927.81 | 103 |
| 028 | Etowah County | 9,159.80 | \$ 4,288,890 | \$ 372,478 | \$ 4,661,368 | \$ 9,285,077 | \$ 4,623,709 | \$ 504.78 | 115 |
| 029 | Fayette County | 2,515.65 | \$ 1,194,410 | \$ 102,298 | \$ 1,296,708 | \$ 2,794,408 | \$ 1,497,700 | \$ 595.35 | 104 |
| 030 | Franklin County | 3,230.15 | \$ 1,399,290 | \$ 120,173 | \$ 1,519,463 | \$ 3,341,563 | \$ 1,822,100 | \$ 564.09 | 108 |
| 031 | Geneva County | 2,710.65 | \$ 1,181,540 | \$ 103,191 | \$ 1,284,731 | \$ 1,690,704 | \$ 405,973 | \$ 149.77 | 132 |
| 032 | Greene County | 1,422.15 | \$ 1,212,050 | \$ 104,588 | \$ 1,316,638 | \$ 3,923,738 | \$ 2,607,100 | \$ 1,833.21 | 22 |
| 033 | Hale County | 2,989.15 | \$ 1,127,450 | \$ 98,276 | \$ 1,225,726 | \$ 4,906,976 | \$ 3,681,250 | \$ 1,231.54 | 48 |
| 034 | Henry County | 2,780.15 | \$ 1,334,850 | \$ 115,459 | \$ 1,450,309 | \$ 3,028,399 | \$ 1,578,090 | \$ 567.63 | 107 |
| 035 | Houston County | 6,292.25 | \$ 4,715,280 | \$ 408,305 | \$ 5,123,585 | \$ 9,692,735 | \$ 4,569,150 | \$ 726.16 | 93 |
| 036 | Jackson County | 5,925.20 | \$ 3,325,260 | \$ 287,083 | \$ 3,612,343 | \$ 10,364,686 | \$ 6,752,343 | \$ 1,139.60 | 56 |
| 037 | Jefferson County | 36,245.65 | \$ 24,238,080 | \$ 2,101,104 | \$ 26,339,184 | \$ 77,259,426 | \$ 50,920,242 | \$ 1,404.86 | 41 |
| 038 | Lamar County | 2,343.85 | \$ 978,990 | \$ 85,172 | \$ 1,064,162 | \$ 2,080,590 | \$ 1,016,428 | \$ 433.66 | 116 |
| 039 | Lauderdale County | 8,905.25 | \$ 3,659,910 | \$ 315,898 | \$ 3,975,808 | \$ 12,810,535 | \$ 8,834,727 | \$ 992.08 | 69 |
| 040 | Lawrence County | 5,429.05 | \$ 2,966,010 | \$ 258,347 | \$ 3,224,357 | \$ 7,914,010 | \$ 4,689,653 | \$ 863.81 | 77 |
| 041 | Lee County | 9,745.20 | \$ 5,127,410 | \$ 446,872 | \$ 5,574,282 | \$ 21,799,700 | \$ 16,225,418 | \$ 1,664.97 | 25 |
| 042 | Limestone County | 8,734.70 | \$ 3,438,280 | \$ 294,734 | \$ 3,733,014 | \$ 16,822,180 | \$ 13,089,166 | \$ 1,498.52 | 35 |
| 043 | Lowndes County | 1,971.65 | \$ 941,150 | \$ 81,882 | \$ 1,023,032 | \$ 2,350,602 | \$ 1,327,570 | \$ 673.33 | 97 |
| 044 | Macon County | 2,964.00 | \$ 1,197,370 | \$ 102,578 | \$ 1,299,948 | \$ 3,989,443 | \$ 2,689,495 | \$ 907.39 | 74 |
| 045 | Madison County | 19,386.50 | \$ 8,583,100 | \$ 738,022 | \$ 9,321,122 | \$ 40,048,100 | \$ 30,726,978 | \$ 1,584.97 | 30 |
| 046 | Marengo County | 1,562.95 | \$ 1,360,850 | \$ 117,647 | \$ 1,478,497 | \$ 2,032,350 | \$ 553,853 | \$ 354.36 | 120 |
| 047 | Marion County | 3,747.00 | \$ 1,751,260 | \$ 152,370 | \$ 1,903,630 | \$ 3,189,220 | \$ 1,285,590 | \$ 343.10 | 121 |
| 048 | Marshall County | 5,733.00 | \$ 1,541,050 | \$ 133,925 | \$ 1,674,975 | \$ 7,724,897 | \$ 6,049,922 | \$ 1,055.28 | 63 |
| 049 | Mobile County | 62,207.15 | \$ 39,884,460 | \$ 3,444,588 | \$ 43,329,048 | \$ 122,683,314 | \$ 79,354,266 | \$ 1,275.65 | 46 |
| 050 | Monroe County | 4,155.75 | \$ 1,837,700 | \$ 158,205 | \$ 1,995,905 | \$ 2,759,700 | \$ 763,795 | \$ 183.79 | 131 |
| 051 | Montgomery County | 31,588.45 | \$ 24,529,490 | \$ 2,131,768 | \$ 26,661,258 | \$ 76,449,836 | \$ 49,788,578 | \$ 1,576.16 | 32 |
| 052 | Morgan County | 7,723.15 | \$ 6,814,840 | \$ 588,023 | \$ 7,402,863 | \$ 22,476,314 | \$ 15,073,451 | \$ 1,951.72 | 19 |
| 053 | Perry County | 1,942.15 | \$ 788,480 | \$ 68,894 | \$ 857,374 | \$ 1,475,880 | \$ 618,506 | \$ 318.46 | 122 |
| 054 | Pickens County | 3,020.90 | \$ 1,362,810 | \$ 117,616 | \$ 1,480,426 | \$ 2,360,000 | \$ 879,574 | \$ 291.16 | 126 |
| 055 | Pike County | 2,196.75 | \$ 1,166,680 | \$ 100,733 | \$ 1,267,413 | \$ 3,991,428 | \$ 2,724,015 | \$ 1,240.02 | 47 |
| 056 | Randolph County | 2,306.60 | \$ 2,161,980 | \$ 187,593 | \$ 2,349,573 | \$ 3,311,273 | \$ 961,700 | \$ 416.93 | 117 |
| 057 | Russell County | 3,387.20 | \$ 1,490,740 | \$ 128,947 | \$ 1,619,687 | \$ 5,529,587 | \$ 3,909,900 | \$ 1,154.32 | 53 |
| 058 | St Clair County | 8,331.95 | \$ 4,495,280 | \$ 389,276 | \$ 4,884,556 | \$ 10,980,000 | \$ 6,095,444 | \$ 731.57 | 91 |
| 059 | Shelby County | 27,122.00 | \$ 22,024,600 | \$ 1,900,744 | \$ 23,925,344 | \$ 86,369,511 | \$ 62,444,167 | \$ 2,302.34 | 13 |
| 060 | Sumter County | 2,329.95 | \$ 1,152,370 | \$ 98,778 | \$ 1,251,148 | \$ 3,039,170 | \$ 1,788,022 | \$ 767.41 | 85 |
| 061 | Talladega County | 7,843.20 | \$ 7,482,530 | \$ 644,665 | \$ 8,127,195 | \$ 16,386,695 | \$ 8,259,500 | \$ 1,053.08 | 64 |
| 062 | Tallapoosa County | 3,038.05 | \$ 3,152,270 | \$ 273,366 | \$ 3,425,636 | \$ 6,363,514 | \$ 2,937,878 | \$ 967.03 | 70 |
| 063 | Tuscaloosa County | 17,452.80 | \$ 11,163,250 | \$ 966,411 | \$ 12,129,661 | \$ 40,419,462 | \$ 28,289,801 | \$ 1,620.93 | 29 |
| 064 | Walker County | 8,273.80 | \$ 4,632,990 | \$ 400,876 | \$ 5,033,866 | \$ 14,784,400 | \$ 9,750,534 | \$ 1,178.48 | 51 |
| 065 | Washington County | 3,485.55 | \$ 3,682,410 | \$ 319,664 | \$ 4,002,074 | \$ 5,241,819 | \$ 1,239,745 | \$ 355.68 | 119 |
| 066 | Wilcox County | 2,090.90 | \$ 1,387,410 | \$ 119,397 | \$ 1,506,807 | \$ 3,082,710 | \$ 1,575,903 | \$ 753.70 | 87 |
| 067 | Winston County | 2,732.00 | \$ 2,451,820 | \$ 212,736 | \$ 2,664,556 | \$ 5,474,381 | \$ 2,809,825 | \$ 1,028.49 | 66 |

