

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

April 30, 2014

Prepared by:

**Ira W. Harvey
Decision Resources, LLC
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 ORANGE BEACH, ALABAMA

Prepared for

**The Mayor and City Council
of Orange Beach, Alabama**

The Honorable Tony Kennon, Mayor

Members of the Council:

Al Bradley Place 1

Jeff Boyd Place 2

Jerry Johnson Place 3

Jeff Silvers..... Place 4

Joni Blalock..... 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 Orange Beach, especially the Honorable Tony Kennon, Mayor; Ms. Clara Myers, Finance Director; Mr. Ken Grimes, City Administrator; and Special Projects Coordinator, Mr. Tim Arant;

The Alabama State Department of Education and especially Dr. Craig Pouncey and Mr. Ethan Taylor for their assistance in providing financial and student information;

The Alabama Department of Revenue for providing tax information;

The Baldwin County School Board and its Superintendent, Dr. Alan T. Lee; its Chief School Finance Officer, Mr. John Wilson; and Dr. Pam T. Henson, Director of Instructional Support;

The Office of the Baldwin County Department of Revenue Commissioner, Mr. Teddy Faust;

The Office of the Baldwin County Probate Judge, Mr. Tim Russell; and

The editor of this Report, Ms. Mary Beth Adams, who reviewed and corrected numerous drafts.

TABLE OF CONTENTS

Chapter	Page Number
ACKNOWLEDGEMENTS	iii
1. INTRODUCTION	1-1
A. Laws Governing Public Education In Alabama	1-1
B. Municipal or City Public School Systems in Alabama	1-3
2. THE DEMOGRAPHICS AND GOVERNMENTAL CHARACTERISTICS OF THE CITY OF ORANGE BEACH, ALABAMA	2-1
A. Demographics of the City of Orange Beach	2-1
B. Student Enrollment in the School Sites of Gulf Shores and Orange Beach	2-9
C. Taxes Levied and Collected in the City of Orange Beach	2-17
D. Conclusions	2-21
3. STATE FUNDING OF PUBLIC SCHOOLS IN ALABAMA: TYPES OF STATE SCHOOL AID FORMULAS	3-1
A. The 1995 Foundation Program Allocations	3-1
B. State Categorical Aid Programs	3-15
C. Line Item Appropriations for Local Boards of Education	3-20
4. BALDWIN COUNTY SCHOOL SYSTEM TAXES FOR PUBLIC SCHOOLS	4-1
A. General Laws for Countywide Taxes for School Systems	4-1
B. Increasing the Rate of an Existing Millage Under the Provisions of Amendment 373	4-7
C. Special Ad Valorem Taxes for the Baldwin County School System	4-8
D. Summary of Ad Valorem Taxes Authorized for the Baldwin County School System	4-10
E. County and Municipal Excise, Franchise, and Privilege License Taxes for the Baldwin County School System	4-12
F. Summary of Baldwin County School System Ad Valorem Taxes for Schools for FY 2013-14	4-18
G. Baldwin County School System Total Local Revenues for Schools	4-18
H. Expiration of Existing Ad Valorem Taxes for the Baldwin County School System and City System(s) of Baldwin County	4-28
5. FINANCING THE PROPOSED ORANGE BEACH CITY SCHOOL SYSTEM	5-1
A. Property Endowments of the Baldwin County School System in the City of Orange Beach	5-1
B. Proposed Orange Beach City School System Local Revenues for FY 2013-14 (Revenue Code Range 6000-7999)	5-2
C. Proposed Orange Beach City School System State Revenues for FY 2013-14 (Revenue Code Range 1000-2999)	5-15

D.	Proposed Orange Beach City School System Federal Revenues for FY 2013-14 (Revenue Code Range 3000-5999)	5-21
E.	Proposed Orange Beach City School System Total Revenues for FY 2013-14	5-23
F.	Existing Debt to be Assumed by the Proposed Orange Beach City School System for FY 2013-14	5-25
G.	Financing the Student Transportation Program by the Proposed Orange Beach City School System for FY 2013-14.....	5-27
6.	SUMMARY AND CONCLUSIONS	6-1
A.	Proposed Revenues and Expenditures	6-1
B.	Conclusions Regarding Revenues Available	6-8
C.	Revenue Options for Consideration	6-11
D.	Options for Additional Tax Revenues	6-12
E.	Forward Funding of Proposed Orange Beach City School System Administration and Operations	6-13
7.	APPENDICES	7-1
7-1	Per Capita Income in Current Dollars and Rank by County in Alabama for 2012	7-3
7-2	Rank of Places in Alabama by Per Capita Income for 2012 and by Places in Alabama with City School Systems for FY 2014.....	7-4
7-3	<i>Section 269, Constitution of 1901 as Amended:</i> Statewide Application 1.0 Mill Countywide Ad Valorem School Tax.....	7-5
7-4	<i>Amendment 3, Constitution of 1901 as Amended:</i> Statewide Application 3.0 Mill Countywide and 3.0 Mill School Tax District Ad Valorem Tax	7-6
7-5	<i>Amendment 382, Constitution of 1901 as Amended:</i> Statewide Application 3.0 Mill School Tax District Ad Valorem Tax.....	7-7
7-6	<i>Amendment 162, Constitution of 1901 as Amended:</i> Additional Tax for School Purposes in Baldwin County	7-8
7-7	<i>Amendment 778, Constitution of 1901 as Amended:</i> Minimum Statewide Ad Valorem Tax Rate for General School Purposes	7-9
7-8	Local Act: Special Sales Tax for Baldwin County, Act Number 84-523.....	7-11
7-9	General Authorization for Countywide Franchise, Excise, and Privilege License Taxes for Public School Purposes, Section 40-12-4, <i>Code of Alabama 1975</i>	7-13
7-10	Baldwin County Commission Ordinance Number 2010-01-01 Authorizing the Levy and Collection of a One Cent Sales and Use Tax.....	7-14
7-11	<i>Amendment 879 Constitution of 1901 as Amended:</i> Baldwin County Tax - Schools; Sales and Use	7-21

7-12	Calculation of Yield per Mill per ADM for County School Systems for FY 2013-14	7-23
7-13	Calculation of Yield per Mill per ADM for City School Systems for FY 2013-14	7-24
7-14	Tax Capacity and Tax Effort for County School Systems for FY 2013-14.....	7-25
7-15	Tax Capacity and Tax Effort for City School Systems for FY 2013-14.....	7-26
7-16	Capital Purchase Allocation from the Public School Fund for County School Systems for FY 2013-14	7-27
7-17	Capital Purchase Allocation from the Public School Fund for City School Systems for FY 2013-14	7-28
7-18	Unrestricted Local Tax Revenues per ADM for County School Systems for FY 2013-14.....	7-29
7-19	Unrestricted Local Tax Revenues per ADM for City School Systems for FY 2013-14.....	7-30
7-20	Orange Beach Elementary School Summary Report	7-31
7-21	Orange Beach Elementary School Site Building Detail Summary	7-32
7-22	Orange Beach Elementary School Site Building Assessment Detail Report.....	7-33
7-23	Orange Beach Elementary School Attachment to Exhibit P-II for FY 2013-14 Budget	7-34
7-24	Gulf Shores Elementary School Attachment to Exhibit P-II for FY 2013-14 Budget.....	7-35
7-25	Gulf Shores Middle School Attachment to Exhibit P-II for FY 2013-14 Budget.....	7-36
7-26	Gulf Shores High School Attachment to Exhibit P-II for FY 2013-14 Budget.....	7-37
7-27	Letter from Dr. Wayne Teague, State Superintendent of Education, Regarding Formation of a City School System.....	7-38
7-28	Student Transportation Equipment Serving the Orange Beach Elementary School.....	7-41
7-29	Schedule of Debt Service for Orange Beach Elementary School Budgeted for FY 2013-14 Until Maturity	7-42

7-30	Schedule of Debt Service for the Baldwin County School System Budgeted for FY 2013-14 Until Maturity	7-43
7-31	Statute Creating the 1995 Foundation Program: <i>Code of Alabama, 1975</i> , Section 16-13-231.....	7-44
7-32	City of Orange Beach Financial and In-Kind Support of Orange Beach Elementary School Site.....	7-49

CHAPTER 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 newly created 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 systems by city or by tax 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 made 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. In addition, the legislature approved and the people of the State ratified a Constitutional Amendment (*Amendment III*) which created by general law that school tax districts could be created and boundaries drawn by the county board of education. The purpose of this was to allow citizens of a county, not in a municipality of 2,500 population which was the original threshold to form a city school system, to form a school tax district and levy and collect additional ad valorem taxes to be expended only for the benefit of the school children of that school tax district. This would occur even though the schools were still county schools and administered by the county. The importance of *Amendment III* was the statement of the intent of the legislature and the people of the state to provide for a political subdivision, whether a city school system (by definition the city boundaries would be a school tax district) or a school tax district, to provide additional tax revenues for the educational benefit of schoolchildren if the voters of that tax district would approve the additional levy and collection in a referendum.

Today, the statutory population threshold for a municipality to create its own municipal school system is 5,000 residents (*Code of Alabama 1975*, Section 16-13-199). 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 Public Education Act of 1854 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 of Alabama abolished townships for the purposes of operating public schools and placed full operational 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 "discreet, competent and reliable persons of mature years" to be 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

A county school system is required to be in operation in each county of the State of Alabama by the following statutory provision:

§ 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 *School 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, although there is currently only the county school system and two separate school ad valorem tax districts.

A county board of education is empowered to make administrative decisions as to where any and all school children of the county school system shall attend school at a particular school site. 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 IN ALABAMA

Definition of a City for Purposes of a Municipal School System

The *School Code of Alabama* since first compiled 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*, 1975, 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 of the Attorney General* 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. Therefore, a newly formed city school system inherits a portion of any countywide tax levied and collected for public school purposes and also becomes a school ad valorem tax district with the currently approved millage rate applying to the new school tax district. 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 the Attorney General*, Number 90-00201).” See also *Opinion of the Attorney General*, Number 86-00301.

General state law further stipulates that the city school system comprises a school tax district whose boundaries are that of the municipality. Since the boundaries are the same for both political units, there is no need for separate maps to be provided:

§ 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 governmental 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, *Code of Alabama 1975*, transfer control of buildings, grounds, equipment, textbooks, materials, and supplies to the newly formed city board of education (see **Appendix 7-27** for the letter from Dr. Wayne Teague, State Superintendent of Education to the Federal Court outlining the required transfer of county school property to the newly formed city board of education). A 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 governmental boundaries of the city. (*Lee v. Chambers County Bd. of Educ.*, 849 F. Supp. 1474 (M.D. Ala. 1994)).

The issue of the control and title to school property is addressed in three situations when a city board of education begins and operates as a separate city school system.

(1) The first of these situations occurs when a city council passes a resolution to form a new city school system in accordance with the provisions of **§ 16-13-199** previously stated. The newly formed city school system receives the school property of the county located within the city boundaries without cost to the newly formed city board of education. However, debt which has been created by the parent county board of education due to the sale of revenue warrants and for which proceeds have been used for capital outlay at school sites (purchase of land, buildings, construction costs, renovation, but not routine maintenance) of the city constitute a debt to be assumed by the new city board of education as follows:

§ 16-13-90 Purposes for which warrants issued.

In any county in which a special county tax shall have been voted under the constitution for such purpose or for school purposes generally, and in any school district in which a special district tax shall have been voted under the constitution for such purpose or for school purposes generally, the county board of education or the city board of education, as the case may be, with the approval of the State Superintendent of Education may issue and sell capital outlay warrants for the purposes of erecting, purchasing, altering, enlarging, improving, repairing and equipping school buildings and school playgrounds, and buildings for housing and repairing school buses, including sites for any such buildings and playgrounds; and for the purpose of purchasing school buses; and for the purpose of acquiring a school building already erected by another government body, which building is being transferred to the use and jurisdiction of the board issuing the warrants; or for any one or more of such purposes; issue and sell or exchange refunding warrants for the purpose of refunding any valid warrants heretofore or hereafter issued and constituting a preferred claim against the said tax, or, in the case of refunding warrants payable from the tax of a special school district which consists of a consolidation of two or more smaller special school districts, constituting a preferred claim against the tax of any of such smaller districts; provided, that the refunding warrants shall not be issued in an aggregate principal amount exceeding the sum of (i) the outstanding principal of such warrants being refunded (Code of Alabama 1975, Section 16-13-90).

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, such a situation is provided for in statute and follows as example (3).

(2) The second of these three situations occurs when a city council of a city having its own previously appointed separate city board of education wishes to annex property belonging to a county board of education and upon which county school property is located. In this situation, assumption must be made of existing indebtedness as provided for in *Code of*

Alabama 1975, Section 16-11-199) and provisions made to reimburse the county board of education for the loss of the educational facility. This situation is also defined by statute:

§ 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*).

(3) The third situation that can exist is when there is a proposal to merge a portion or all of a county school tax district with a city school system tax district. In this case and in the case of annexation, state law does provide for a mechanism:

§ 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:

§ 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?

There have been several statutes passed by the Legislature of Alabama pertaining to issues of who may attend a school site in which school system. These have been done over multiple years as the accepted definition of "public education" grew to encompass both elementary and secondary education and most recently kindergarten education. The general conclusion is that the determination of which students can attend a city school system is at the discretion of the local city board of education. The Legislature has addressed the authority of a city board of education to determine eligibility requirements for attendance even though some separate statutes appear to offer conflicting interpretations of the eligibility of certain 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 16-11-16 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 most recent statute addressing this issue is the following as amended in 2012:

§ 6-28-3: Ages of children required to attend school; exemption for church school students.

Every child between the ages of six and 17 years shall be required to attend a public school, private school, church school, or be instructed by a competent private tutor for the entire length of the school term in every scholastic year except that, prior to attaining his or her 16th birthday every child attending a church school as defined in Section 16-28-1 is exempt from the requirements of this section, provided such child complies with enrollment and reporting procedure specified in Section 16-28-7. Admission to public school shall be on an individual basis on the application of the parents, legal custodian, or guardian of the child to the local board of education at the beginning of each school year, under such rules and regulations as the board may prescribe. The parent, legal custodian, or guardian of a child who is six years of age, may opt out of enrolling their child in school at the age of six years by notifying the local school board of education, in writing, that the child will not be enrolled in school until he or she is seven years of age (*Code of Alabama 1975*, Section 16-28-3).

This statute may well override any previous limitation as may have been placed in law by the interpretation of this *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. The important aspect of this ruling is that local boards may make attendance decisions. Further *Opinions* have emphasized the necessity of written agreements between boards of education and the right for financial compensation to be made between the respective boards as an intergovernmental transfer payment (joint financial support).

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 for out-of-district residents (*Opinion of the Attorney General*, Number 79-00330).

It is conceivable that a city school system which as of 2014 extends into three separate counties would wish to develop a cooperative operating agreement where a city and county board of education would jointly operate either a city or county school. Such an agreement does not appear to conflict with statute.

Composition of the New City Board of Education

A newly formed city board of education shall by law consist of five members who shall be appointed by the city council:

§ 16-11-2: Applicability; composition of boards.

(a) The provisions of this chapter shall apply to city boards of education unless otherwise provided by local law pursuant to Amendment 659 to the Constitution of Alabama of 1901, or any other provision of the Constitution of Alabama of 1901.

(b) The general administration and supervision of the public schools and educational interest of each city shall be vested in a city board of education, to be composed of five members who shall be residents of the city, and who shall not be members of the city council or commission. In any Class 4 municipality which has adopted a mayor-council form of government pursuant to Chapter 43B (commencing with Section 11-43B-1) of Title 11, the city board of education may be composed of seven members.

(c) No person shall be eligible for election or appointment as a member of a city board of education unless he or she satisfies all of the following qualifications:

- (1) Is a person of good moral character.
- (2) Has obtained a high school diploma or its equivalent.
- (3) Is not employed by that city board of education.
- (4) Is not serving on the governing board of a private elementary or secondary educational institution.
- (5) Is not on the National Sex Offender Registry or the state sex offender registry.
- (6) Has not been convicted of a felony.

(d) In those cities where the members of the city board of education are elected or appointed to represent a district, whenever a member of a city board of education moves his or her domicile from the district he or she represents, he or she shall cease to be a member of the city board of education, and a vacancy shall occur. The member shall provide notice of the move to the secretary of the city board of education before the beginning of business at the first meeting of the city board of education following the move (*Code of Alabama 1975*, Section 16-11-2).

The members of the city board of education are to be appointed by the city council on a staggered basis:

§ 16-11-3: Election; terms of office; vacancies.