Appendix 7-16
Unrestricted Local Tax Revenues per ADM
for FY 2009-10 for City School Systems

| System Number | System Description | System ADM | FY 2010 System FP Chargeback | System Local Capital Purchase | FY 2010 Total Local Match | FY 2010 Budgeted Local Tax Revenues | Unrestricted Net Local Tax Revenues | Total Per ADM | Rank |
|--------------------|---------------------|-------------------|------------------------------|-------------------------------|---------------------------|-------------------------------------|-------------------------------------|--------------------|------------|
| 101 | Albertville City | 3,842.75 | \$ 1,691,920 | \$ 146,289 | \$ 1,838,209 | \$ 4,631,145 | \$ 2,792,936 | \$ 726.81 | 92 |
| 102 | Alexander City | 3,446.05 | \$ 2,707,240 | \$ 235,541 | \$ 2,942,781 | \$ 5,343,230 | \$ 2,400,449 | \$ 696.58 | 95 |
| 104 | Andalusia City | 1,680.90 | \$ 1,009,180 | \$ 87,259 | \$ 1,096,439 | \$ 2,613,039 | \$ 1,516,600 | \$ 902.25 | 75 |
| 105 | Anniston City | 2,377.55 | \$ 2,609,640 | \$ 226,276 | \$ 2,835,916 | \$ 5,400,800 | \$ 2,564,884 | \$ 1,078.79 | 60 |
| 106 | Arab City | 2,392.90 | \$ 886,210 | \$ 76,603 | \$ 962,813 | \$ 3,440,363 | \$ 2,477,550 | \$ 1,035.38 | 65 |
| 107 | Athens City | 3,058.55 | \$ 2,148,050 | \$ 185,238 | \$ 2,333,288 | \$ 10,278,006 | \$ 7,944,718 | \$ 2,597.54 | 12 |
| 109 | Attalla City | 1,715.95 | \$ 370,880 | \$ 32,662 | \$ 403,542 | \$ 1,693,642 | \$ 1,290,100 | \$ 751.83 | 88 |
| 110 | Auburn City | 5,973.75 | \$ 6,092,780 | \$ 527,186 | \$ 6,619,966 | \$ 28,141,647 | \$ 21,521,681 | \$ 3,602.71 | 6 |
| 113 | Bessemer City | 4,380.30 | \$ 1,575,120 | \$ 136,434 | \$ 1,711,554 | \$ 6,417,520 | \$ 4,705,966 | \$ 1,074.35 | 61 |
| 114 | Birmingham City | 27,525.15 | \$ 27,422,600 | \$ 2,381,478 | \$ 29,804,078 | \$ 80,167,571 | \$ 50,363,493 | \$ 1,829.73 | 23 |
| 115 | Boaz City | 2,229.05 | \$ 770,190 | \$ 67,500 | \$ 837,690 | \$ 4,512,610 | \$ 3,674,920 | \$ 1,648.65 | 28 |
| 116 | Brewton City | 1,197.75 | \$ 651,850 | \$ 55,960 | \$ 707,810 | \$ 3,250,650 | \$ 2,542,840 | \$ 2,123.01 | 16 |
| 125 | Cullman City | 2,865.10 | \$ 2,399,990 | \$ 208,227 | \$ 2,608,217 | \$ 7,077,237 | \$ 4,469,020 | \$ 1,559.81 | 33 |
| 126 | Daleville City | 1,229.95 | \$ 795,000 | \$ 69,170 | \$ 864,170 | \$ 1,686,930 | \$ 822,760 | \$ 668.94 | 99 |
| 127 | Decatur City | 8,723.15 | \$ 5,525,190 | \$ 475,478 | \$ 6,000,668 | \$ 31,755,515 | \$ 25,754,847 | \$ 2,952.47 | 9 |
| 128 | Demopolis City | 2,425.05 | \$ 715,500 | \$ 62,945 | \$ 778,445 | \$ 2,726,878 | \$ 1,948,433 | \$ 803.46 | 83 |
| 130 | Dothan City | 9,223.50 | \$ 7,324,310 | \$ 630,434 | \$ 7,954,744 | \$ 18,010,720 | \$ 10,055,976 | \$ 1,090.26 | 58 |
| 131 | Elba City | 809.40 | \$ 266,430 | \$ 23,110 | \$ 289,540 | \$ 1,094,040 | \$ 804,500 | \$ 993.95 | 68 |
| 132 | Enterprise City | 6,228.10 | \$ 2,140,590 | \$ 183,211 | \$ 2,323,801 | \$ 23,355,487 | \$ 21,031,686 | \$ 3,376.90 | 7 |
| 133 | Eufaula City | 2,751.50 | \$ 1,186,200 | \$ 102,366 | \$ 1,288,566 | \$ 4,436,374 | \$ 3,147,808 | \$ 1,144.03 | 55 |
| 137 | Fairfield City | 2,303.20 | \$ 711,490 | \$ 61,775 | \$ 773,265 | \$ 2,060,565 | \$ 1,287,300 | \$ 558.92 | 109 |
| 141 | Florence City | 4,129.05 | \$ 3,201,230 | \$ 278,652 | \$ 3,479,882 | \$ 14,799,062 | \$ 11,319,180 | \$ 2,741.35 | 10 |
| 143 | Fort Payne City | 2,930.25 | \$ 1,479,620 | \$ 126,763 | \$ 1,606,383 | \$ 3,969,503 | \$ 2,363,120 | \$ 806.46 | 82 |
| 144 | Gadsden City | 5,623.05 | \$ 3,410,140 | \$ 296,769 | \$ 3,706,909 | \$ 9,104,080 | \$ 5,397,171 | \$ 959.83 | 71 |
| 146 | Geneva City | 1,249.25 | \$ 403,920 | \$ 34,587 | \$ 438,507 | \$ 1,633,307 | \$ 1,194,800 | \$ 956.41 | 72 |
| 154 | Guntersville City | 1,886.55 | \$ 1,225,300 | \$ 106,096 | \$ 1,331,396 | \$ 4,316,950 | \$ 2,985,554 | \$ 1,582.55 | 31 |
| 155 | Haleyville City | 1,618.90 | \$ 410,070 | \$ 35,017 | \$ 445,087 | \$ 2,667,607 | \$ 2,222,520 | \$ 1,372.86 | 42 |
| 156 | Hartselle City | 3,178.90 | \$ 988,690 | \$ 85,262 | \$ 1,073,952 | \$ 6,337,928 | \$ 5,263,976 | \$ 1,655.91 | 27 |
| 157 | Homewood City | 3,449.45 | \$ 5,333,740 | \$ 462,592 | \$ 5,796,332 | \$ 24,943,742 | \$ 19,147,410 | \$ 5,550.86 | 2 |
| 158 | Hoover City | 12,541.65 | \$ 14,737,870 | \$ 1,280,423 | \$ 16,018,293 | \$ 62,676,598 | \$ 46,658,305 | \$ 3,720.27 | 5 |
| 159 | Huntsville City | 22,971.95 | \$ 18,157,490 | \$ 1,570,153 | \$ 19,727,643 | \$ 80,282,610 | \$ 60,554,967 | \$ 2,636.04 | 11 |
| 162 | Jacksonville City | 1,699.60 | \$ 781,360 | \$ 67,643 | \$ 849,003 | \$ 2,889,403 | \$ 2,040,400 | \$ 1,200.52 | 50 |
| 163 | Jasper City | 2,664.70 | \$ 1,656,990 | \$ 142,941 | \$ 1,799,931 | \$ 7,175,031 | \$ 5,375,100 | \$ 2,017.15 | 17 |
| 165 | Lanett City | 899.45 | \$ 378,380 | \$ 32,685 | \$ 411,065 | \$ 1,172,865 | \$ 761,800 | \$ 846.96 | 78 |
| 167 | Leeds City | 1,434.90 | \$ 1,011,180 | \$ 86,903 | \$ 1,098,083 | \$ 3,171,383 | \$ 2,073,300 | \$ 1,444.91 | 37 |
| 168 | Linden City | 502.00 | \$ 136,290 | \$ 11,727 | \$ 148,017 | \$ 554,527 | \$ 406,510 | \$ 809.78 | 81 |
| 169 | Madison City | 8,520.25 | \$ 4,550,340 | \$ 390,702 | \$ 4,941,042 | \$ 24,115,911 | \$ 19,174,869 | \$ 2,250.51 | 15 |
| 171 | Midfield City | 1,230.00 | \$ 433,740 | \$ 37,247 | \$ 470,987 | \$ 1,696,360 | \$ 1,225,373 | \$ 996.24 | 67 |
| 175 | Mountain Brook City | 4,366.90 | \$ 5,541,680 | \$ 479,837 | \$ 6,021,517 | \$ 26,934,019 | \$ 20,912,502 | \$ 4,788.87 | 3 |
| 176 | Muscle Shoals City | 2,750.25 | \$ 1,433,000 | \$ 123,735 | \$ 1,556,735 | \$ 6,233,535 | \$ 4,676,800 | \$ 1,700.50 | 24 |
| 178 | Oneonta City | 1,406.85 | \$ 671,100 | \$ 58,426 | \$ 729,526 | \$ 1,987,826 | \$ 1,258,300 | \$ 894.41 | 76 |
| 179 | Opelika City | 4,279.95 | \$ 3,325,580 | \$ 288,835 | \$ 3,614,415 | \$ 13,437,205 | \$ 9,822,790 | \$ 2,295.07 | 14 |
| 180 | Opp City | 1,371.80 | \$ 431,090 | \$ 36,793 | \$ 467,883 | \$ 2,065,990 | \$ 1,598,107 | \$ 1,164.97 | 52 |
| 181 | Oxford City | 4,002.35 | \$ 2,225,730 | \$ 193,919 | \$ 2,419,649 | \$ 26,637,899 | \$ 24,218,250 | \$ 6,051.01 | 1 |
| 182 | Ozark City | 2,498.75 | \$ 906,760 | \$ 77,829 | \$ 984,589 | \$ 4,394,500 | \$ 3,409,911 | \$ 1,364.65 | 43 |
| 183 | Pell City | 4,151.10 | \$ 2,214,170 | \$ 190,351 | \$ 2,404,521 | \$ 5,460,220 | \$ 3,055,699 | \$ 736.12 | 90 |
| 184 | Phenix City | 6,045.40 | \$ 2,043,670 | \$ 177,837 | \$ 2,221,507 | \$ 10,790,096 | \$ 8,568,589 | \$ 1,417.37 | 40 |
| 185 | Piedmont City | 1,067.05 | \$ 402,690 | \$ 35,082 | \$ 437,772 | \$ 1,667,890 | \$ 1,230,118 | \$ 1,152.82 | 54 |
| 187 | Saraland City | 1,518.65 | \$ 1,368,570 | \$ 118,254 | \$ 1,486,824 | \$ 4,529,120 | \$ 3,042,296 | \$ 2,003.29 | 18 |
| 188 | Roanoke City | 1,518.15 | \$ 522,130 | \$ 44,659 | \$ 566,789 | \$ 1,565,280 | \$ 998,491 | \$ 657.70 | 100 |
| 189 | Russellville City | 2,429.45 | \$ 632,000 | \$ 54,651 | \$ 686,651 | \$ 3,878,701 | \$ 3,192,050 | \$ 1,313.90 | 45 |
| 190 | Scottsboro City | 2,667.90 | \$ 1,354,940 | \$ 117,722 | \$ 1,472,662 | \$ 5,468,200 | \$ 3,995,538 | \$ 1,497.63 | 36 |
| 191 | Selma City | 3,815.05 | \$ 1,720,680 | \$ 148,535 | \$ 1,869,215 | \$ 3,798,680 | \$ 1,929,465 | \$ 505.75 | 114 |
| 192 | Sheffield City | 1,172.45 | \$ 524,810 | \$ 45,648 | \$ 570,458 | \$ 2,754,518 | \$ 2,184,060 | \$ 1,862.82 | 21 |
| 193 | Sylacauga City | 2,401.20 | \$ 1,145,430 | \$ 99,721 | \$ 1,245,151 | \$ 4,169,852 | \$ 2,924,701 | \$ 1,218.02 | 49 |
| 194 | Talladega City | 2,576.25 | \$ 889,070 | \$ 78,014 | \$ 967,084 | \$ 3,790,220 | \$ 2,823,136 | \$ 1,095.83 | 57 |
| 195 | Tallassee City | 1,998.80 | \$ 542,870 | \$ 46,693 | \$ 589,563 | \$ 1,928,163 | \$ 1,338,600 | \$ 669.70 | 98 |
| 197 | Tarrant City | 1,400.60 | \$ 806,830 | \$ 70,284 | \$ 877,114 | \$ 2,357,362 | \$ 1,480,248 | \$ 1,056.87 | 62 |
| 198 | Thomasville City | 1,548.65 | \$ 454,940 | \$ 38,857 | \$ 493,797 | \$ 1,664,440 | \$ 1,170,643 | \$ 755.91 | 86 |
| 199 | Troy City | 2,232.25 | \$ 1,398,630 | \$ 121,675 | \$ 1,520,305 | \$ 4,692,057 | \$ 3,171,752 | \$ 1,420.88 | 39 |
| 200 | Tuscaloosa City | 10,026.35 | \$ 8,914,490 | \$ 772,058 | \$ 9,686,548 | \$ 39,790,930 | \$ 30,104,382 | \$ 3,002.53 | 8 |
| 201 | Tuscumbia City | 1,536.75 | \$ 482,820 | \$ 41,888 | \$ 524,708 | \$ 3,082,620 | \$ 2,557,912 | \$ 1,664.49 | 26 |
| 202 | Vestavia Hills City | 5,960.90 | \$ 6,109,490 | \$ 526,052 | \$ 6,635,542 | \$ 30,572,249 | \$ 23,936,707 | \$ 4,015.62 | 4 |
| 204 | Winfield City | 1,289.90 | \$ 381,420 | \$ 33,481 | \$ 414,901 | \$ 1,807,269 | \$ 1,392,368 | \$ 1,079.44 | 59 |
| 205 | Trussville City | 4,118.55 | \$ 3,399,980 | \$ 295,760 | \$ 3,695,740 | \$ 11,489,267 | \$ 7,793,527 | \$ 1,892.30 | 20 |
| State Total | | 743,264.95 | \$ 504,379,320 | \$ 43,644,984 | \$ 548,024,304 | \$ 1,641,643,189 | \$ 1,093,618,885 | \$ 1,471.37 | n/a |