Annually at the regular meetings of the city council or commission in April the council or commission shall elect a member or members of the board of education to succeed those whose term or terms of office expire that year. Members of the city board of education shall assume office at the next regular meeting of the city board of education in June following their appointment. The terms of office of members of the city board of education shall be five years, and the term of one member shall expire annually. A member shall serve on the board until his or her successor assumes office. In the event of a vacancy in the membership of the city board of education by resignation or otherwise, the fact shall be reported to the city council or commission by the board, and the council or commission shall elect a person to fill the vacancy for the unexpired term (*Code of Alabama 1975*, Section 16-11-3).

Authority of City School Board to Set Attendance Policies

The city board of education when formed is responsible for providing the educational opportunities and services prescribed by state law and Alabama State Board of Education rules and regulations to all children of school age who are residents of the municipality. However, as previously discussed, flexibility is granted to a city board of education to make rational determinations as to which students residing outside the political boundaries of the municipality may attend the city school system. Additionally, the city board of education is empowered to contract with the county board of education for educational services. While flexibility is granted to accept non-resident (out of system) students, state statute guarantees acceptance of resident students and educational opportunities provided based upon individual educational needs.

Similar Authority Granted to County School Systems

Further authority is granted the county superintendent to determine conditions of school admission:

§ 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 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.

An *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 was repeated three years later:

In our opinion to Dr. Wayne Teague, released August 17, 1979, we expressed our opinion that the Legislature by this statute, intended to recognize the right of a school board to collect tuition fees from students attending schools in one school board jurisdiction while living in another area. We are enclosing a copy of that opinion for your consideration. We also call your attention to that portion of the opinion which points out that the tuition charged should not exceed the sum of the local tax effort devoted to school purposes divided by the number of students attending (*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 (intergovernmental transfer) 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 the Attorney General*, Number 94-00016). A county board of education has the sole discretion to admit students who live within a municipal school system.

Local Governing Body Appropriations for Schools

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 interpreted as being applicable 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 city's school system is not an unusual event in Alabama, but it is somewhat rare for a county commission. County Commission have budgeted appropriations for FY 2013-14 which total of **\$2,467,613** to their respective city and county school systems; city councils have budgeted appropriations which total **\$73,651,800** for city school systems. These amounts have decreased dramatically over the past few years, and local governing bodies have been struggling to balance their own revenues and expenditures.

Such appropriations 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**. Of course a school system would more highly value dedicated tax revenue which can be budgeted annually rather than a varying appropriation from general revenues which can easily disappear from the budget.

The most important conclusion on taxes differentiated by authority for levy and collection is as follows. A school tax will not be paid to the newly formed city board of education until final fiscal separation from the parent county board of education has been concluded by contractual agreement with the respective county board of education. Therefore, the newly formed board of education does not have either access to or authority over school tax revenues possibility until the beginning of the fiscal year (October 1) of the academic year (July 1) in which final separation is concluded. By statute, there are school fiscal resources available to assume the costs of separation as federal, state, and local school taxes and revenues are not available until

after final fiscal separation. In fact, there is the necessity to forward fund the period from July 1 until the first state warrants and local taxes are received no later than October 31 should the approved fiscal separation being on July 1. However, an intergovernmental transfer from the parent county board of education to the newly formed city board of education could and should be included in the final fiscal separation agreement.

Fortunately, a municipal tax can be appropriated to the newly formed city board of education at any time post their appointment in accordance with a resolution of formation being approved by the city council. This newly formed board, prior to final separation, does have legal authority to accept the appropriation and to expend those revenues for any legitimate purpose of board activity, including the attendance at professional or association meetings and for the hiring of personnel. Therefore, the ideal situation is for a municipality to exercise their taxing authority (usually by an additional sales/use tax) to support the activities of the newly formed city board of education and to provide adequate resources for transition costs and perhaps enhanced educational experiences in the newly formed city school system.

CHAPTER 2

THE DEMOGRAPHICS AND GOVERNMENTAL CHARACTERISTICS OF THE CITY OF ORANGE BEACH, ALABAMA

A. DEMOGRAPHICS OF THE CITY OF ORANGE BEACH

The area that now comprises Orange Beach was first settled in the mid-1860s, with the western portion of the present town being known as Orange Beach, the central portion being known as Caswell, and the eastern end being known as Bear Point. This latter section of the present-day island was a Creek settlement until the early nineteenth century. In the late 1800's, farmers and fisherman increased the settlement's size. Given the town's proximity to vast forestlands, early businesses included turpentine and naval stores and a shingle mill. The longleaf pine forests that once covered much of Alabama provided ample resources for the establishment and growth of the state's turpentine industry. Between 1840 and 1930, turpentine was used primarily as a solvent and for fuel, and resin was used in the soap and varnish industries. It was also known as the naval stores industry because pitch, which was used to caulk the seams of wooden sailing ships, was produced from the trees. As forestlands were depleted in the late nineteenth century, they were replaced with orange groves, from which the town derived its present name.

The name "Orange Beach" evolved over time and most distinguishably reflected the important citrus crops, Satsuma Oranges, which were cultivated for distribution. The first groves were planted by Lemuel Walker Sr., in whose home the first post office opened in 1901. The citrus industry remained an important aspect of the local economy until several hard freezes, the last being in 1926, effectively ended the industry. The Intracoastal Waterway was expanded into the area around 1910, thereby cutting off most of the town of Orange Beach from the mainland but providing more access by water. Tourism gradually brought more development to the area, not just to the beaches but to the new charter fishing industry. One of the first tourist hotels was built in the early 1920s, at about the same time that locals began renting their boats for one-day fishing expeditions.

The Intracoastal Waterway was completed in 1932 and improved travel by water, and the first paved road to the town was completed in 1947. Electrical service was established in Orange Beach in 1948 and phone service in 1956. The Orange Beach Volunteer Fire Department was founded in 1961. A public water system came into operation in 1974. Orange Beach was damaged seriously by Hurricane Frederic in 1979, but the pace of development in the area picked up dramatically afterward, prompting the town to incorporate in 1984. And the cycle from naval stores of the 1800s to the fishing and recreational boating industry was nearing completion.

Twin negative financial events followed in the twenty-first century. The Great Recession severely diminished property values, ad valorem tax revenues, and tourism with its sales tax and lodging revenues. During the summer of 2010, Orange Beach suffered a further and more severe drop in tourism after the explosion of the Deepwater Horizon mobile oil rig off the coast of Louisiana on April 20, 2010. The resulting oil disaster polluted marshes, beaches, and water all along the coast. However, property values are once again rising along with sales and

lodging tax revenues. As seen in **Figure 2-1** which follows, future growth of the City of Orange Beach must lie north of the Intracoastal Waterway as it is bounded by water. Also State of Alabama park land limits development to the West.

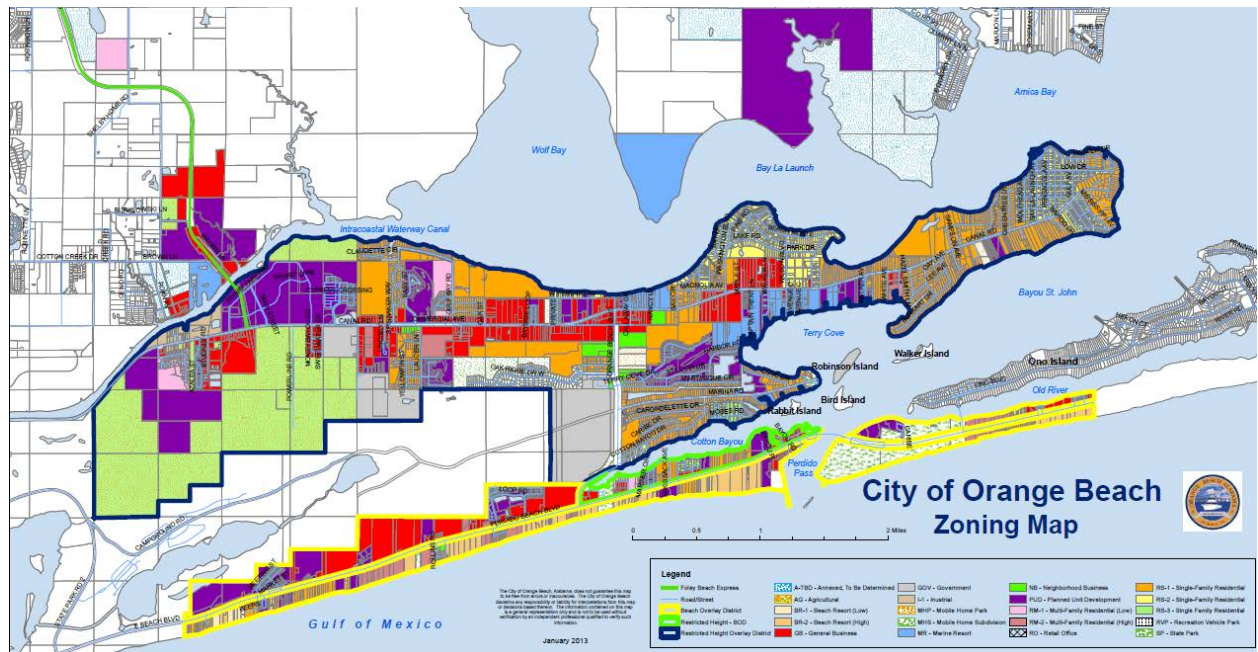


Figure 2-1
City of Orange Beach Zoning Map

Students residing in the City of Orange Beach attend the public schools of Baldwin County, the fourth largest in student count in Average Daily Membership (ADM) in the State of Alabama. However, only one school site of the Baldwin County School System is located in the municipal boundaries of Orange Beach, Orange Beach Elementary School housing grades K-6. Resident students of Orange Beach in grades 7-12 are housed in school sites in Gulf Shores: Gulf Shores Middle School and Gulf Shores High School. The following **Table 2-1** displays the growth in ADM in the school sites of **Pleasure Island (Gulf Shores and Orange Beach)** as compared to the remainder of Baldwin County:

Table 2-1
Current Year Student Count in ADM in School Sites of Pleasure Island

School Site	2008	2009	2010	2011	2012	2013	2014	Percent Change
Baldwin County Total	26,323.05	26,733.95	27,445.40	27,744.30	28,319.10	28,996.50	29,685.05	12.77%
School Sites of Pleasure Island								
Gulf Shores Elementary	687.30	783.10	861.95	863.85	899.40	999.20	1,010.65	47.05%
Gulf Shore Middle	387.60	388.25	389.25	417.75	427.75	440.05	472.95	22.02%
Gulf Shores High	737.60	725.10	786.80	767.65	809.70	862.65	831.00	12.66%
Orange Beach Elementary	362.30	375.80	395.10	411.95	465.30	458.25	485.45	33.99%
Subtotal Pleasure Island	2,174.80	2,272.25	2,433.10	2,461.20	2,602.15	2,760.15	2,800.05	28.75%
Baldwin County Net	24,148.25	24,461.70	25,012.30	25,283.10	25,716.95	26,236.35	26,885.00	11.33%

Note that the student enrollment or student count in **ADM**, which is average daily membership over the first twenty scholastic days following Labor Day, is reported one year in arrears for the purpose of allocating state financial aid. It is noteworthy that the increase in

ADM in these four school sites of the Baldwin County School System has been roughly double that of the residual county as a whole. Obviously Baldwin County has been growing in population which has resulted in an increasing student load. **Table 2-2** which follows details the growth in population of the 10 fastest growing counties in Alabama since 2000:

Table 2-2
Population Growth by County in Alabama, 2000 to 2012

Counties of Alabama	Estimates 2000-2012, July 1st						Change 2000 to 2012	Percent Change	Percent Change Rank
NAME	2000	2008	2009	2010	2011	2012	2012		
Alabama	4,452,173	4,718,206	4,757,938	4,784,762	4,803,689	4,822,023	369,850	8.3%	n/a
Shelby County	144,674	188,534	192,708	195,879	198,123	200,941	56,267	38.9%	1
Baldwin County	141,342	175,827	179,406	183,275	186,830	190,790	49,448	35.0%	2
Limestone County	65,966	78,835	81,326	83,213	85,539	87,654	21,688	32.9%	3
St. Clair County	65,080	81,223	83,009	83,835	84,348	85,237	20,157	31.0%	4
Lee County	115,430	134,524	138,566	140,761	143,580	147,257	31,827	27.6%	5
Autauga County	44,021	53,277	54,135	54,634	55,392	55,514	11,493	26.1%	6
Madison County	278,006	323,526	330,856	336,168	339,673	343,080	65,074	23.4%	7
Elmore County	66,160	77,698	78,632	79,544	80,149	80,629	14,469	21.9%	8
Tuscaloosa County	165,414	188,093	192,792	194,969	196,818	198,596	33,182	20.1%	9
Coffee County	43,580	48,516	49,440	50,135	50,485	51,252	7,672	17.6%	10

Such a large growth rate places strains upon all levels of government to provide services to citizens throughout the county. Providing classroom space is one of these major challenges and for the most part must be carried by existing tax revenues to the county school system. It is difficult to **forward fund** classroom construction when tax revenues, particularly real and personal property, lag economic development. In counties with separate city school systems, population growth may be concentrated in those cities and thus the financial burden for forward funding construction is a municipal responsibility. In the case of Baldwin County, it has been the sole responsibility of the Baldwin County Board of Education.

As is seen in **Table 2-3** which follows, Foley, Gulf Shores, Orange Beach, Robertsedale, and Summerdale have been growing at a rate faster than Baldwin County as a whole since 2000.

Table 2-3
Population Growth in Cities of Baldwin County Since 2000

NAME	EST 2000	EST 2008	EST 2009	EST E2010	EST 2011	EST 2012	Change from 2000	Percent Change from 2000
Alabama	4,452,173	4,718,206	4,757,938	4,784,762	4,803,689	4,822,023	369,850	8.3%
Baldwin County	141,342	175,827	179,406	183,275	186,830	190,790	49,448	35.0%
Daphne city	16,814	20,825	21,239	21,804	22,290	22,845	6,031	35.9%
Fairhope city	12,673	14,928	15,146	15,427	15,939	16,479	3,806	30.0%
Foley city	8,557	13,600	14,174	14,782	15,075	15,402	6,845	80.0%
Gulf Shores city	5,588	9,044	9,437	9,782	9,936	10,118	4,530	81.1%
Bay Minette city	7,902	8,045	8,047	8,075	8,182	8,316	414	5.2%
Spanish Fort city	5,585	6,616	6,716	6,943	7,108	7,330	1,745	31.2%
Orange Beach city	3,892	5,191	5,330	5,460	5,539	5,620	1,728	44.4%
Robertsedale city	3,837	5,043	5,174	5,310	5,444	5,547	1,710	44.6%
Loxley town	1,727	1,658	1,641	1,638	1,659	1,680	-47	-2.7%
Elberta town	1,600	1,524	1,508	1,524	1,549	1,577	-23	-1.4%
Summerdale town	638	826	846	896	913	927	289	45.3%
Magnolia Springs town	683	720	721	725	738	751	68	10.0%
Silverhill town	661	701	704	708	719	729	68	10.3%
Perdido Beach town	573	583	581	583	593	603	30	5.2%
Balance of Baldwin County	70,612	86,523	88,142	89,618	91,146	92,866	22,254	31.5%

And since these cities are centers of commerce, the growth in taxes paid by their citizens logically comprises a larger percentage of county budgets over time and therefore an increased

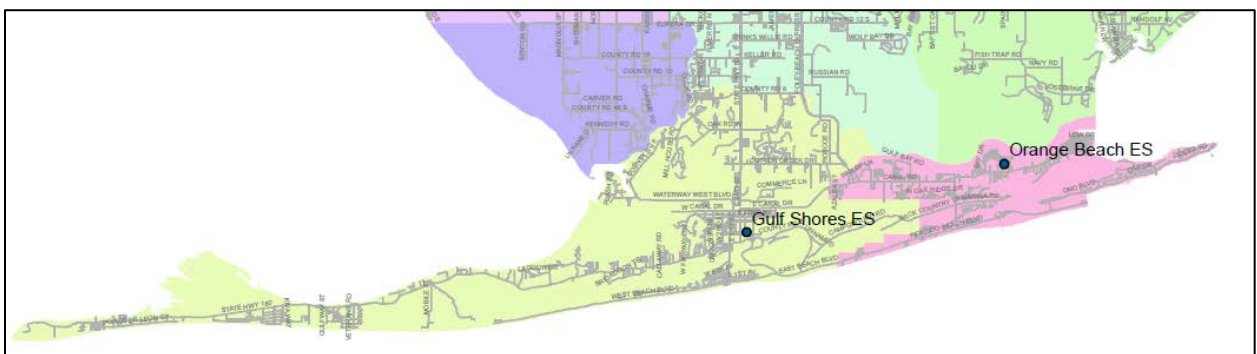
expectation of services on the part of citizens and municipal political leaders. In addition, the fiscal impact of the Great Recession and the BP Oil Spill greatly exacerbated the problem.