**Appendix 7-17
Fairhope K-1 Center**

| |
|--|
| <p><i>State Department of Education</i> <i>Baldwin County</i> <i>School Summary Reported as of Jul 02, 2010</i></p> |
|--|



| | | | |
|--|--------------------------|-----------------------------|--|
| <i>School: Fairhope K-1 Ctr</i> | | | |
| Agribusiness: 0 | | Home Ec Department: 0 | |
| Auditorium: 1 | | Indoor Rifle Range: 0 | |
| Band/Choral Dept:0 | | Large Instructional Area: 0 | |
| Cafeteria: 1 | | Media Center: 1 | |
| Cafeteria/Auditorium: 0 | | Multipurpose: 0 | |
| Drivers Ed Lab: 0 | | Natatorium: 0 | |
| Field House: 0 | | Non Coded Space: 1 | |
| Football Stadium (off site if owned by BOE): 0 | | Regular Classroom: 29 | |
| Football Stadium (on site): 0 | | Science Lab: 0 | |
| General Administrative Area: 3 | | Small Classroom: 3 | |
| Gymnasium: 0 | | Storage: 0 | |
| Gymnasium(Non Spectator): 0 | | Transportation Facility: 0 | |
| Gymnasium-Auditorium: 0 | | Weight Room: 0 | |
| Gymnasium-Auditorium-Cafeteria: 0 | | Computer Lab: 0 | |
| Shop Area: 0 | | | |
| Square Footage: 60114 | | | |
| Facility Acreage: 10 | Student Capacity: 575 | Instructional Portables: 0 | Substandard Permanent Classrooms: 0 |