Baldwin County has the one of the lowest millage rates for education purposes in the schools in the State with the citizens of the Baldwin County School System paying a millage rate of 12.0 and 10.0 mills by school tax district of ad valorem tax for schools. For the State of Alabama, this is an above average rate of ad valorem tax burden when the minimum statewide ad valorem tax burden for public schools is 10 mills as required by **Amendment 778** (the 10.0 mill minimum school ad valorem tax levy). After the implementation of *Amendment 778* (approved at election of November 7, 2006; proclaimed ratified December 4, 2006), there were identified 197 school ad valorem tax districts among the 131 school systems of the state. Of these, 56 had the minimum 10 mills as required and 141 had a greater number of mills. Overall, among the 197 school tax districts, the average levy was 11.87 mills. Among the 141 school tax districts with more than 10 mills, **the average levy was 14.17 mills.**

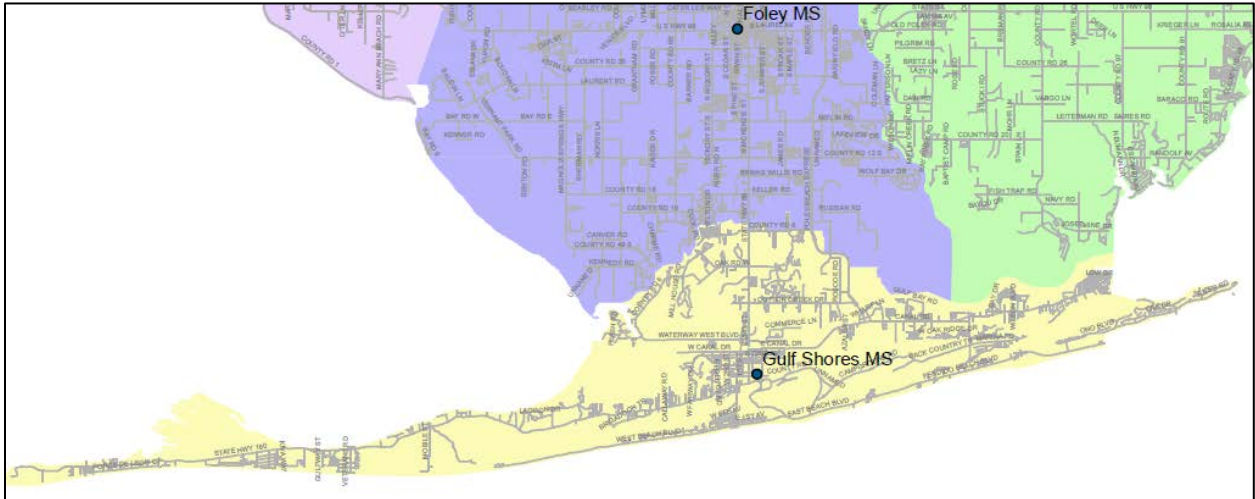
The highest millage rate currently in the State is **Mountain Brook** with **52.9** mills followed by **Vestavia Hills** with **52.05 mills**. While local tax effort for public schools in Alabama is normally reported in equivalent mills, the best single measure of citizen and taxpayer support is the number of mills levied and collected. Without significant reliance on sales tax levy and collection for schools, the Baldwin County School System would be one of the least funded in the state, relying on countywide sales tax revenues for 61.44% of local tax-based revenues. Nearly all of the ad valorem tax collected is necessary for the roughly 11.0 mills annually of state match. Any new city school system forming in Baldwin County would inherit a district millage of 3.0 mills plus earn by state law a share of all countywide taxes.

In **Figure 2-1**, the governmental boundaries of the city of Orange Beach were presented. In the next three **Figures, 2-2 to 2-4**, the attendance zones of each of the school sites of the Island are presented. As is readily seen, serving students in grades K-12 in the proposed Orange Beach City School System would result in some students attending school sites in Gulf Shores to attend new/modified school sites in Orange Beach. The relatively small student count in ADM would initially place the proposed Orange Beach City School System as the 5th smallest in the state. However, this potential diseconomy of scale by historical methods of operating schools in Alabama could become a significant financial and instructional advantage with the exploration of alternative and innovative instructional strategies.

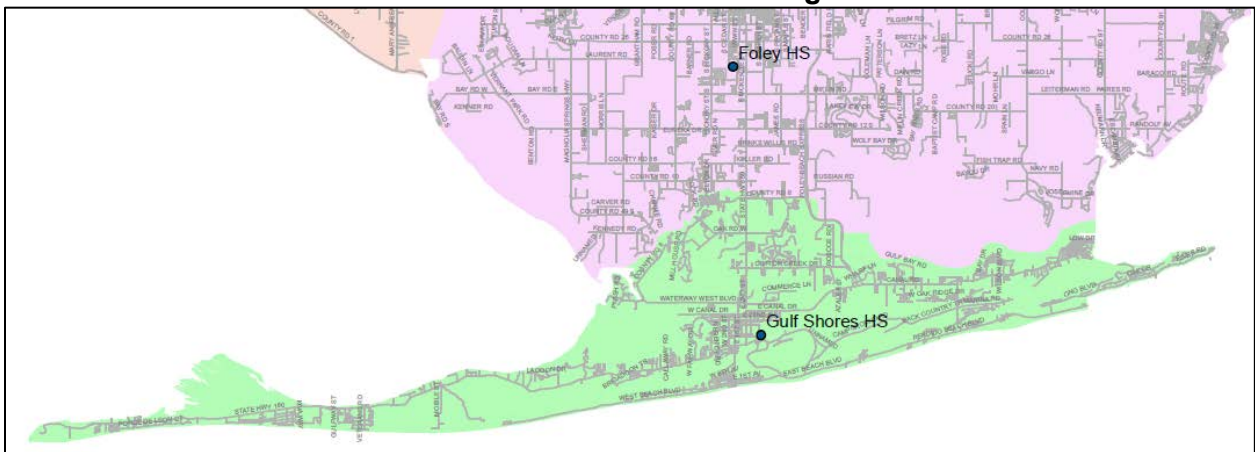
Figure 2-2
Attendance Zones for Gulf Shores and Orange Beach Elementary Schools



**Figure 2-3
Attendance Zone for Gulf Shores Middle School**



**Figure 2-4
Attendance Zone for Gulf Shores High School**



In the following **Table 2-4**, when the United States, the State of Alabama, Baldwin County, and the City of Orange Beach (U.S. Census Bureau, American FactFinder, 2008-2012 *American Community Survey 5-Year Estimates*,) are compared in terms of owner occupied versus renter occupied housing units, the City of Orange Beach shows a somewhat lower percentage of owner occupied housing units and a correspondingly higher percentage of renter occupied housing than the State of Alabama, and Baldwin County. This result should not be surprising since many residents of Orange Beach are sometimes seasonal. An advantage unique to Orange Beach in this situation is that these rental households are not likely to contain students of school age. For cities to successfully operate a city school system, housing status which tends to limit the number of students is an advantage. Any governmental unit would like to maximize revenues and minimize expenditures. For a city school system, minimizing rental housing and maximizing home ownership supports this objective. Or in the case of Orange Beach, having renters who are retirees or seasonal only serves the same purpose.

Owner occupied housing tends to create a less dense student population, larger personal dwellings and thus greater assessed value of ad valorem property per student.

However, rental property is commercial property which is assessed at a rate twice that of owner occupied residential property and of course is not eligible for homestead exemption. The exception would be in the case of public owned housing which is rented. When reviewing the financial feasibility for a city to operate a separate school system, revenues are obviously enhanced by ad valorem property which is more valuable and expenditures are minimized by fewer children per household.

Table 2-4
Owner and Renter Occupied Housing

Category	United States	State of Alabama	Baldwin County	City of Orange Beach
Owner Occupied Housing Units	65.10%	69.70%	72.50%	65.90%
Renter Occupied Housing Units	34.90%	30.30%	27.50%	34.10%

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.

A similar comparison can be made by reviewing the average size of families and households in different areas. As is demonstrated in the following **Table 2-5** from the same Census Bureau data, the size of the household and the family in the City of Orange Beach is demonstrably smaller than in Baldwin County. The advantage is even greater when compared to the State of Alabama and the United States as a whole. On this basis of comparison, the smaller household size and family size in the City of Orange Beach than found in Baldwin County or Alabama statewide could indicate a lower participation rate in the public schools (fewer students per household is viewed here as a positive). Larger family and/or household size could tend toward larger dwellings to accommodate the size and thus in the end more taxable property per student. But this could also translate into a high cost for city services per household, including students enrolled in public schools. Fewer students per household in the end means that tax dollars for public schools go further.

Table 2-5
Average Household and Family Size

Category	United States	State of Alabama	Baldwin County	City of Orange Beach
Average Household Size	2.61	2.54	2.48	2.35
Average Family Size	3.21	3.12	2.94	2.73

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.

A further variable to predict student load can be found in **Table 2-6** which compares median age and the percent of population under five years of age. According to these data, the City of Orange Beach has a population in median age somewhat older than Baldwin County, the State of Alabama, and the United States. In fact, the percentage of residents of the City of Orange Beach 65 and older is higher than all comparisons, a significantly large 19.2% compared to a normative 13 to 14%. In terms of household participation in the proposed Orange Beach City School System, this normally would be considered a negative as this diminished household participation might translate into reduced voter support. However, the reverse of this situation is that diminished household participation means diminished student load in terms of cost. Also, there is once again the conundrum of renters who may not accurately represent the voter instinct of households with students.

This population profile with a relatively lower incidence of children in all age groups, from below five to 15 to 19, further supports the conclusion that the proposed Orange Beach City School System would have a relatively lower incidence of student enrollment based upon family

size and population distribution. While this may appear as a possible indication of an older population less likely to support the creation of the proposed Orange Beach City School System, it may also be an indication of the growing imperative to create the most attractive environment possible for families to settle and raise their families.

Table 2-6
Median Age in Years and Percent of Population in Selected Age Groups

Category	United States	State of Alabama	Baldwin County	City of Orange Beach
Median Age in Years	37.2	37.9	41.1	45.5
Percent Under 5 Years	6.5%	6.4%	6.1%	4.4%
Percent Age 5 to 9 Years	6.6%	6.4%	6.4%	4.8%
Percent Age 10 to 14 Years	6.7%	6.7%	6.7%	5.6%
Percent Age 15 to 19 Years	7.1%	7.2%	6.4%	5.5%
Percent Age 65 Years and Over	13.0%	13.8%	16.8%	19.2%
Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.				

Another measure of potential cost of students to be educated is the degree to which English is the spoken language at home. According to **Table 2-7**, which expresses the percent of homes in which a language other than English is spoken, the City of Orange Beach has a larger percentage of non-English-speaking homes than does Baldwin County and the State of Alabama, but less than the US. The distribution of non-English speaking homes is predominately Spanish, but there is also a significant incidence of other Indo-European languages and Asian and Pacific Islander languages. These data suggest that the cost to be assumed for teaching English as a Second Language (ESL) could be proportionately greater for the proposed the City of Orange Beach School System than is currently expended in Baldwin County.

Table 2-7
Language Other than English Spoken at Home

Category	United States	State of Alabama	Baldwin County	City of Orange Beach
Speak a Language Other than English at Home	20.50%	5.20%	5.30%	9.60%
Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.				

While income is not taxed in the State of Alabama at the local level to support public schools, it is a useful statistic to measure how well the tax base of a city can support a public education system. In the latest Bureau of Economic Analysis data, the per capita income not adjusted for inflation of Baldwin County ranked it **5th** in the State of Alabama. These data follow in **Table 2-8**. This amount is, of course, significantly higher than the state as a whole.

Baldwin County has a per capita income of \$38,548 or 109% of the State average in current dollars not adjusted for inflation for 2012 (See **Appendix 7-1**). By another presentation of data, the Bureau of Economic Analysis estimated per capita income for 2012 shows in **Table 2-9** that in terms of the criterion of inflation adjusted per capita income, the City of Orange Beach is substantially higher than that of Baldwin County, the State of Alabama, and the United States in 2012 dollars.

Table 2-8
Per Capita Personal Income Estimates for Alabama Counties, 2008-2012

All dollar estimates are in current dollars (not adjusted for inflation).						Rank	Percent of 2012 US Average	Percent of 2012 Alabama
Area	2008	2009	2010	2011	2012			
United States	40,873	39,357	40,163	42,298	43,735		100.00%	121.10%
Alabama	33,701	32,930	33,905	34,929	35,926		82.58%	100.00%
<i>Counties:</i>								
Shelby	44,367	41,955	42,656	44,390	46,033	1	104.95%	127.09%
Jefferson	43,026	40,439	41,488	43,255	44,880	2	102.26%	123.84%
Madison	40,282	40,115	41,111	42,437	43,102	3	100.33%	121.50%
Montgomery	38,929	37,967	38,081	38,795	39,759	4	91.72%	111.07%
Baldwin	36,054	34,836	36,464	38,115	38,548	5	90.11%	109.12%
Coffee	34,399	35,236	36,158	36,763	37,686	6	86.91%	105.25%
Houston	34,762	34,157	35,617	36,533	37,391	7	86.37%	104.59%
Tuscaloosa	33,838	32,866	34,174	34,911	35,730	8	82.54%	99.95%
Limestone	31,952	31,775	33,461	35,167	35,698	9	83.14%	100.68%
Elmore	33,047	33,145	34,212	35,034	35,656	10	82.83%	100.30%

This same relative advantage is shown in terms of median household income. In terms of the median value of owner occupied housing units, Orange Beach far exceeds the average of Baldwin County and the State of Alabama and the US. In addition, the City of Orange Beach shows an extremely low incidence of individuals living below the poverty level, a rate roughly one fifth that of Baldwin County. By any measure Orange Beach is a wealthy city.

Table 2-9
Selected Measures of Income and Income Status, 2012

Category	United States	State of Alabama	Baldwin County	City of Orange Beach
Per Capita Income in Inflation Adjusted Dollars	\$28,051	\$23,587	\$26,769	\$36,909
Median Household Income in Inflation Adjusted Dollars	\$53,046	\$43,160	\$50,706	\$56,679
Median Value of Owner Occupied Housing Units	\$181,400	\$122,300	\$172,900	\$295,700
Families Below Poverty Level in Past 12 Months	10.90%	13.90%	9.60%	1.70%
Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.				

In **Appendix 7-2**, it is shown the that City of Orange Beach, of the 571 places in Alabama (U.S. Department of Commerce, Bureau of the Census, *American Community Survey, 2008-2012*) ranks **18th** in per capita income of all places in Alabama in current dollars (places, for the reporting of decennial census data includes census designated places, consolidated cities, and incorporated places). In addition, these data show that on the basis of just ranking the places (cities) in Alabama with their own city school system, Orange Beach would rank between **4th** and **5th** place.

As will be shown in a later **Chapter** on Ad Valorem assessments and sales and use tax collections, Orange Beach is demonstrating a relatively strong and consistent recovery in growth. Managed growth bodes well for the creation of a new city school system. A city board of education can count on new households being formed which will contribute to the ad valorem tax base (Classes I, II, and III on real and personal property excluding motor vehicles are collected one year in arrears). Ad valorem taxes on Class I, II, and IV motor vehicles will be collected in the current year and staggered on a monthly basis. Planned growth in student enrollment can be managed effectively if dramatic increases due not occur in student population. However, growth in new students to serve will not be annually matched by new ad valorem taxes paid, but rather one year later. This will be discussed further in a subsequent

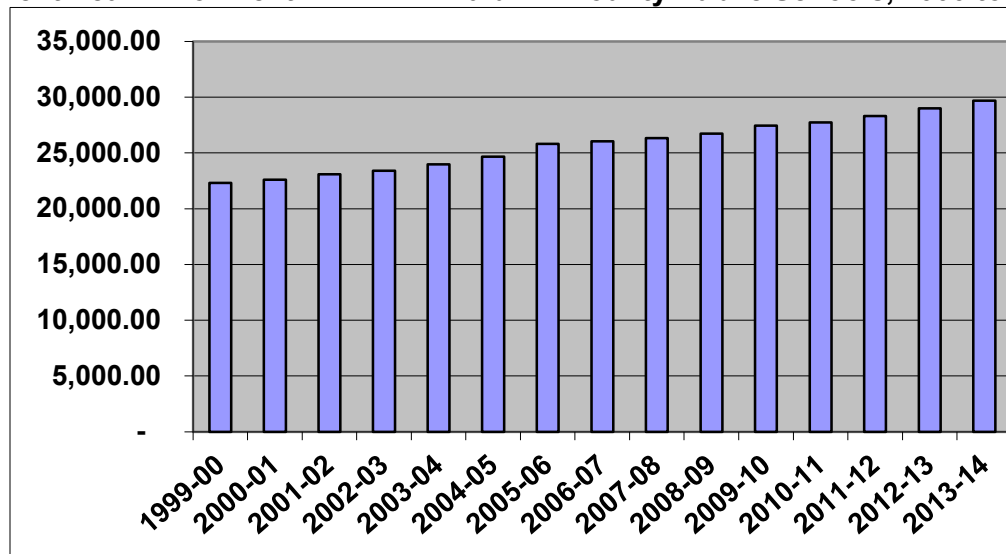
chapter. Therefore, diligent planning is necessary on the part of the City County and the proposed Orange Beach City Board of Education.

B. STUDENT ENROLLMENT IN THE SCHOOL SITES OF GULF SHORES AND ORANGE BEACH

Student enrollment in the Baldwin County School System has consistently increased over the past decade. Two important events have impacted student count in **Average Daily Membership** or **ADM** during this period. A change in counting students from the first forty days of the scholastic year for counting students to the first twenty days after Labor Day which was implemented for the 2005-06 school year; this change increased student count. The second has been the steady growth in population of Baldwin County.

The growth in student count in **ADM** which is the primary independent variable for determining for state funding and allocation of countywide taxes is seen in **Figure 2-5** (current year data) which follows. It must be noted that student counts from prior year are used in allocating state funds for the current budget year.

Figure 2-5
Current Year Enrollment in ADM in Baldwin County Public Schools, 2000 to 2014



Note: The ADM reported as of 20 days in the 2012-13 school year will be the number of students earning state allocations by the various funding formulae for FY 2013-14 (state funding is one year in arrears of student count). State law was amended in 2005 for the FY 2005-06 budget year to count students based upon the average daily membership for the first 20 scholastic days following Labor Day rather than the first 40 scholastic days of the school calendar as adopted for FY 1995-96.

When reviewing student count by ADM in the school sites located in the City of Orange Beach for the past several years, it must be remembered that these schools are not exclusively for the children of the City of Orange Beach, but rather represent attendance zones as determined by the Baldwin County Board of Education. Such attendance zones can change at the discretion of the Baldwin County Board of Education since this is an authority granted local boards of education. The attendance count is normally greater than the resident student count. Normally a school site is constructed nearest the largest student population, which is in a city.

However, the attendance zone for such school sites stretches into unincorporated county as the prerogative of the county board of education. A discussion of the Orange Beach Elementary School site of Baldwin County in the City of Orange Beach follows.

**Orange Beach Elementary School
Grades K-6
Baldwin County School Site 002-0095**

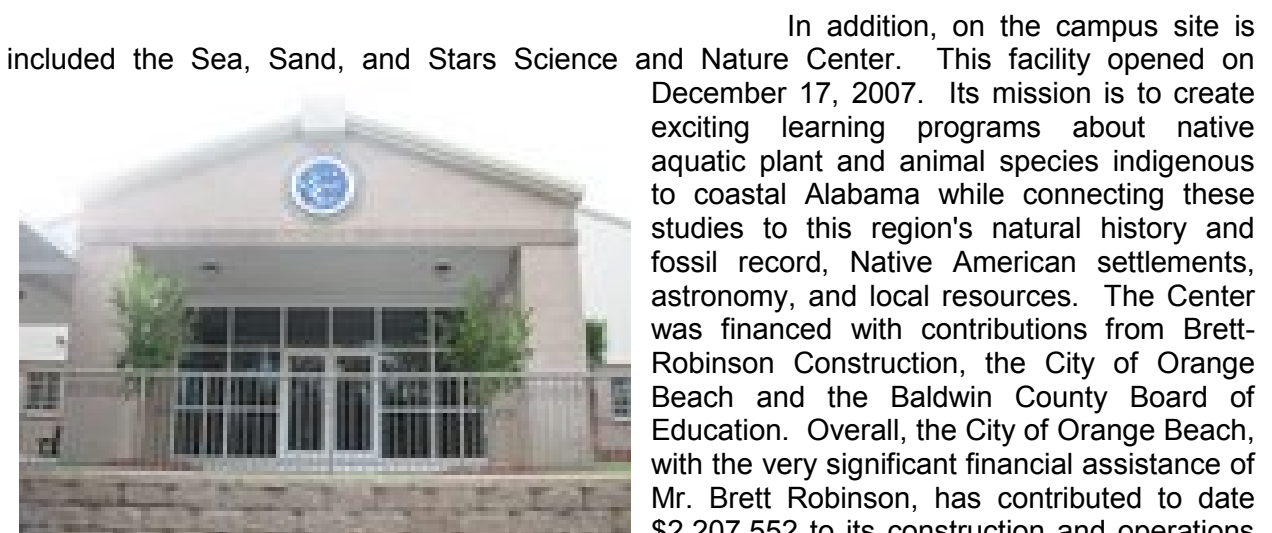


The Orange Beach Elementary School is located at 4900 Wilson Blvd., Orange Beach, AL 36561. The Orange Beach City Council appropriated a total of \$143,500 in value of land in 1994 and 1995 for its construction (See **Appendix 7-32** for detail). It is currently operated as an Elementary School for grades K-6 (see **Figure 2-7** for student count). The school is sited on a campus reported to consist of 13.42 acres. The campus, constructed in 1997, has a reported student capacity of 550 in one

building. A classroom expansion was added in 2008.

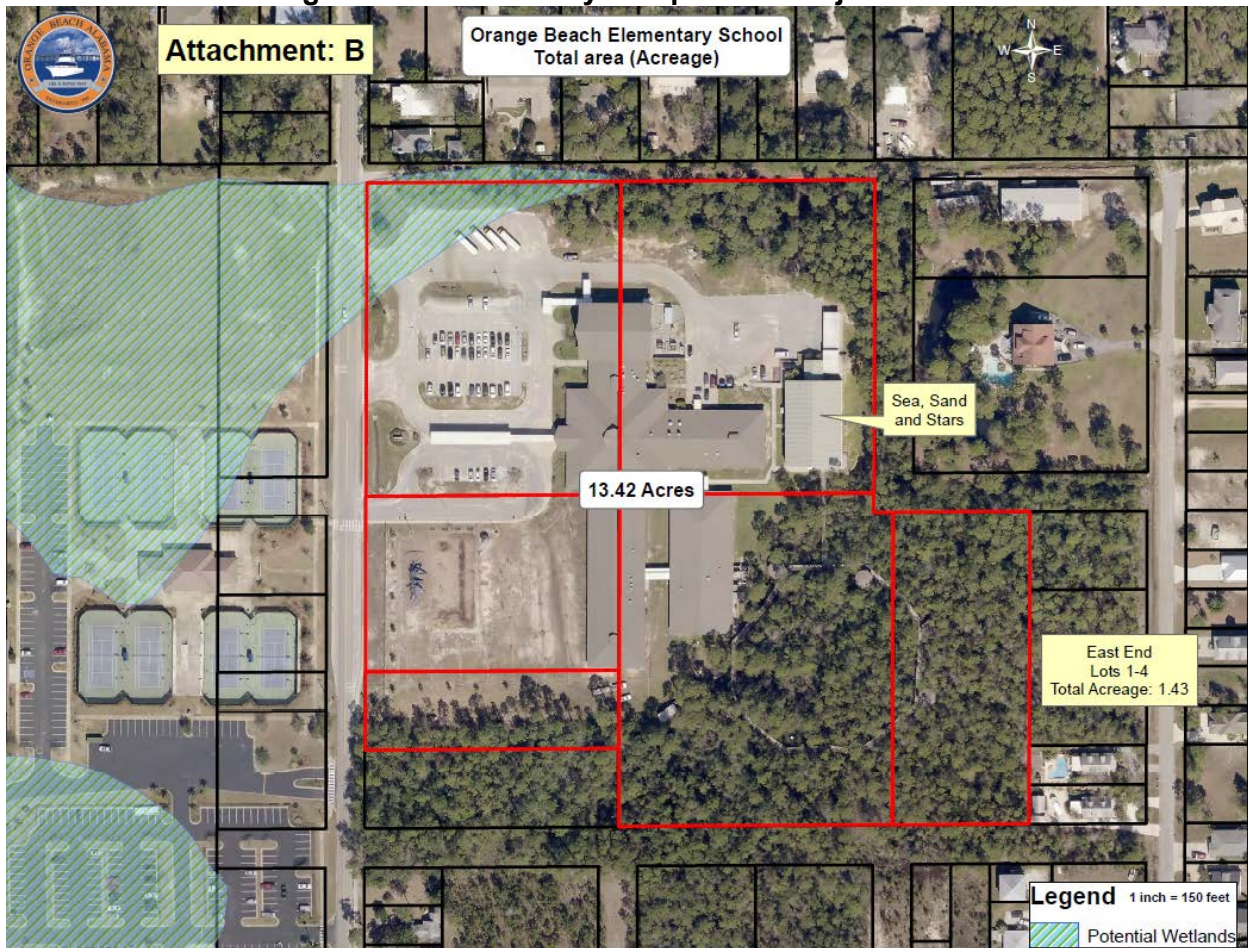
According to facility reports filed by the Baldwin County Board of Education with the State Department as of February 19, 2014, the campus has 19 regular classrooms and four small classrooms. In addition, there is a cafeteria, a general administrative area, a media center, a multipurpose center and two storage areas (See **Appendix 7-20** for the State Department of Education Facilities Reports School Summary for this site). There are no reported instructional portables or substandard permanent classrooms.

Sea, Sand, and Stars Science and Nature Center



(See **Appendix 7-32** for details). The total campus is pictured in **Figure 2-6** which follows.

Figure 2-6
Orange Beach Elementary Campus with Adjacent Details



Building Number 0100

The main building (building number 1) was first constructed in 1997 with a footprint of 47,666 square feet of masonry/concrete construction in one story with a pitched roof. The building is 100% air conditioned and on municipal sewer. Heating is hot water boiler fired via natural gas (See **Appendix 7-21** for the State Department of Education Facilities Reports Building Detail for this site).

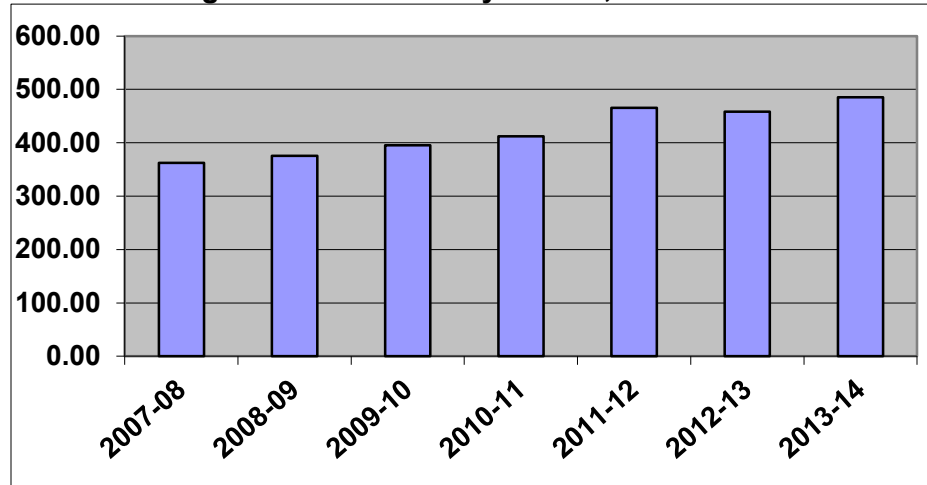
All systems of the building are categorized as being in **good to moderate** condition. However, some issues are noted with the condition of the floors, although not rated severe. The heating and air conditioning system is reported as being broken. However, the lack of a severe rating indicates reparability of the HVAC (See **Appendix 7-22** for the State Department of Education Facilities Reports Building Assessment Detail for this site).

School Site Attendance in ADM

The number of students attending the Orange Beach Elementary School is demonstrated below in **Figure 2-7**. From these attendance data and reported classroom capacity of 550, it appears that immediate capacity is sufficient to accommodate current

enrollment space based upon architectural standards. However, continued growth without additional classroom space cannot be accommodated. Please note that not all students currently in attendance are residents of the City of Orange Beach. Some are from Ono Island. The net attendance will be addressed at the end of this **Chapter 2**.

Figure 2-7
Current ADM for Orange Beach Elementary School, School Year 2007-08 to 2013-14



School Site Debt

Baldwin County School System 2007. The Baldwin County Board of Education issued **Capital Outlay School Warrants, Series 2007**, in the principal amount of **\$150,000,000**. The proceeds from a one percent sales tax is pledged to make annual payments of principal and interest. As of September 30, 2013, the total principal and interest requirement to maturity on this revenue warrant issue was \$243,944,164. Since the term of debt was fixed at 30 years, this issue will be retired as of September 30, 2037.

The amount reported by the Baldwin County Board of Education for construction of a classroom wing on the Orange Beach Elementary School is reported to be 1.3% of the total issue, with an outstanding debt as of September 30, 2013 of \$3,044,313 and due to be retired in 2037. An amortization schedule of this reported debt is found as **Appendix 7-30**.

Summary of Orange Beach Student Attendance

Projecting future student attendance at specific school sites is a difficult proposition for several reasons. The first is that populations (county and municipality) are mobile and that certain geographic areas are population growth areas. The second is that city code and permitting regulations may serve to elicit or discourage population growth. The third is that attendance zones and school transportation patterns for a city without a city school system are subject to annual review and redrawing by a county board of education. And the fourth is that while a city school system is legally responsible to provide an educational opportunity for any resident student, some parents may have chosen not to use a public school system and may reverse that decision in the future.

For the purposes of this study, the best procedure is to attempt to assess the total resident students of the City of Orange Beach and use that student count as a baseline, along with potential enrollees currently in private schools and being home schooled and also students of city employees, for calculating financial feasibility of a separate City of Orange Beach School System. Students from Ono Island will also be included. Recommended provisions for accommodating Orange Beach resident students currently attending Gulf Shores Middle School include reforming Orange Beach Elementary School from a K-6 to a K-8 school site and constructing additional classrooms and recreational and assembly areas. In addition, municipal facilities will be made available for instruction and recreation and efforts made to secure additional acreage.

In order to accommodate Orange Beach resident students currently attending Gulf Shores High School in grades 9-12, the construction of a new Grade 9-12 school site on municipal property is recommended. A placeholder is made for initial enrollment for all current public school resident students, including Ono Island, and for potential enrollees currently in private schools and/or being home schooled. **Table 2-10** summarizes the student counts which will be used to estimate operational and capital outlay costs for year one of operation of the proposed Orange Beach City School System.

Table 2-10
Projected Initial Resident Student Count in ADM

Source of Enrollment	Orange Beach Elementary	Gulf Shores Middle School	Gulf Shores High School	Total
Grade	K-6	7-8	9-12	
FY 2014 ADM FROM BCBOE	485.45	472.95	831.00	1,789.40
Less:				
1. Orange Beach Enrollment	-445.45	-136.00	-227.00	-808.45
2. Ono Island Enrollment	-40.00	-20.00	-18.00	-78.00
Net Enrollment Outside OB and Ono	0.00	316.95	586.00	902.95
Orange Beach Residents	445.45	136.00	227.00	808.45
Add:				
1. Ono Island Enrollment	40.00	20.00	18.00	78.00
2. Add Home/Private Schooled	33.00	10.00	17.00	60.00
Total Estimated OB City School System	518.45	166.00	262.00	946.45
<i>*ADM is student county by average enrollment for the first twenty days after Labor Day.</i>				
BCBOE is Baldwin County Board of Education.				

The available information above illustrates the following: (1) without accommodating any non-resident students, the proposed the City of Orange Beach School System's physical plant must be expanded; (2) the proposed the City of Orange Beach School System could initially utilize some instructional portables based upon anticipated student enrollment; (3) minimum existing debt would be absorbed by the proposed City of Orange Beach School System (some immediate maintenance, repair and renovation could be necessary); and (4) the proposed City of Orange Beach School System should budget local resources for an initial capital outlay plan at resolution of separation and adopt a long-range capital outlay plan for future growth.

Maximum Class Size Caps Set By the State Board Of Education

In the previous description of the respective school sites, references were made to the numbers of students that 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 2-11** pertaining to maximum class size, the number is dramatically overstated for numbers of students per classroom, particularly in grades **K-3**.

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

Grade	Class Size Cap
K-3	18
4-6	26
7-8	20
9-12	29

Therefore, at this point we have statements of the numbers of students which can safely be accommodated by classroom and by school site by the Alabama State Department of Education. In an unrelated provision, we have a statement by the Alabama State Board of Education of the maximum number of students for instructional purposes that can be placed in a classroom. A third variable affecting the number of students per teacher or classroom can be found in **Table 2-12** which follows.