**Appendix 7-18
Fairhope Primary School**

| |
|--|
| <p><i>State Department of Education</i> <i>Baldwin County</i> <i>School Summary Reported as of Jul 02, 2010</i></p> |
|--|



| | | | |
|--|--------------------------|-----------------------------|--|
| <i>School: Fairhope Primary Sch</i> | | | |
| Agribusiness: 0 | | Home Ec Department: 0 | |
| Auditorium: 1 | | Indoor Rifle Range: 0 | |
| Band/Choral Dept:1 | | Large Instructional Area: 0 | |
| Cafeteria: 0 | | Media Center: 1 | |
| Cafeteria/Auditorium: 0 | | Multipurpose: 1 | |
| Drivers Ed Lab: 0 | | Natatorium: 0 | |
| Field House: 0 | | Non Coded Space: 0 | |
| Football Stadium (off site if owned by BOE): 0 | | Regular Classroom: 0 | |
| Football Stadium (on site): 0 | | Science Lab: 0 | |
| General Administrative Area: 5 | | Small Classroom: 0 | |
| Gymnasium: 1 | | Storage: 2 | |
| Gymnasium(Non Spectator): 0 | | Transportation Facility: 0 | |
| Gymnasium-Auditorium: 0 | | Weight Room: 0 | |
| Gymnasium-Auditorium-Cafeteria: 0 | | Computer Lab: 0 | |
| Shop Area: 0 | | | |
| Square Footage: 24962 | | | |
| Facility Acreage: 20 | Student Capacity: 900 | Instructional Portables: 0 | Substandard Permanent Classrooms: 0 |

**Appendix 7-19
Fairhope Intermediate School**

| |
|---|
| <p><i>State Department of Education</i> <i>Baldwin County</i> <i>School Summary Reported as of Jul 02, 2010</i></p> |
|---|



| | | | |
|--|--------------------------|-----------------------------|--|
| <i>School: Fairhope Intermediate Sch</i> | | | |
| Agribusiness: 0 | | Home Ec Department: 0 | |
| Auditorium: 0 | | Indoor Rifle Range: 0 | |
| Band/Choral Dept:0 | | Large Instructional Area: 1 | |
| Cafeteria: 0 | | Media Center: 1 | |
| Cafeteria/Auditorium: 1 | | Multipurpose: 2 | |
| Drivers Ed Lab: 0 | | Natatorium: 0 | |
| Field House: 0 | | Non Coded Space: 0 | |
| Football Stadium (off site if owned by BOE): 0 | | Regular Classroom: 40 | |
| Football Stadium (on site): 0 | | Science Lab: 1 | |
| General Administrative Area: 17 | | Small Classroom: 7 | |
| Gymnasium: 1 | | Storage: 13 | |
| Gymnasium(Non Spectator): 0 | | Transportation Facility: 0 | |
| Gymnasium-Auditorium: 0 | | Weight Room: 0 | |
| Gymnasium-Auditorium-Cafeteria: 0 | | Computer Lab: 2 | |
| Shop Area: 0 | | | |
| Square Footage: 103422 | | | |
| Facility Acreage: 13 | Student Capacity: 900 | Instructional Portables: 0 | Substandard Permanent Classrooms: 0 |

**Appendix 7-20
Fairhope Middle School**

| |
|--|
| <p><i>State Department of Education</i> <i>Baldwin County</i> <i>School Summary Reported as of Jul 02, 2010</i></p> |
|--|



| | | | |
|--|---------------------------|-----------------------------|--|
| <i>School: Fairhope Middle Sch</i> | | | |
| Agribusiness: 0 | | Home Ec Department: 1 | |
| Auditorium: 0 | | Indoor Rifle Range: 0 | |
| Band/Choral Dept:2 | | Large Instructional Area: 1 | |
| Cafeteria: 0 | | Media Center: 1 | |
| Cafeteria/Auditorium: 1 | | Multipurpose: 0 | |
| Drivers Ed Lab: 0 | | Natatorium: 0 | |
| Field House: 0 | | Non Coded Space: 1 | |
| Football Stadium (off site if owned by BOE): 0 | | Regular Classroom: 30 | |
| Football Stadium (on site): 0 | | Science Lab: 2 | |
| General Administrative Area: 21 | | Small Classroom: 2 | |
| Gymnasium: 1 | | Storage: 16 | |
| Gymnasium(Non Spectator): 0 | | Transportation Facility: 0 | |
| Gymnasium-Auditorium: 0 | | Weight Room: 0 | |
| Gymnasium-Auditorium-Cafeteria: 0 | | Computer Lab: 2 | |
| Shop Area: 0 | | | |
| Square Footage: 137331 | | | |
| Facility Acreage: 30 | Student Capacity: 1000 | Instructional Portables: 0 | Substandard Permanent Classrooms: 0 |