For the purposes of appropriating the proper number of teachers (teacher units) each year in the **1995 Foundation Program**, the Alabama State Board of Education recommends annually to the Legislature the divisors which shall be used to calculate the number of teacher units. It is the intention of the Alabama State Board of Education that each local board of education budget each Foundation Program Teacher unit where earned based on prior year **Average Daily Membership (ADM)**.

Table 2-12
Divisors of the Foundation Program for FY 2010-11 through FY 2013-14

Grade Divisors	Act 2010 - 610 FY 2010-11	Act 2011 - 655 FY 2011-12	Act 2012 - 569 FY 2012-13	Act 2013 - 264 FY 2013-14
K	13.80	14.25	14.25	14.25
1	13.80	14.25	14.25	14.25
2	13.80	14.25	14.25	14.25
3	13.80	14.25	14.25	14.25
4	21.40	21.85	21.85	21.85
5	21.40	21.85	21.85	21.85
6	21.40	21.85	21.85	21.85
7	20.00	20.45	20.45	20.45
8	20.00	20.45	20.45	20.45
9	18.00	18.45	18.45	18.45
10	18.00	18.45	18.45	18.45
11	18.00	18.45	18.45	18.45
12	18.00	18.45	18.45	18.45

Baldwin County Board of Education Property Located in the City of Orange Beach

There are no recorded 16th Section School Lands located in the City of Orange Beach. The following **Table 2-13** summarizes the acreage of Baldwin County Board of Education property located in the City of Orange Beach upon which the single school site is situated:

Table 2-13
Summary of Baldwin County Board of Education Property in the City of Orange Beach

State Department of Education Baldwin County Pertinent School Information Reported as of Feb 19, 2014					
School Name	Acreage	Student Capacity	Portables	Substandard Classrooms	Square Footage
Orange Beach Elem Sch	13	550	-	-	56,614

This **Table** will be repeated in **Chapter 5** and shows 13 acres according to the SAFE survey as submitted by the Baldwin County Board of Education to the Alabama State Department of Education. This is the grand total of the Baldwin County Board of Education property located in the City of Orange Beach.

Summary of Instructional Personnel Budgeted From Local Funds in the Schools of Orange Beach for School Year 2013-2014

From the Supplemental Information to the adopted **FY 2013-14 Budgets** by the Baldwin County Board of Education for the school site in the City of Orange Beach (statutorily required by the Alabama State Department of Education as an **Attachment to Exhibit P-II** in each local board of education's approved budget), the following summary of budgeted personnel is provided as **Table 2-14**. Each school site's budget is found as **Appendices 7-23 to 7-26**.

Table 2-14
Summary of Certificated Personnel Budgeted
For Orange Beach Elementary School for School Year 2013-14

Type	Number By									Total Employees
	**Level of Degree					Source of Funds				
	BS	MS	6Y	DO	ND	State Earned	Other State	Federal	Local	
Teachers	11.00	22.00	0.00	0.00	0.00	27.36	0.84	1.00	4.16	33.36
Librarians	0.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Counselors	0.00	1.00	0.00	0.00	0.00	0.50	0.00	0.00	0.50	1.00
Administrators	0.00	1.00	1.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
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						6.00	3.00	5.03	4.00	18.03
Total	11.00	25.00	1.00	0.00	0.00	35.86	3.84	6.03	8.66	54.39
** BS - Bachelor of Science MS - Master of Science 6Y - 6-Year DO - Doctorate ND - Bachelor of ScienceNon-Degree										

From reviewing **Table 2-14**, the following conclusions can be made. By comparison with the **1995 Foundation Program** Teacher Units earned as Regular Classroom Teachers and as Instructional Support Teachers (found in **Appendix 7-23; Appendices 7-24 through 7-26** contain the school sites of Gulf Shores for reference), and the budgeted certificated employees, the earned teacher units appear to be budgeted at the school site where earned in accordance

with State Board of Education regulations. A total of 27.19 teacher units are earned and budgeted. A total of 2.5 instructional support units are earned and 20.5 budgeted (the 1.5 additional librarians are funded from other state funds). Other state units are 0.84. In addition, 4.16 Classroom Teachers appear to be budgeted from local funds along with 0.5 Counselors for a total of 4.66 local funded units. This totals to 36.36 certificated personnel. From Federal sources, 1.0 Classroom Teacher is funded. A total of 18.03 non-certificated support personnel are budgeted.

The average cost of a teacher unit as appropriated in the Education Appropriations Acts for FY 2013-14 follows in **Table 2-15**:

Table 2-15
Estimated Cost of a Teacher Unit for FY 2013-14

COST FACTORS	Total Allocation	Allocation Per Teacher Unit
I. SALARIES		
a Salaries total	\$ 2,268,492,580	
b Number of TUs	46,912.93	
Average Salary		\$ 48,355.38
II. FRINGE BENEFITS		
a FICA	6.200%	\$ 2,998.03
b Medicare	1.450%	\$ 701.15
c Teachers' Retirement System	11.710%	\$ 5,662.42
d Unemployment Compensation	0.125%	\$ 60.44
e PEEHIP	\$714.00	\$ 8,568.00
f LEAVE	\$60.00	\$ 420.00
Total Fringe Benefits		\$ 18,410.05
III. OTHER CURRENT EXPENSE		
a Total Other Current Expense	\$ 734,708,124	\$ 15,661.10
IV. INSTRUCTIONAL SUPPORT*		
a Library Enhancement/TU		\$ -
b Student Materials/TU		\$ 300.00
c Common Purchases/TU		\$ -
d Professional Development/TU		\$ -
e Technology/TU		\$ -
Total Instructional Support		\$ 300.00
TOTAL COST OF A TEACHER UNIT		\$ 82,726.53
<i>*Textbooks not funded on a per teacher unit basis</i>		
FRINGE BENEFITS AS PERCENT OF SALARY		38.07%

On the basis of the average per teacher unit costs above, the 4.66 locally funded (sum of locally funded personnel in **Table 2-14 and 15**) certificated personnel represent a continuing cost of \$385,506 for FY 2014 if maintained, from local revenues. In addition, the resorting of student population (different distribution of students' needs) in the proposed the City of Orange Beach School System could result in more or fewer federally funded personnel being available from federal funds. Of course, these personnel cannot be anticipated due to the uncertainty of federal funding for the future and for the number and type of educational needs of enrollees in the proposed Orange Beach City School System.

C. TAXES LEVIED AND COLLECTED IN THE CITY OF ORANGE BEACH

Ad Valorem Taxes Levied and Collected in the City of Orange Beach

Residents of the City of Orange Beach currently pay ad valorem taxes levied for three purposes:

- (1) Statewide purposes;
- (2) Baldwin County general purposes; and
- (3) Baldwin County Public School Purposes

State and County Millages

A summary of these ad valorem tax levies follows in **Table 2-16** for State purposes and for general county purposes. As seen in this table, the residents of the City of Orange Beach pay a combined total of **16.0 mills** for **State** and **General County** purposes.

Table 2-16
State of Alabama and Baldwin County General Purpose Ad Valorem Levies

Category	Mills	Mills
STATE OF ALABAMA		
Public School Fund	3.00	3.00
Soldier Fund	1.00	1.00
General Fund	2.50	2.50
Total	6.50	6.50
BALDWIN COUNTY		
General Fund	5.00	5.00
Road & Bridge	2.50	2.50
Fire Protection	1.50	1.50
Health	0.50	0.50
Hospital: Stapleton North	2.00	n/a
Hospital: South of Stapleton	n/a	0.00
	11.50	9.50
Total Stapleton North	18.00	
Total South of Stapleton		16.00

However, the greatest proportion of all ad valorem tax levied and collected in the City of Orange Beach is for the Baldwin County School System.

Table 2-17
Total Millage Rate Levied and Collected in the City of Orange Beach

Category	Mills	Total	Percent of Total
STATE OF ALABAMA			
Public School Fund	3.00		
Soldier Fund	1.00		
General Fund	2.50		
Total		6.50	20.31%
BALDWIN COUNTY			
General Fund	5.00		
Road & Bridge	2.50		
Fire Protection	1.50		
Health	0.50		
Hospital: South of Stapleton	n/a		
Total		9.50	29.69%
SCHOOL			
Countywide	9.00		
District 2	3.00		
Total		12.00	37.50%
MUNICIPAL			
City of Orange Beach	4.00		
Grand Total		32.00	100.00%
<i>Total Millage rate of ad valorem tax levied and collected in the City of Orange Beach is 32.0 mills. Of the 32.0 mills, the Municipal rate is 4.0 mills.</i>			

When the millages levied for Baldwin County Public Schools are considered and Orange Beach municipal millages which follow in **Table 2-17**, the result is a total of **32.0 mills** levied and collected for all purposes (Note – **Vestavia Hills** levies and collects **52.05** local mills just for public schools while **Mountain Brook** levies and collects **52.9** local mills; these are the highest current millage rates in the State for public schools).

Municipal Millages

All municipalities in Alabama are authorized to levy a 5.0 mill tax upon real and personal property located within their corporate limits computed on the value as assessed for State and county taxation. No referendum is required for the levy of this tax as provided in Section 216, *Alabama Constitution of 1901*. **Amendment 56** to the *Alabama Constitution of 1901* authorizes all cities and towns to levy such tax at a rate not exceeding 12-1/2 mills, provided that all over 5.0 mills is authorized by the electors of the municipality at an election called for that purpose. Therefore, while a city council may call for a referendum on the next 7.5 mills as authorized by **Amendment 56**, the actually levy and collection is dependent upon a successful referendum. Orange Beach has utilized the authority granted by Amendment 56 to currently levy and collection 4.0 mills of municipal tax.

Amendments 6, 8, 13, 17, 31, 54 and 84 to the *Alabama Constitution of 1901* provide additional differing rates for specified municipalities. The responsibility for levying the ad valorem tax rests with the governing body of the municipality. In addition, there are numerous special local application constitutional amendments which affect only one municipality. The general municipal constitutional authorizations provided are summarized in **Table 2-18** which follows:

Table 2-18
Constitutional Authorizations for Municipal Ad Valorem Taxes

Rate in 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	<i>Amendment No. 56</i> . Now appearing as Section 216.04 of the Official Recompilation of the <i>Constitution of Alabama of 1901</i> as amended.	None. Election required.
0.5 for public libraries; five one-hundredths of one percentum	<i>Amendment No. 269</i> . Now appearing as Section 215.05 of the Official Recompilation of the <i>Constitution of Alabama of 1901</i> as amended.	None. Election required.

The city council of any municipality may appropriate the proceeds of any municipal ad valorem tax for public school purposes, but such taxes would not be a school millage. An explanation follows.

School Millages

A complex array of authorizations for school ad valorem taxes exists in Alabama. However, as with the case of statewide, general county millages and municipal millages, a constitutional authorization must exist for each such levy. While such authorizations are generally consistent for the respective school systems of the State, there is variation and the situation in Baldwin County has expertly utilized the provisions of **Amendment 373** to increase the rate of millages for schools. A **school ad valorem tax** is one whose levy and renewal is

directed by specific statutes of the *Code of Alabama 1975* in **Title 16**. Other millages are not bound by these statutes and may be millages for schools.

Sales and Use Taxes Levied and Collected in the City of Orange Beach

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 and or use tax paid by consumers in the City of Orange Beach 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 2-19**. A separate rate is charged for autos, farm equipment, 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 corresponding rates by item of taxation. However the general sales tax rate also applied to food purchases. This continues to be an item of political interest in the legislature.

Table 2-19
State of Alabama Sales and Use Tax Rates as of March 1, 2014

Tax Type	Rate Type	Rate
CONSUMERS USE	AUTO	2.00%
CONSUMERS USE	FARM	1.50%
CONSUMERS USE	GENERAL	4.00%
CONSUMERS USE	MFG. MACHINE	1.50%
LODGINGS TAX	GENERAL (MOUNTAIN LAKES AREA)	5.00%
LODGINGS TAX	GENERAL (ALL OTHER AREAS)	4.00%
RENTAL TAX	AUTO	1.50%
RENTAL TAX	LINENS/GARMENTS	2.00%
RENTAL TAX	GENERAL	4.00%
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 and general purposes will be presented in **Chapter 5**. However, **Table 2-20** details the sales/use tax rates levied and collected by Baldwin County:

Table 2-20
Baldwin County Sales and Use Tax Rates as of March 1, 2014

Tax Type	Rate Type	Rate	Active Date	Action	PJ	Administrator
CONSUMERS USE	AUTO	1.25%	6/1/2013	RC		SELF
CONSUMERS USE	FARM	1.25%	6/1/2013	RC		SELF
CONSUMERS USE	GENERAL	3.00%	6/1/2013	RC		SELF
CONSUMERS USE	MFG. MACHINE	1.25%	6/1/2013	RC		SELF
RENTAL TAX	AUTO	1.75%	11/1/2007	NT		SELF
RENTAL TAX	GENERAL	4.00%	11/1/2007	NT		SELF
RENTAL TAX	LINENS	4.00%	11/1/2007	NT		SELF
SALES TAX	AMUSEMENT	3.00%	6/1/2013	RC		SELF
SALES TAX	AUTO	1.25%	6/1/2013	RC		SELF
SALES TAX	FARM	1.25%	6/1/2013	RC		SELF
SALES TAX	GENERAL	3.00%	6/1/2013	RC		SELF
SALES TAX	MFG. MACHINE	1.25%	6/1/2013	RC		SELF
SALES TAX	VENDING	3.00%	6/1/2013	RC		SELF
SALES TAX	W/D FEE	\$7.50	6/1/2010	RC		SELF
SELLERS USE	AUTO	1.25%	6/1/2013	RC		SELF
SELLERS USE	FARM	1.25%	6/1/2013	RC		SELF
SELLERS USE	GENERAL	3.00%	6/1/2013	RC		SELF
SELLERS USE	MFG. MACHINE	1.25%	6/1/2013	RC		SELF

Action Indicator: NT - New Tax; RC - Rate Change; AC - Agency Change.

City of Orange Beach Sales and Use Taxes

The City of Orange Beach also, by authority granted the Orange Beach City Council, levies and collects a general sales/use tax at the rate of 4.0 percent with varying rates on selective sales. See the following **Table 2-21**.

Table 2-21
City of Orange Beach Sales and Use Tax Rates as of March 1, 2014

Tax Type	Rate Type	Rate	Active Date	Action	PJ	Administrator
CONSUMERS USE	AUTO	0.50%	6/1/2000	RC	Y	SELF
CONSUMERS USE	FARM	1.00%	6/1/2000	RC	Y	SELF
CONSUMERS USE	GENERAL	3.00%	4/1/2005	RC	Y	SELF
CONSUMERS USE	MFG. MACHINE	1.00%	6/1/2000	RC	Y	SELF
LODGINGS	GENERAL	5.00%	6/1/2000	RC	Y	SELF
RENTAL TAX	AUTO	1.00%	6/1/2000	RC	Y	SELF
RENTAL TAX	GENERAL	3.00%	4/1/2005	RC	Y	SELF
RENTAL TAX	LINENS	1.00%	6/1/2000	RC	Y	SELF
SALES TAX	AMUSEMENT	3.00%	4/1/2005	RC	Y	SELF
SALES TAX	AUTO	0.50%	6/1/2000	RC	Y	SELF
SALES TAX	FARM	1.00%	6/1/2000	RC	Y	SELF
SALES TAX	GENERAL	3.00%	4/1/2005	RC	Y	SELF
SALES TAX	MFG. MACHINE	1.00%	6/1/2000	RC	Y	SELF
SALES TAX	VENDING	3.00%	4/1/2005	RC	Y	SELF
SALES TAX	W/D FEE	\$5.00	6/1/2000	RC	Y	SELF
SELLERS USE	AUTO	0.50%	6/1/2000	RC	Y	SELF
SELLERS USE	FARM	1.00%	6/1/2000	RC	Y	SELF
SELLERS USE	GENERAL	3.00%	4/1/2005	RC	Y	SELF
SELLERS USE	MFG. MACHINE	1.00%	6/1/2000	RC	Y	SELF

PJ (Police Jurisdiction) Indicator: N - No tax levied in the PJ; Y - Tax levied in the PJ.

Therefore by summing these sales/use tax levies, the total general sales tax rate in the City of Orange Beach is seen to be 10.0 cents on the dollar. While there are other municipalities across the state levying the sales and use tax at this rate, it is uncommon. The most common statewide rate is nine cents on the dollars in a municipality. See **Table 2-22** which follows for total sales and use tax rate currently collected in the City of Orange Beach.