**Appendix 7-21
Fairhope High School**

| |
|---|
| <p><i>State Department of Education</i> <i>Baldwin County</i> <i>School Summary Reported as of Jul 02, 2010</i></p> |
|---|

| | | | |
|--|---------------------------|-----------------------------|--|
| <i>School: Fairhope High Sch</i> | | | |
| Agribusiness: 1 | | Home Ec Department: 4 | |
| Auditorium: 0 | | Indoor Rifle Range: 0 | |
| Band/Choral Dept:3 | | Large Instructional Area: 3 | |
| Cafeteria: 1 | | Media Center: 1 | |
| Cafeteria/Auditorium: 0 | | Multipurpose: 1 | |
| Drivers Ed Lab: 1 | | Natorium: 0 | |
| Field House: 6 | | Non Coded Space: 0 | |
| Football Stadium (off site if owned by BOE): 0 | | Regular Classroom: 42 | |
| Football Stadium (on site): 0 | | Science Lab: 4 | |
| General Administrative Area: 12 | | Small Classroom: 6 | |
| Gymnasium: 1 | | Storage: 1 | |
| Gymnasium(Non Spectator): 0 | | Transportation Facility: 0 | |
| Gymnasium-Auditorium: 0 | | Weight Room: 1 | |
| Gymnasium-Auditorium-Cafeteria: 0 | | Computer Lab: 0 | |
| Shop Area: 0 | | | |
| Square Footage: 135396 | | | |
| Facility Acreage: 75 | Student Capacity: 1471 | Instructional Portables: 0 | Substandard Permanent Classrooms: 0 |

**Appendix 7-22
FY 2009-2010**

NAME OF SCHOOL OR COST CENTER: Fairhope K-1 Center - 0075
GRADE LEVELS:

**I. FOUNDATION PROGRAM OPERATING RESOURCE
EARNED BY SCHOOL (STATE AND LOCAL FUNDS
(To be completed by SDE)**

ADM (Prior year used for allocation purposes) 437.60

Earned Units

| | |
|---------------------------|--------------|
| Teachers | 31.71 |
| Principals | 1.00 |
| Assistant Principals | 0.00 |
| Counselors | 0.50 |
| Librarians | 1.00 |
| Vocational Ed. Director | 0.00 |
| Vocational Ed. Counselors | 0.00 |
| *Additional Units | 0.00 |
| | <u>0.00</u> |
| | <u>34.21</u> |

Total Units

| | |
|--|--------------------|
| Salaries | \$1,629,809 |
| Fringe Benefits | \$653,686 |
| Other Current Expense | \$0 |
| Classroom Instructional Support | |
| Student Materials (\$400/unit) | \$0 |
| Technology (\$250/unit) | \$0 |
| Library Enhancement (\$175/unit) | \$0 |
| Professional Development (\$35/unit) | \$0 |
| Common Purchases (\$125/unit) | \$0 |
| Textbooks (\$57.50/adm) | \$7,514 |
| Total Foundation Program | <u>\$2,291,009</u> |

**II. PROJECTED ENROLLMENT BY SCHOOL
(To be completed by LEA)**

0

**III. PROJECTED EMPLOYEES BY SCHOOL/COST CENTER
(To be completed by LEA)**

| Type | Number By | | | | | Source of Funds | | | | Total Employees |
|----------------------------|-------------------|-------|------|------|----|-----------------|-------------|---------|-------|-----------------|
| | **Level of Degree | | | | | State Earned | Other State | Federal | Local | |
| | BS | MS | 6Y | DO | ND | | | | | |
| Teachers | 16.00 | 12.79 | 3.00 | 0.00 | | 31.71 | 0.92 | 0.00 | 0.08 | 32.71 |
| Librarians | 0.00 | 0.00 | 1.00 | 0.00 | | 1.00 | | | 0.00 | 1.00 |
| Counselors | 0.00 | 0.50 | 0.00 | 0.00 | | 0.50 | | 0.00 | 0.00 | 0.50 |
| Administrators | 0.00 | 1.00 | 1.00 | 0.00 | | 1.00 | | | 1.00 | 2.00 |
| Certified Support Person | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | | 0.00 | 0.00 |
| Non. Cert. Supp. Personnel | | | | | | 0.00 | | 0.00 | 0.00 | 0.00 |
| Total | | | | | | 34.21 | 0.92 | 0.00 | 1.08 | 36.21 |

IV. LOCAL SCHOOL FUNDS BUDGETED

| | | |
|---------------|-------------------|------------|
| PUBLIC | NON-PUBLIC | |
| \$ 126,520 | \$ 5,282 | \$ 131,802 |

* For secondary school types only, an additional unit is earned for each 250 students above 1249.
This unit may be used in the Assistant Principal, Counselor or Library Media area as best meets the needs of the school.

** **BS** - Bachelor of Science
MS - Master of Science
6Y - 6-Year
DO - Doctorate
ND - Bachelor of Science Non-Degree

**Appendix 7-23
FY 2009-2010**

NAME OF SCHOOL OR COST CENTER: Fairhope Elementary School - 0073
GRADE LEVELS:

**I. FOUNDATION PROGRAM OPERATING RESOURCE
EARNED BY SCHOOL (STATE AND LOCAL FUNDS
(To be completed by SDE)**

ADM (Prior year used for allocation purposes) 498.25

Earned Units

| | |
|---------------------------|-------|
| Teachers | 36.11 |
| Principals | 1.00 |
| Assistant Principals | 0.00 |
| Counselors | 0.50 |
| Librarians | 1.25 |
| Vocational Ed. Director | 0.00 |
| Vocational Ed. Counselors | 0.00 |
| *Additional Units | 0.00 |
| | 0.00 |

Total Units

38.86

| | |
|-----------------------|-------------|
| Salaries | \$1,781,145 |
| Fringe Benefits | \$728,299 |
| Other Current Expense | \$0 |

Classroom Instructional Support

| | |
|--------------------------------------|---------|
| Student Materials (\$400/unit) | \$0 |
| Technology (\$250/unit) | \$0 |
| Library Enhancement (\$175/unit) | \$0 |
| Professional Development (\$35/unit) | \$0 |
| Common Purchases (\$125/unit) | \$0 |
| Textbooks (\$57.50/adm) | \$8,555 |

Total Foundation Program \$2,517,999

**II. PROJECTED ENROLLMENT BY SCHOOL
(To be completed by LEA)**

0

**III. PROJECTED EMPLOYEES BY SCHOOL/COST CENTER
(To be completed by LEA)**

| Type | Number By | | | | | Source of Funds | | | | Total Employees |
|----------------------------|-------------------|-------|------|------|----|-----------------|-------------|---------|-------|-----------------|
| | **Level of Degree | | | | | State Earned | Other State | Federal | Local | |
| | BS | MS | 6Y | DO | ND | | | | | |
| Teachers | 13.00 | 21.10 | 2.00 | 0.00 | | 36.00 | 0.90 | 0.00 | 0.10 | 37.00 |
| Librarians | 0.00 | 0.00 | 1.00 | 0.00 | | 1.00 | | | 0.00 | 1.00 |
| Counselors | 0.00 | 1.00 | 0.00 | 0.00 | | 0.50 | | 0.00 | 0.50 | 1.00 |
| Administrators | 0.00 | 2.00 | 0.00 | 0.00 | | 1.00 | | | 1.00 | 2.00 |
| Certified Support Person | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | | 0.00 | 0.00 |
| Non. Cert. Supp. Personnel | | | | | | 0.00 | | | 0.00 | 0.00 |
| Total | | | | | | 38.50 | 0.90 | 0.00 | 1.60 | 41.00 |

IV. LOCAL SCHOOL FUNDS BUDGETED

| PUBLIC | NON-PUBLIC | |
|-----------|------------|-----------|
| \$ 53,200 | \$ - | \$ 53,200 |

* For secondary school types only, an additional unit is earned for each 250 students above 1249.
This unit may be used in the Assistant Principal, Counselor or Library Media area as best meets the needs of the school.

- ** BS - Bachelor of Science
- MS - Master of Science
- 6Y - 6-Year
- DO - Doctorate
- ND - Bachelor of Science Non-Degree

**Appendix 7-24
FY 2009-2010**

NAME OF SCHOOL OR COST CENTER: Fairhope Intermediate School - 0071
GRADE LEVELS:

**I. FOUNDATION PROGRAM OPERATING RESOURCE
EARNED BY SCHOOL (STATE AND LOCAL FUNDS
(To be completed by SDE)**

| | |
|--|--------------------|
| ADM (Prior year used for allocation purposes) | <u>462.65</u> |
| <u>Earned Units</u> | |
| Teachers | <u>21.62</u> |
| Principals | <u>1.00</u> |
| Assistant Principals | <u>0.50</u> |
| Counselors | <u>1.00</u> |
| Librarians | <u>1.25</u> |
| Vocational Ed. Director | <u>0.00</u> |
| Vocational Ed. Counselors | <u>0.00</u> |
| *Additional Units | <u>0.00</u> |
| | <u>0.00</u> |
| <u>Total Units</u> | <u>25.37</u> |
| Salaries | <u>\$1,210,757</u> |
| Fringe Benefits | <u>\$485,196</u> |
| Other Current Expense | <u>\$0</u> |
| Classroom Instructional Support | |
| Student Materials (\$400/unit) | <u>\$0</u> |
| Technology (\$250/unit) | <u>\$0</u> |
| Library Enhancement (\$175/unit) | <u>\$0</u> |
| Professional Development (\$35/unit) | <u>\$0</u> |
| Common Purchases (\$125/unit) | <u>\$0</u> |
| Textbooks (\$57.50/adm) | <u>\$7,944</u> |
| Total Foundation Program | <u>\$1,703,897</u> |

**II. PROJECTED ENROLLMENT BY SCHOOL
(To be completed by LEA)**

0

**III. PROJECTED EMPLOYEES BY SCHOOL/COST CENTER
(To be completed by LEA)**

| Type | Number By | | | | | Source of Funds | | | | Total Employees |
|----------------------------|-------------------|-------|------|------|----|-----------------|-------------|---------|-------|-----------------|
| | **Level of Degree | | | | | State Earned | Other State | Federal | Local | |
| | BS | MS | 6Y | DO | ND | | | | | |
| Teachers | 8.00 | 15.50 | 1.00 | 0.00 | | 21.62 | | 2.00 | 1.38 | 25.00 |
| Librarians | 0.00 | 1.00 | 0.00 | 0.00 | | 1.00 | | | 0.00 | 1.00 |
| Counselors | 0.00 | 1.00 | 0.00 | 0.00 | | 1.00 | | 0.00 | 0.00 | 1.00 |
| Administrators | 0.00 | 1.00 | 1.00 | 0.00 | | 1.50 | | | 0.50 | 2.00 |
| Certified Support Perso | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | | | 0.00 |
| Non. Cert. Supp. Personnel | | | | | | 0.00 | | 0.00 | 0.00 | 0.00 |
| Total | | | | | | 25.12 | 0.00 | 2.00 | 1.88 | 29.00 |

IV. LOCAL SCHOOL FUNDS BUDGETED

| PUBLIC | NON-PUBLIC | |
|-----------|------------|-----------|
| \$ 28,000 | \$ 525 | \$ 28,525 |

* For secondary school types only, an additional unit is earned for each 250 students above 1249.
This unit may be used in the Assistant Principal, Counselor or Library Media area as best meets the needs of the school.