Table 2-22
Total Sales/Use Tax Rate in the City of Orange Beach

Category	General Rate	Rate for Automobiles	Rate for Farm Equipment
State of Alabama	4.00%	2.00%	1.50%
Baldwin County	3.00%	1.25%	1.25%
Orange Beach City	3.00%	0.50%	1.00%
Total	10.00%	3.75%	3.75%
<i>Current Tax Rates as of March 1, 2014.</i>			

D. CONCLUSIONS

The demographics of the City of Orange Beach do not present any outstanding issues that would be incompatible with the formation of a separate city school system. In fact, the demographics appear very favorable. The pattern across Alabama has been that a new city school system being formed requires additional local revenues, and the historical pattern has been for the levy and collection of additional city sales and use taxes. A predominant reason for this is that the levy and collection is an authority granted a city council (not subject to referendum) and that the first day of collection is not delayed by months but by weeks. Since the rate of sales/use taxes that is considered the reasonable maximum statewide is 9.0%, the current rate of 10.0% precludes additional sales/use tax as a revenue alternative for the City of Orange Beach. Should the City Council conclude that a portion of this current Orange Beach City sales/use tax rate of four percent not be essential for an existing function of the operations of the City, it could be rededicated to the proposed Orange Beach City School System.

Since most municipalities across the state levy and collect at least of the portion of the 5.0 mills of ad valorem which can be levied and collected by city council resolution, and since the City of Orange Beach has exercised that option only for 4.0 mills, it also is an opportunity for an additional mill of municipal ad valorem tax revenue for the proposed Orange Beach City School System. Or an additional ad valorem tax could be used to fund city services currently funded by the existing sales/use taxes or those revenues rededicated. And the City Council of Orange Beach does have the authorization to call for a referendum on an additional 7.5 mills of ad valorem tax.

The single school site presently existing in the City of Orange Beach cannot accommodate current resident students or growth in student population that will inevitably occur in the future. New school construction is unavoidable. There should be also planning for excess physical plant capacity to allow for growth in the future, whether by new housing or annexation. Educational infrastructure in terms of physical plant, debt, and personnel must be developed is in place to serve the current students, both resident and non-resident. Should the proposed City of Orange Beach School System be formed, only the Board will be empowered to make decisions as to who would be allowed to attend school in Orange Beach. At a minimum, every resident student would be entitled by law the right to attend the City of Orange Beach Schools.

It would be expected that the City Council in collaboration with the proposed Orange Beach City Board of Education would jointly study and analyze the fiscal impact of future proposed annexation and development of property, residential and commercial. The obvious desire is to maximize revenues to the proposed Orange Beach City Board of Education while minimizing cost. City issues of zoning and annexation can have a profound effect of funding of

and expenditures of a city school system. The balancing act for city school systems is the conflicting efforts of a sound social policy to enhance growth in resident population with maximum tax revenue generation and serving the educational needs of all students who become residents.

CHAPTER 3

STATE FUNDING OF PUBLIC SCHOOLS IN ALABAMA: TYPES OF STATE SCHOOL AID FORMULAS

Funding from the State for the support of public schools in Alabama comes from state tax revenues earmarked to the **Education Trust Fund (ETF)** and the **Public School Fund (PSF)** (technically renamed the Educational Fund by **Amendment 111**). There are other small state revenue sources allocated to local boards of education but in such small amounts as not to affect the outcome of this study. While annually appropriated in the annual education appropriations bill(s), these funds are distributed in four different ways:

- (1) **1995 Foundation Program** allocations from the **ETF** (distribution specified by statute);
- (2) Categorical Aid allocations from the **1995 Capital Purchase Program** from the **PSF** (distribution specified by statute);
- (3) Categorical Aid allocations from the **ETF** (distribution determined in annual education appropriations bill); and
- (4) State Department of Education allocations from the **ETF** (distribution determined in annual education appropriations bill or by resolution of State Board of Education).

A. THE 1995 FOUNDATION PROGRAM ALLOCATIONS

The predominant state financial aid program for funding public education in Alabama is the **Foundation Program** approved in the **1995** Regular Session of the Legislature. The 1995 Foundation Program uses the teacher unit as the allocation unit as did its predecessor of 1935. As a generic concept used in many states, the first issue is defining the basis for allocation. There are two mechanisms available: one is a weighted per pupil allocation and the other is a teacher unit allocation. Since Alabama began using the teacher unit basis in 1927, and since fringe benefits are a statewide allotment, logic dictated continuance of the teacher unit basis in 1995.

Allocation Units of the 1995 Foundation Program - Teacher Units

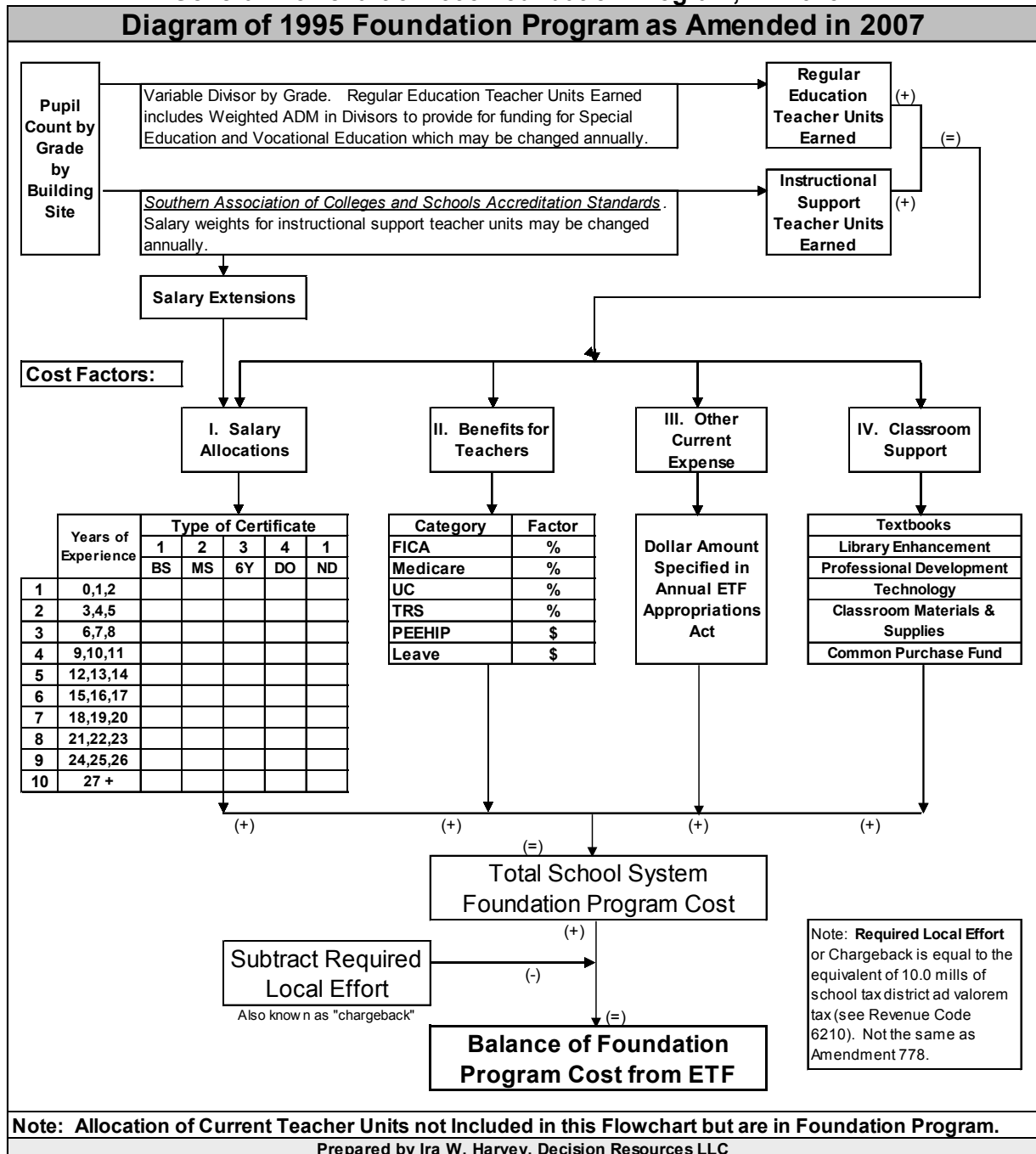
There are three types of teacher units recognized in the 1995 Foundation Program: (1) Regular Teacher Units, (2) Instructional Support Teacher Units, and (3) Current Teacher Units. A discussion of each follows. The process will be displayed in **Figure 3-1** which will follow.

(1) Regular Teacher Units

Regular teacher units are earned by grade level by building site based on student divisors and 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 2010-11 through FY 2013-14 follow in **Table 3-1** and demonstrate cost cutting measures imposed by the Legislature in the **2011 Regular Session**. In order to reduce appropriations, each divisor by grade was increased by **0.45**. The

consequence of this authority granted to the Legislature was reduced appropriations from the State of Alabama.

Figure 3-1
General Flowchart of 1995 Foundation Program, FY 2013-14
Diagram of 1995 Foundation Program as Amended in 2007



The assignment of varying divisors by grade (lower grades and upper grades have relatively smaller divisors) is an acknowledgement of the cost differential of providing educational opportunities appropriate by age. These variable divisors by grade represent the

only component of **Vertical Equity** (*unequal treatment of unequals*) in the 1995 Foundation Program. The main focus of the 1995 Foundation Program is **Horizontal Equity** (*equals treated equally*).

Table 3-1
Foundation Program Divisors, FY 2010-11 to FY 2013-14

Grade Divisors	Act 2010 - 610 FY 2010-11	Act 2011 - 655 FY 2011-12	Act 2012 - 569 FY 2012-13	Act 2013 - 264 FY 2013-14
K	13.80	14.25	14.25	14.25
1	13.80	14.25	14.25	14.25
2	13.80	14.25	14.25	14.25
3	13.80	14.25	14.25	14.25
4	21.40	21.85	21.85	21.85
5	21.40	21.85	21.85	21.85
6	21.40	21.85	21.85	21.85
7	20.00	20.45	20.45	20.45
8	20.00	20.45	20.45	20.45
9	18.00	18.45	18.45	18.45
10	18.00	18.45	18.45	18.45
11	18.00	18.45	18.45	18.45
12	18.00	18.45	18.45	18.45

The 1995 Foundation Program achieves **Horizontal Equity** (*equal treatment of equals*) by allocating (with exceptions) equal dollar resources from a combination of state and local funding for each student by grade. These divisors define the number of teacher units that are annually appropriated to each local board of education for three program areas: **(1) Regular Education**, **(2) Special Education**, and for **(3) Vocational Education** by program function. The incidence of need for special and vocational education is defined by the Legislature as being normally distributed statewide and thus is a proportionately equal educational cost reimbursement to all local boards of education. To achieve this purpose, teacher units are not appropriated for a specific purpose or program; they are *fungible* which means the local board of education must determine the educational need to which they will be applied. The exception to this is federal requirements for maintenance of effort for special education and vocational education.

The 1995 Foundation Program is a statement of the cost as determined annually by the Legislature to provide a computed educational opportunity for all public school students of the state. It is reimbursement for prior year expenditures since prior year ADM and placement of certificated personnel on the minimum salary matrix are the inputs. Without any other standard to determine or evaluate cost, the annual appropriations by the Legislature represent the state standard for adequacy. Since the teacher unit is the basis for determining and allocating cost to local boards of education, all of the necessary costs to support a classroom teacher are allocated with each teacher unit allocated. The General Flowchart of the 1995 Foundation Program is found in **Figure 3-1** above. Each divisor is understood to contain teacher units to be provided for all three programs – **Regular Education**, **Special Education**, and **Vocational Education**.

Special Education Adjustment of Divisor. Regular Education teacher unit divisors are adjusted for special education; that is the divisors are reduced and the number of teacher units increased in anticipation of their use for special education purposes. 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 B**, the divisors for FY 2013-14 are one earned classroom teacher for each 14.25 ADM for the first 20 scholastic days of the school year. In **Column C** whether the ADM is 14.45 or 142.45, or 570.00, it is divided by 14.25 to calculate the earned teacher units shown in **Column D**.

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 G** is 12.50%. Multiplying this amount of 12.50% (5 x 2.5) times the ADM in **Column C** yields the calculated ADM for special education to be served in **Column H**. 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 in the respective school systems of the state is not recognized.

Table 3-2
Adjustment of Divisor for Special Education for FY 2013-14

B	C	D	E	F	G	H	I	J	K	L
K-3 Fixed Divisor by Grade	Assume First 20 Days ADM	Total Earned Teacher Units	Percent of Students for Special Education	Weighting Factor for Special Education Students	Factor Percent Special Education	Calculated Special Education ADM	Sum of Special Education & Regular ADM	Percent Teacher Units Set Aside for Special Education	Percent Teacher Units Remaining for Regular Education	Regular Students for Regular Teacher
14.25	14.25	1.00	5.00%	2.50	12.50%	1.78	16.031	11.11%	88.89%	16.03125
14.25	142.50	10.00	5.00%	2.50	12.50%	17.81	160.31	11.11%	88.89%	16.03125
14.25	570.00	40.00	5.00%	2.50	12.50%	71.25	641.25	11.11%	88.89%	16.03125

To find the total ADM which is to be served by the teacher units earned in **Column d**, add together the regular ADM found in **Column C** and the special education ADM found in **Column H**. **Column I** is the total ADM to be served. **Column J** is the percent of the ADM to be served that is imputed to be for special education purposes, and **Column K** 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 14.25, 142.5, or 570. 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 16.03 regular education students as found in **Column L**. This is the effective classroom ratio since **11.11% of the allocated teacher units are 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. **The divisor is not the number of students that each teacher will have in the regular classroom since special education programs and students must be served from this funding.**

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 and have remained unchanged. Vocational Education (*Code of Alabama, 1975* still has this designation and not Career Technical Education) is included in the divisors, and the incidence of vocational education needs is 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 Approved 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. Obviously the nature of each school site's student population and their appropriate educational needs changes from year to year. The State Board of Education requires approval by the State Department of Education for local boards to match teacher units annually with the educational needs of students. Local boards are not required to employ additional local teachers to meet these caps if placement (with waiver) regulations are met.

(2) 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).

(3) 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 next fiscal year, 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 Orange Beach City School System could result in additional teacher units in the actual year of growth should the Legislature determine to adequately fund Current Teacher Units.

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**.

(1) 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 maximum total of 27 years. After a teacher reaches this final step at 27 years of service, there is no further advancement of salary with service time. This creates an overall 5 x 10 salary matrix (five levels or types of certification and 10 vertical increments based on longevity). 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 2013-14 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 2013-14, 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 2013-14

<i>FY2014 Foundation Program</i>					
State Minimum Salary Schedule					
Classroom Teachers					
Public School Experience - 187 Day Contract					
Dollar Amount by Cell					
	Bachelor	Master	6-Year	Doctoral	Non-Degree
	BS	MS	6Y	DO	ND
< 3 yrs	\$ 36,867	\$ 42,395	\$ 45,714	\$ 49,032	\$ 36,867
< 6 yrs	\$ 40,551	\$ 46,634	\$ 50,283	\$ 53,935	\$ 40,551
< 9 yrs	\$ 42,327	\$ 48,675	\$ 52,499	\$ 56,295	\$ 42,327
< 12 yrs	\$ 42,894	\$ 49,329	\$ 53,191	\$ 57,051	\$ 42,894
< 15 yrs	\$ 43,674	\$ 50,223	\$ 54,155	\$ 58,088	\$ 43,674
< 18 yrs	\$ 44,670	\$ 51,371	\$ 55,391	\$ 59,409	\$ 44,670
< 21 yrs	\$ 45,247	\$ 52,032	\$ 56,105	\$ 60,179	\$ 45,247
< 24 yrs	\$ 45,825	\$ 52,699	\$ 56,822	\$ 60,947	\$ 45,825
< 27 yrs	\$ 46,370	\$ 53,245	\$ 57,370	\$ 61,494	\$ 46,370
27+ yrs	\$ 46,917	\$ 53,792	\$ 57,916	\$ 62,040	\$ 46,917
The anniversary date of experience shall be used to determine the appropriate step for experience.					
An employee is entitled to pay for an advanced degree in the monthly pay period that begins after the State Superintendent recognizes the advanced degree. If the contract period has ended, the increase in pay will become effective with the first pay period of the next contract. The advanced degree must be earned from a regionally accredited institution.					

Note: Non-degree for career-tech teachers is the same as for a Bachelor's Degree Teacher.

The above salaries are for a 187 day work period. For FY 2013-14, the 180 minimum student contact days may be obtained by fewer days which total 1,080 hours (six instructional hours per day). Additional days worked beyond this number will require an additional per diem allotment; conversely should days be reduced, total salaries will be proportionately reduced. 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.

(2) 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 annually by action of their respective Boards as a request to the Legislature. The Legislature then determines the rates it will approve and enrolls them in the annual education appropriations bill. Salaries and thus benefits are based upon a state mandated minimum 187 day employment contract.

For FY 2011-12 and thereafter, however, the Legislature by statute (Act 2011-676) increased the **TRS** employee contribution from the historical 5.0% to 7.5% effective October 1, 2012, and thus enrolled a corresponding reduction in employer cost (local boards of education) in the Education Appropriations Act. In addition, the Legislature by statute (Act 2011-704) introduced a new sliding scale for **PEEHIP** for costs to non-Medicare eligible retirees and reduced the employer rate in the annual Education Appropriations Act. The current rates for **TRS** include state funding for cost-of-living allowances for retirees. The current rates for **PEEHIP** include an allowance for retirees.

The **Unemployment Compensation** annual cost rate is set by the State Insurance Commission but is also 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 following **Table 3-5** lists the benefits and rates for FY 2013-14:

Table 3-5
Fringe Benefits in 1995 Foundation Program for FY 2013-14

Fringe Benefits	Factor
1. FICA	6.2000%
2. Medicare	1.4500%
3. Unemployment Compensation	0.1250%
4. PEEHIP Amount per Month	\$714.00
5. TRS Tier I	11.71%
5. TRS Tier II	11.08%
6. Number Days Sick Leave	5
Sick Leave per Day	\$60.00
7. Number Days Personal Leave	2
Personal Leave per Day	\$60.00

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.

(3) 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 **\$31.35** per student in ADM for FY 2013-14.

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 2013-14.

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 **\$300.00** per teacher unit for FY 2013-14 as a minimum amount by *Act 2012-414* approved at the 2012 Regular Session of the Legislature.

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 2013-14.

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 2013-14.

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 2013-14.

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 and federally funded teacher unit. The dollar amount has been reduced each year by the Legislature since FY 2007-08 which was the peak year. This reduction has been reflecting deteriorating financial conditions caused by reduced ETF revenues, proration and the Rolling Reserve Revenue Cap. Many of these expenditures have been absorbed by local boards of education. Restoration of these state cuts in the near future may not be possible.

(4) Other Current Expense

The last cost factor, "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 program, basically anything the local boards of must budget to implement state rules and regulations. This amount was set at **\$15,661.10** per teacher unit for FY 2013-14.

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. However, unlike other cost factors of the 1995 Foundation Program, this cost factor has no underlying basis of calculation of cost. It is at the sole discretion of the Legislature annually.

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 tax district ad valorem tax school statewide calculated for each local board of education. This statewide chargeback for FY 2013-14 was **\$541,184,880**. Note that these revenues never leave the local school system, but are required expenditures by local boards of education for the purposes of the **1995 Foundation Program**.

The balance of the funding due the 1995 Foundation Program (state share) is annually appropriated from the **Education Trust Fund (ETF)**. 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 systemwide**. Assessed valuation data by local school systems 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 1.0 mill of the school tax district ad valorem tax systemwide. This is used since exemptions may be applied to the countywide property tax as well as varying costs of collection. Also, due to the allocation of countywide ad valorem taxes to the respective local boards of education of the county based upon student cost, 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 each school tax district summed for each school system (and since the number of required equivalent mills is 10.0, this would be a 10.0 mill statewide school tax district ad valorem tax).

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 systemwide. 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). All of these terms are defined in the following **Table 3-6**:

Table 3-6

Definition of Terms Relating to Local School System Tax Revenues
<p>1. Tax Capacity – In Alabama, this is defined for a local school system as the yield of one mill of school tax district ad valorem tax and is expressed in dollars. This value, however, is not a measure of the Tax Wealth of a local school system.</p>
<p>2. Wealth of a Local School System – In Alabama, the wealth of a local school system is measured by the yield of one mill of local school tax district tax divided by the number of students enrolled in Average Daily Membership. This definition is used in the allocation of the Foundation Program and the Capital Outlay Allocation.</p>
<p>3. Tax Effort – The degree to which the tax capacity of a local school system is utilized. In other states, this is usually measured in terms of tax rates. In Alabama, the measure is in terms of number of equivalent mills of tax-based revenues.</p>
<p>4. Required Local Effort – The amount of required local taxation which is calculated as being available for the funding of state educational purposes. In a foundation program, this is the chargeback of the amount subtracted from the total calculated cost of the state required educational program. These revenues are restricted to accomplish only state educational purposes. Chargeback Required to Participate in Foundation Program plus Local Match to Participate in Guaranteed Tax Yield Program</p>
<p>5. Required Local Taxation – The tax rate (specified tax rate to be levied by tax type) or tax yield (amount of tax yield measured by an index of wealth) which must be levied on behalf of a local board of education in order to participate in the state financial aid programs (actually receive the state allocations). Amendment 778 Requires the Levy and Collection of 10.0 Mills of Ad Valorem Tax and Section 16-13-231 Requires the Levy and Collection of the Equivalent of 10.0 Mills of School Tax District Ad Valorem Taxes from Tax-Based Local Revenues</p>
<p>6. Unrestricted Local Taxation – The tax revenues or rate of taxation available to a local board of education over and beyond those amounts necessary to meet required state matches and which can be used by local boards of education for local purposes.</p>

Required Local Taxation

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 first begun in 1935 was repealed in 1980. It was 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 in **Figure 3-2**:

Figure 3-2
Calculation of Equivalent Mills

Equivalent Mills =	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> Local Tax-Based Revenues </div> <div style="border-top: 1px solid black; padding-top: 2px; display: inline-block;"> Yield of 1.0 Mill of School District Tax </div>
---------------------------	---

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 increase difficulty in providing local revenues for ad valorem taxes not levied and collected. This *Amendment 778* leveled the playing field to guarantee each local board would receive not fewer than 10.0 mills of ad valorem tax levied in each school tax district of the local school system. This also guaranteed a degree of taxpayer equity.

**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. However, the state statutes defining services which must be provided exception children remained unchanged.

State Law Mandating Education for Exceptional Children Unchanged in 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 by

on-site instruction 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 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 also remain in the *Code*.

Appropriate Instruction to be Provided Exceptional Children

The statutory mandate for providing appropriate instruction and special services to exceptional children was left unchanged. This statement of the Legislature as state law is specific that funding will be provided to provide appropriate instruction of exceptional children. 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 Exceptional Children

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 Program assumes that such incidence of these educational needs by program 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.

The overall conclusion regarding the current status of special education legislation in the State of Alabama is that state funding is inadequate. All provisions constituting federal mandates for services were unchanged and trumped any state laws. Federal funding for special education has been and still is inadequate to meet the statutory needs for services. In addition, future federal funding may be in jeopardy due to pending cuts in the federal budget.

Alabama has historically had strong special education laws which are still in force and which are underfunded. Unfortunately, Alabama has no scheme to measure needs of exceptional education and assumes that funding as provided through the decreased divisors meets such needs. Alabama does not identify for state funding purposes the exceptionalities

and childcount by such exceptionalities as defined by state law. In addition, there is no evidence by the childcount for federal special education purposes to further conclude that such needs are normally distributed.

B. STATE CATEGORICAL AID PROGRAMS

Capital Purchase Allocation from the 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 days' 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. This categorical aid program is known as the **1995 Capital Purchase Program**.

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 uses 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. The outcome of this type of calculation and state aid formula is that each child counted in ADM has the same amount of funds available for capital purchase needs as every other school child in the state (that is the sum of the state capital purchase allocation plus the local share which is required to be contributed). The formulas for the determination of the state and local share follow.

State Funds for Capital Purchase Program

The state share from the Public School Fund is determined by the following formula:

$$\text{State Share} = Z [(KM) - Y] A \text{ where}$$

Z	=	number of guaranteed mills (varies annually by revenue estimated to be available to the Public School Fund)
K	=	2.0 (fixed by annual SBE regulation)
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 as per annual financial statements)
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 $\frac{1}{2}$ 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 Program

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:

$$\text{Local Share} = Z * Y * A \text{ where}$$

Z	=	number of guaranteed mills (varies annually by revenue estimated to be available to the Public School Fund)
Y	=	yield per mill per ADM for a local board of education (varies annually as per annual financial statements)
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.

However, the Legislature in the 2011 Regular Session amended Section 16-13-234 of the *Code of Alabama 1975* to include the following purpose of expenditure:

“ for debt payments related to public school facilities, for insuring public school facilities (Acts of the Legislature, 2011-163).”

Therefore, the proceeds of the Public School Fund since April 26, 2011, may be used to make local debt service payments, freeing up local tax dollars which have been committed to retiring debt for capital outlay projects. The change was needed because continued proration of the ETF had produced an unsustainable financial burden on local boards of education.

Baldwin County Schools Participation in Alabama Public School and College Authority Pooled Purchase Debt Service

The Baldwin County Board of Education has participated in bond issues of the **Alabama Public School and College Authority (APSCA)** of the **Revolving Loan Fund for Local Boards of Education**. None of this debt is attributable to Orange Beach Elementary School. However, the proposed Orange Beach City School System would be eligible to participate in future APSCA Pooled Purchase debt issues.

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. The statutory plan for the utilization of Public School Funds by local boards from FY 1995-96 to FY 2010-11 was limited to pay-as-you-go for local capital outlay or participation in an APSCA Pooled Purchase Bond issue, thus freeing up local revenues pledged for repayment of local debt issues.

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 only to the amount included by the Legislature in the annual Education Appropriations Act at their discretion. 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. However, past practices of the State Department of Education recommending full reimbursement of prior year costs of operations appear to have been modified, for some school systems, to recommend less than 100% cost reimbursement. In fact, new procedures are being put in place to cap allowable reimbursement to local boards prior to any legislative constraints being imposed in order to limit appropriations.

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 2013-14, the **Baldwin County School System** has been allocated the amount of **\$8,402,231** for operating cost reimbursement from the ETF.

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 2013-14 for the Baldwin County School System, the amount of **\$1,350,000** has been allocated for Fleet Renewal. This is being paid for FY 2013-14 through an **APSCA Bond Issue**. This is based on an annual allotment of \$6,000 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*).

In **Chapter 6**, an analysis of the cost to the proposed Orange Beach City School System in excess of state funds appropriated for student transportation services which must be paid from local sources will be presented. Caution is noted here that city boards of education are not required to offer a general system of student transportation. No debt service on school transportation equipment which would be transferred to the proposed Orange Beach City School System would be assumed.

Reimbursement for Transportation for Special Education

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. Full cost reimbursement of the compensation costs for this position has been included in Cost of Operations in prior years; however, the SBE

has adopted a new standard of reimbursement only to the maximum allowed in a salary schedule for the position. The new standards, along with cuts by the Legislature, may only provide local boards of education 75% reimbursement of their actual transportation costs.

C. LINE ITEM APPROPRIATIONS FOR LOCAL BOARDS OF EDUCATION

In the education appropriations bills approved by the Legislature annually, there are many line item appropriations for public education which have a statutory origin but for which the amount of appropriation is on a year-by-year basis at the discretion of the Legislature. A summary of these appropriations for FY 2013-14 follows in **Table 3-7**. Since the dollar amount of appropriation is discretionary, many times the Legislature, in a period in which new ETF dollars are scarce or in which cuts must be made, chooses to deliberately underfund or cut a line item funded the prior year.

Categorical Aid Line Items

Therefore, a difficulty for budgeting by local boards the programs created by these line items is the uncertainty of continued funding from year to year. The discrepancy as to amount to be included as compared to the stated purpose of the program created by the line item may result in additional local cost from local revenues (an unfunded mandate). For example, the legislation creating the School Nurses Program creates both an expectation and pressure on local boards to implement the program at a pace more rapid than appropriations. And since the line item has no statutory guarantee of funding from year to year, the Legislature may choose to reduce the line item of appropriation during a year of fiscal exigency, such as for FY 2010-11. Therefore, the local board of education is left facing a larger unfunded state mandate when local funds may be similarly in distress. Needless to say, the proposed Orange Beach City School System will receive its appropriate share of such legislative appropriations based upon the language of allocation in the enabling statute. These are direct line items to local boards of education.

Table 3-7
Categorical Aid Appropriations to Local Boards of Education from the ETF for FY 2013-14

Item of Appropriation	FY 2013-14 ETF Appropriations
Transportation Program	304,271,818
1. Operating Allocation	268,079,818
2. Fleet Renewal	36,192,000
Board of Adjustment Awards	562,800
School Nurses	29,985,470
Technology Coordinators	3,664,778
Career Tech O&M	5,000,000
At-Risk Program Local Boards	19,517,734
At-Risk Program - ASIMS	750,000
Subtotal Categorical Aid Programs	363,752,600

Note: Does not include 1995 Foundation Program.

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. These are a special grant of the Legislature which may not be repeated in a subsequent fiscal year due to budget constraints. 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 by the SDE based upon procedures which are determined by the State Department of Education. Of course, the allocation procedures approved by the State Board of Education, since not set in state statute, can also vary by budget year. Since they are targeted and restricted funds, they follow school children and would be distributed as earned to the schools of the proposed Orange Beach City School System. The statewide appropriations for FY 2013-14 follow in **Table 3-8**. Needless to say, the proposed Orange Beach City School System will receive its appropriate share of such legislative appropriations based upon the language of allocation in the annual Education Appropriations Act or by an allocation plan approved by the Alabama State Board of Education.

Table 3-8
Line Item Appropriations to State Department of Education for Allocation to Local Boards of Education and Other Education Entities for FY 2013-14

1	Advanced Placement	3,771,179
2	Arts Education	1,000,000
3	Career Tech. Initiative	2,257,967
4	Catastrophic Special Education Support Allocation	1,000,000
5	Children First Program/Children's First Trust Fund	3,050,000
6	Children's Eye Screening	2,001,079
7	Children's Hospital Educational Services	253,546
8	Community Education	588,830
9	Distance Learning - ACCESS	18,516,242
10	Drop Out Pilot Program	454,808
11	Ear Institute, Alabama	75,000
12	English as a Second Language	2,000,000
13	Gifted Education	1,050,000
14	Governor's Academic Program	10,520,981
15	Governor's High Hopes for Students	6,518,083
16	Jobs for Alabama Graduates	798,328
17	Math/Science/Technology Initiatives	28,049,318
18	National Bd. Prof. Tch. Stds.	10,427,424
19	Preschool Program	1,623,062
20	Principal Preparation Redesign	500,000
21	Principal and Teacher Assessment	400,000
22	Reading Initiative	48,153,789
23	Reading is Fundamental	30,000
24	Science in Motion	1,583,796
25	Southwest School for Deaf & Blind	183,865
26	Teach for America	422,193
27	Teacher In-Service Centers	2,584,080
28	Teacher Professional Technology Training	970,887
29	Teacher/Student Testing	6,393,103
	Subtotal State Department of Education	158,360,171

CHAPTER 4

BALDWIN COUNTY SCHOOL SYSTEM TAXES FOR PUBLIC SCHOOLS

A. GENERAL LAWS FOR COUNTYWIDE TAXES FOR SCHOOL SYSTEMS

Ad Valorem Taxes as 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 of ad valorem is, with few exceptions, subject to local referendum. Alabama has **school systems**, not **school districts**. The term school district refers to a taxing district for schools. The ad valorem taxes for school systems are of two types; the first is countywide, and the second is school tax district (school tax districts were created in 1916 by *Amendment III* to the *Constitution of 1901* as amended).

There are **five** general statewide authorizations. Each school ad valorem tax by any one of these authorizations, whether countywide or tax district, is levied and collected generally by the county commission in arrears (**Classes I, II, and III**) and generally by the Probate Judge (**Class IV**) currently. A brief discussion of these taxes and their boundaries, time, rate, and purpose follows. All of the following taxes defined as school taxes are subject to renewal votes. They can upon referendum be levied and collected for a period not to exceed 30 years.

(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. See **Appendix 7-3**.

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 (*Constitution of 1901, Sec. 269*).

Baldwin County has levied this tax (See **Table 4-1** in a following section). This millage levy is due to expire 10/1/2016. Note that a super majority of **three-fifths** of those voting is necessary for ratification. If there were to be 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. As will be explained in **Chapter 5**, this study only addresses the existing budgeted share of countywide taxes currently received solely by the Baldwin County Board of Education but which would also become allocated to the proposed Orange Beach City School System.

(2) Three-Mill Countywide Ad Valorem Tax

Amendment 3 to the *Constitution of 1901* allows counties to levy and collect, upon approval at a referendum, an additional countywide school tax. The countywide authorization is found in **Section 1** which follows:

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 (*Constitution of 1901*, Amendment 3).