- ** **BS** - Bachelor of Science
- MS** - Master of Science
- 6Y** - 6-Year
- DO** - Doctorate
- ND** - Bachelor of Science Non-Degree

**Appendix 7-25
FY 2009-2010**

NAME OF SCHOOL OR COST CENTER: Fairhope Middle School - 0070
GRADE LEVELS:

**I. FOUNDATION PROGRAM OPERATING RESOURCE
EARNED BY SCHOOL (STATE AND LOCAL FUNDS
(To be completed by SDE)**

ADM (Prior year used for allocation purposes) 943.20

Earned Units

| | |
|---------------------------|--------------|
| Teachers | 46.40 |
| Principals | 1.00 |
| Assistant Principals | 1.00 |
| Counselors | 2.00 |
| Librarians | 1.50 |
| Vocational Ed. Director | 0.00 |
| Vocational Ed. Counselors | 0.00 |
| *Additional Units | 0.00 |
| | 0.00 |
| Total Units | 51.90 |

| | |
|-----------------------|-------------|
| Salaries | \$2,358,479 |
| Fringe Benefits | \$968,561 |
| Other Current Expense | \$0 |

Classroom Instructional Support

| | |
|--------------------------------------|----------|
| Student Materials (\$400/unit) | \$0 |
| Technology (\$250/unit) | \$0 |
| Library Enhancement (\$175/unit) | \$0 |
| Professional Development (\$35/unit) | \$0 |
| Common Purchases (\$125/unit) | \$0 |
| Textbooks (\$57.50/adm) | \$16,195 |

Total Foundation Program **\$3,343,235**

II. PROJECTED ENROLLMENT BY SCHOOL

(To be completed by LEA) 0

III. PROJECTED EMPLOYEES BY SCHOOL/COST CENTER

(To be completed by LEA)

| Type | Number By | | | | | Source of Funds | | | | Total Employees |
|----------------------------|-------------------|-------|------|------|----|-----------------|-------------|---------|-------|-----------------|
| | **Level of Degree | | | | | State Earned | Other State | Federal | Local | |
| | BS | MS | 6Y | DO | ND | | | | | |
| Teachers | 26.00 | 22.50 | 0.00 | 0.00 | | 46.40 | 0.00 | 1.00 | 2.10 | 49.50 |
| Librarians | 0.00 | 1.00 | 0.00 | 0.00 | | 1.00 | | | 0.00 | 1.00 |
| Counselors | 0.00 | 1.00 | 1.00 | 0.00 | | 2.00 | | 0.00 | 0.00 | 2.00 |
| Administrators | 0.00 | 1.00 | 0.00 | 2.00 | | 2.00 | | | 1.00 | 3.00 |
| Certified Support Person | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | | | 0.00 |
| Non. Cert. Supp. Personnel | | | | | | 0.00 | | 0.00 | 0.00 | 0.00 |
| Total | | | | | | 51.40 | 0.00 | 1.00 | 3.10 | 55.50 |

IV. LOCAL SCHOOL FUNDS BUDGETED

| | | |
|---------------|-------------------|------------|
| PUBLIC | NON-PUBLIC | |
| \$ 264,400 | \$ 61,300 | \$ 325,700 |

* For secondary school types only, an additional unit is earned for each 250 students above 1249.
This unit may be used in the Assistant Principal, Counselor or Library Media area as best meets the needs of the school.

- ** BS - Bachelor of Science
- MS - Master of Science
- 6Y - 6-Year
- DO - Doctorate
- ND - Bachelor of Science Non-Degree

**Appendix 7-26
FY 2009-2010**

NAME OF SCHOOL OR COST CENTER: Fairhope High School - 0065
GRADE LEVELS: 9-12

**I. FOUNDATION PROGRAM OPERATING RESOURCE
EARNED BY SCHOOL (STATE AND LOCAL FUNDS
(To be completed by SDE)**

ADM (Prior year used for allocation purposes) 1,249.35

Earned Units

| | | |
|---------------------------|-----------------------|-------|
| Teachers | Reconfigured to 67.51 | 69.41 |
| Principals | | 1.00 |
| Assistant Principals | | 2.00 |
| Counselors | | 2.50 |
| Librarians | | 2.50 |
| Vocational Ed. Director | | 0.00 |
| Vocational Ed. Counselors | | 0.00 |
| *Additional Units | | 0.00 |

Total Units 77.41

| | |
|--|--------------------|
| Salaries | \$3,665,121 |
| Fringe Benefits | \$1,474,530 |
| Other Current Expense | \$0 |
| Classroom Instructional Support | |
| Student Materials (\$400/unit) | \$0 |
| Technology (\$250/unit) | \$0 |
| Library Enhancement (\$175/unit) | \$0 |
| Professional Development (\$35/unit) | \$0 |
| Common Purchases (\$125/unit) | \$0 |
| Textbooks (\$57.50/adm) | \$21,451 |
| Total Foundation Program | \$5,161,102 |

**II. PROJECTED ENROLLMENT BY SCHOOL
(To be completed by LEA)**

0

**III. PROJECTED EMPLOYEES BY SCHOOL/COST CENTER
(To be completed by LEA)**

| Type | Number By | | | | | | | | | | Total Employees |
|----------------------------|-------------------|-------|------|------|----|-----------------|-------------|---------|-------|------|-----------------|
| | **Level of Degree | | | | | Source of Funds | | | | | |
| | BS | MS | 6Y | DO | ND | State Earned | Other State | Federal | Local | | |
| Teachers | 20.00 | 46.83 | 1.00 | 2.00 | | 67.50 | 0.00 | 1.34 | 1.33 | | 70.17 |
| Librarians | 0.00 | 2.00 | 0.00 | 0.00 | | 2.00 | | | | 0.00 | 2.00 |
| Counselors | 0.00 | 3.00 | 0.00 | 0.00 | | 2.50 | | 0.00 | | 0.50 | 3.00 |
| Administrators | 0.00 | 1.50 | 2.00 | 0.00 | | 3.50 | | | | 0.50 | 4.00 |
| Certified Support Person | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | | | | 0.00 | 0.00 |
| Non. Cert. Supp. Personnel | | | | | | 0.00 | | 0.00 | | 0.00 | 0.00 |
| Total | | | | | | 75.50 | 0.00 | 1.34 | 2.33 | | 79.17 |

IV. LOCAL SCHOOL FUNDS BUDGETED

| PUBLIC | NON-PUBLIC | |
|------------|------------|--------------|
| \$ 996,912 | \$ 360,549 | \$ 1,357,461 |

* For secondary school types only, an additional unit is earned for each 250 students above 1249.
This unit may be used in the Assistant Principal, Counselor or Library Media area as best meets the needs of the school.

** **BS** - Bachelor of Science
MS - Master of Science
6Y - 6-Year
DO - Doctorate
ND - Bachelor of Science Non-Degree