Baldwin County has levied this tax (reprinted in **Appendix 7-4**) (See **Table 4-1** which follows) at the rate of 3.0 mills in accordance with the authority in Section 1. This millage is due to last collected on 10/1/2015. If there were to be 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

(3) Three-Mill School District Ad Valorem Tax

An additional section to **Amendment 3** created the first reference to school ad valorem tax districts in the *Constitution of 1901*:

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 (*Constitution of 1901*, Amendment 3).

Amendment 3 to the *Constitution of 1901* thus allows a county school system to call for a referendum for citizens of each school tax district to vote upon a school district tax in each of the tax districts of the county. It is necessary, however, 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. In addition, when a city forms its own separate city school system, the millage rate, time it is to continue, and purpose of any school tax district millage is automatically applied to the new city school tax district. The boundaries of the city school tax district are by statute the same as the political boundaries of the city.

In addition, **Section 2** requires that the countywide tax in **Section 1** be levied and collected in order for the school district tax in **Section 2** to be levied and collected. However, this stacking arrangement has been deleted by **Amendment 669** to the *Constitution of 1901*. **Amendment 3** and statutes implementing the provisions of **Amendment 3, Section 2**, require that the tax revenues generated by the school district tax must be spent only in that school tax district. Baldwin County has levied this tax (See **Table 4-1** which follows).

The millage authorized under **Amendment 3, Section 2**, at the rate of 3.0 mills, is to be collected for the last time as of 10/1/2015. State law requiring school tax district funds to be spent only in each school tax district of the state follows:

§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).

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 the proposed Orange Beach City School System were formed, the school tax district thus formed for the city school system would be the municipal boundaries. There is a statutory provision for 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 two school tax districts of Baldwin County follows 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).

However, the state accounting system of the Alabama State Department of Education does not record expenditures by school tax district.

Figure 4-1
Baldwin County School Tax District Map
Showing School Tax Districts 1 and 2 for 2014



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).

(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. Baldwin County has not voted to levy and collect the millage authorized.

(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 **Amendment 382**, it is recommended that the procedures for implementing **Amendment 3** above should be followed. Baldwin County has not voted to levy and collect the millage authorized.

In summary, Baldwin County has the available authorization to call for a referendum to vote upon an additional 2.0 mills in **School Tax District Number 1** under the authority of **Amendment 3, Section 2**. Then there is the available authorization to call for a referendum to vote upon an additional 5.0 mills countywide under the authority of **Amendment 202**. And finally there is the available authorization to call for a referendum to vote upon an additional 3.0 mills in **School Tax Districts 1 and 2** under the authority of **Amendment 382**.

Minimum of 10.0 Mills Required by Amendment 778

To address the issues associated with some local boards of education only having levied and collected on their behalf fewer than 10.0 mills in each school tax district of the school system (total of countywide and school tax district taxes), the Legislature proposed in 2006 an amendment to the *Constitution of 1901*, an amendment that would ensure 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 7-7**). This requires that the shortfall be levied and collected as a school tax district ad valorem tax.

B. INCREASING THE RATE OF AN EXISTING MILLAGE UNDER THE PROVISIONS OF AMENDMENT 373

The Baldwin County School System has only partially utilized the general statewide application school ad valorem taxes. However, these total 15.0 mills; the Baldwin County School System has 4.0 mills of this type of authorization in **School Tax District 1** and has 7.0 mills in **School Tax District 2**. In addition to the specific constitutional authorizations for school ad valorem taxes with application discussed above, Baldwin County could utilize a constitutional amendatory process to increase the rate of the previously approved millages by the **Amendment 373** process. A discussion of this process follows. It is an important tool in financing public education as it can not only be used to increase the rate of a school tax, but also a general county tax and a municipal tax.

Amendment 373 to the *Constitution of 1901*, otherwise known as the “Lid Bill,” was approved 1978 in order to comply with a federal court order in the case of *Weissinger v. Boswell* in which Alabama’s practice of allowing variable assessment ratios across the state had been declared unconstitutional. This amendment has commonly been referred to as the “Lid Bill,” but actually should be identified as the **Property Tax Relief Laws** as six statutes were passed to implement the constitutional amendment. Amendment 373 does not allow for a referendum on the levy of a new tax, but rather an increase in the millage rate of a tax already bearing constitutional approval.

Amendment 373 reduces the steps required by law to increase property taxes as the cumbersome process to amend the Constitution can be circumvented. Taxing authorities can increase the rate of an existing tax if they fulfill the following three requirements. However, it must be noted that under the conditions of the previous constitutional provisions, the County Commission is **compelled** to hold a referendum to levy an existing tax (**Section 269, Amendment 3, Amendment 202, and Amendment 382**). The County Commission **may refuse** to approve the increase requested in (a) which follows should the local board of education so present a resolution requesting hearing:

(a) Public Hearing. The local taxing authority (in the case of most but not all school taxes, this is the county commission) conducts a public hearing on the proposed tax increase (usually at the request of the school board) at which the local taxing authority formally votes to propose the increase;

(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.

Increasing the rate of an existing tax means that what property taxes are currently levied and under what authority must be known. When this is not known at the school system level, the county tax assessor should have this information readily available. This review will help determine which tax should be increased. Determining the constitutional authority for the proposed tax to be increased will indicate whether the tax is a county-levied tax (in which case the taxing authority will be the county commission) or a tax levied by the municipality (in which case the taxing authority will be the municipal governing body).

Each ***school*** ad valorem tax for schools expires: unless approved prior to 1901 and grandfathered in the state constitution, most cannot be levied for longer than 30 years. This requires that existing property taxes periodically be renewed by voters in an election. It is pointless to increase the rate of a tax that expires shortly. Each ad valorem tax has a purpose for which the tax originally was levied. As a general rule, you cannot increase the rate of an existing tax for a purpose that differs from the purpose for which the tax is now being levied. However, most school taxes are being levied for general education purposes, which would permit a multitude of uses for tax revenue.

After identifying the tax, the rate of which is proposed to be increased (and presumably, the rate of increase), the school board requests that the local taxing authority conduct a public hearing. A board resolution requesting that the taxing authority initiate the Lid Bill increase procedure is not required by the Lid Bill, but the taxing authority may request one. The millage rates of many ad valorem taxes were increased in the early 1970s under the permissive provisions of **Amendment 325** (also known as the "Reclassification Amendment") and in the late 1970s under similar provisions of the Lid Bill; these increases did not require voter approval and were one-time adjustments. In addition, such one-time rate adjustments were allowed again by **Amendment 373**. Because of these increases, the tax commonly known as the 3-mill countywide tax (*Amendment 3*) may in fact be levied and collected at a different (and higher) rate. The board's legal counsel and the county tax assessor will be helpful in resolving the confusion that often results from the difference between the tax rate set out in the constitution and the rate at which a tax is now levied.

The Alabama Attorney General, in an opinion pertaining to an election conducted by a county commission (*Opinion of the Attorney General*, Nov. 30, 1993, 94-0067), has stated a county commission may not authorize more than one election under the authority of the local act. In other words, if the voters reject the increase, the school board must start the procedure over, beginning with a public hearing by the taxing authority, the proposal and the local act.

C. SPECIAL AD VALOREM TAXES FOR THE BALDWIN COUNTY SCHOOL SYSTEM

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 (special application local acts).

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 refers to 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.

D. SUMMARY OF AD VALOREM TAXES AUTHORIZED FOR THE BALDWIN COUNTY SCHOOL SYSTEM

A summary of the authorization, type, rates, and purposes of ad valorem tax levied and collected for Public Schools in Baldwin County follows in **Table 4-1**:

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

Type of School Ad Valorem Tax	Millage Rate: District 1	Millage Rate: District 2	Constitutional Authorization	Date of Last Levy	Date of Last Collection
Countywide	1.0	1.0	Section 269	10/1/2016	10/1/2017
Countywide	3.0	3.0	Amendment 3	10/1/2015	10/1/2016
Countywide	5.0	5.0	Amendment 162	No Expiration	No Expiration
District	0.0	3.0	Amendment 3	10/1/2015	10/1/2016
District	1.0	0.0	Amendment 778	No Expiration	No Expiration
Total	10.0	12.0			

Source: Baldwin County Board of Education Budget for FY 2014, Form Budget 5, Millage Rates.

Apportionment of Countywide Taxes for School Systems of the County

School taxes collected as **countywide** taxes in those counties which have one or more city school systems in the respective county must have an apportionment mechanism in state statute to distribute those countywide taxes to the respective school systems of the county. Statute clearly defines that **school tax district** taxes (in the case of a city school system, the political boundaries of the city) must be spent only in that school tax district where collected.

However, a different situation exists for countywide school ad valorem taxes. There are at least three statutory provisions which affect this distribution. The first was the statutory implementation of the one-mill countywide school tax authorized by *Section 269* of the *Constitution of 1901* and implemented by statute:

§ 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 therefor. 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* ratified in 1956 which amended *Section 260* of the *Constitution of 1901*, the practice has been to apportion those funds in accordance with additional statutory authorization which still refers to the Public School Fund. When *Amendment 3* was approved in 1916, a new statutory provision was approved for allocation of the three-mill countywide tax:

§ 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 therefor, 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, there appeared a new statute to govern the apportionment of countywide taxes to the respective city school systems within the county. This was amended in 1995 with the creation of the 1995 Foundation Program and appears as follows:

§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 taxes, but also countywide excise, franchise, and privilege license taxes. The exception to this rule is that an excise, franchise, or privilege license tax could have been levied under several differing statutory authorities which may have provided for a separate apportionment. In addition, the local boards of education of a county may enter into a joint alternative agreement for apportionment of all countywide revenues subject to the approval of the State Superintendent of Education.

This statutory provision was created in 1935 to further the state purpose of equalization of educational resources. The **Minimum Foundation Program of 1935** equalized the state allocation of resources among the 67 counties. The **Countywide Foundation Program Cost Ratio** equalized the allocation of countywide tax revenues for public schools to the various boards of education of each county. The assumption of the Countywide Foundation Program Cost Ratio is that a state calculation of a foundation program cost is a reasonable and valid determination of the cost of operating a local school system's educational programs and that each local board of education of a county should receive a fair share of the countywide resources based upon this calculation. This division of countywide tax revenues is in no way based upon the amount a local board receives from the State of Alabama; rather it uses the **Countywide Foundation Program Cost Ratio** only as a mechanism to establish a fair and equitable distribution of countywide taxes within the county to local boards of education.

E. COUNTY AND MUNICIPAL EXCISE, FRANCHISE, AND PRIVILEGE LICENSE TAXES FOR THE BALDWIN COUNTY SCHOOL SYSTEM

Countywide Excise, Franchise, and Privilege License Taxes for Schools

Counties have been granted general statutory authority to levy an excise, franchise, or privilege license tax for school purposes:

§ 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*).

Baldwin County has used this general authorization in addition to a local act of the legislature for a total 2.0 cent general sales/use tax rate. In a following section, the constitutional amendment approved for an additional 1.0 cent sale/use tax rate is presented.

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 7-8**)

Special Countywide Sales Tax Amended, 1984

This act was amended in 1984 to provide further for the one-time distribution of the gross receipts for construction of the suitable county animal pound referenced above and to provide a permanent multi-year 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 Orange Beach 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 in **Chapter 5** 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.

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 (*Code of Alabama 1975*, 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 Statutory 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 Statutory Countywide General Sales/Use Tax

Statutory Authorization, Code of Alabama 1975	General Gross Sales/Use Tax Rate	Baldwin County Board of Education Allocation	Faulkner 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.					

The alternative allocation scheme above thus defines the common knowledge of a **0.55 cent sales tax for schools**. The 1.0 cents sales tax is totally earmarked for public schools. In addition in **Table 4-3** which follows, the allocation of the sales/use tax on automobiles is detailed.

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

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, 1989	0.25%	100.00%	0.25%	0.00%	0.00%
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%

Third Penny of Sales Tax Added in 2010 and Expires in 2013

When faced with the revenue shortfall experience by the Baldwin County Board of Education due to the financial impact of the Great Recession and the BP Oil Spill. The Board appealed to the Baldwin County Commission to levy the third penny of sales/use tax with a time limit of three years. This tax is detailed in **Appendix 7-8**. By the conditions of the ordinance levying this tax, the levy began June 1, 2010, and the expiration date was set for May 31, 2013. This levy expired.

Constitutional Sales/Use Tax in Baldwin County

Faced with the unwillingness of the Baldwin County Commission to by resolution extend this tax or to put it on a referendum ballot as is provided for in Section 40-12-4, Baldwin County turned to the Legislature to pass a constitutional amendment to levy this tax for a time certain. Proposed by Act 2012-488, the process used to approve the Amendment statewide was the Amendment 555 process which only required the approval of a special committee of the Legislature. Then a referendum in Baldwin County approved the measure which was proclaimed ratified as **Amendment 879** (See **Appendix 7-11**) by the Secretary of State. An expiration date of five years after June 1, 2013, was specified. Amendment 879 further specifies that the tax can only be extended as follows: "The duration of the levy of the county

sales and use taxes hereunder shall be a period of five (5) years, commencing on June 1, 2013, subject to extension or renewal as authorized by the Legislature in accordance with a local legislative act." The meaning of this extension or renewal language is unclear.

As displayed in **Table 4-4**, the effective rate of Baldwin County general sales/use taxes is at three percent.

Table 4-4
Baldwin County Sales/Use Tax Rates for FY 2013-14

Category	General Rate	Rate for Automobiles	Rate for Farm Equipment
State of Alabama	4.00%	2.00%	1.50%
Baldwin County	3.00%	1.25%	1.25%
Orange Beach City	3.00%	0.50%	1.00%
Total	10.00%	3.75%	3.75%
<i>Current Tax Rates as of March 1, 2014.</i>			

Municipal Excise, Franchise and Privilege License Taxes for Any Purpose

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 (see following page), 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).

County Occupational Tax

The Alabama Constitution prohibits cities and counties from collecting income taxes. County governments can impose taxes which are specifically authorized by the legislature and which do not violate the **Constitution of 1901**. The occupational tax, which is measured by a percentage of gross income or gross receipts, is designated as a license or privilege license tax. The Legislature granted any county in Alabama with a population of 500,000 or more the authority to levy a license or privilege tax upon any person engaging in any business for which he is not required by law to pay any license or privilege tax to either the State of Alabama or the county (Acts of the *Legislature*, 1967 Regular Session, Act Number 406).

Municipal Occupational Tax

The principal statutory grant of authority for Alabama cities and towns to tax businesses or trades, occupations or professions is found in Section 11-51-90, *Code of Alabama, 1975*. Through the years the Supreme Court of Alabama has sanctioned the levy of business license schedules, gasoline taxes, tobacco taxes, amusement taxes, lodging taxes, gross receipts license taxes in the nature of sales taxes and the occupational license tax similar to an income tax based on this grant of license power. Except as limited by special provisions hereafter listed, the rates are left to the legislative discretion of the municipal governing body, subject to the court-required test of reasonableness. Section 11-51-90 follows:

§ 11-51-90. Licensing of conduct of trade, business, profession, etc., in municipality authorized generally; licensing as to persons, etc., engaged in business in connection with interstate commerce; purposes for which licensing power conferred by division may be exercised.

(a) All municipalities shall have the following powers:

(1) To license any exhibition, trade, business, vocation, occupation, or profession not prohibited by the Constitution or laws of the state which may be engaged in or carried on in the city or town.

(2) To fix the amount of licenses, the time for which they are to run, not exceeding one year, to provide a penalty for doing business without a license, and to charge a fee of not exceeding five dollars (\$5) for issuing each license.

(3) To require sworn statements as to the amount of capital invested, value of goods or stocks, or amounts of sales or receipts where the amount of the license is made to depend upon the amount of capital invested, value of goods or stocks, or amount of sales or receipts and to punish any person or corporation for failure or refusal to furnish sworn statements or for giving of false statements in relation thereto.

(b) The license authorized by subsection (a) of this section as to persons, firms, or corporations engaged in business in connection with interstate commerce shall be confined to that portion within the limits of the state and where the person, firm, or corporation has an office or transacts business in the city or town imposing the license.

(c) The power to license conferred by this division may be used in the exercise of the police power as well as for the purpose of raising revenue, or both (*Code of Alabama, 1975*, Section 11-51-90).

Section 11-51-90, *Code of Alabama, 1975*, has been interpreted by the courts as giving municipalities authority to levy a tax for the privilege of working in the municipality. Such a tax operates in a manner similar to an income tax. The tax, which is in effect in at least 12 cities and towns, has been upheld by the Alabama Supreme Court on two occasions in the cases of *Estes v. City of Gadsden*, 266 Ala. 166, 94 So. 2d 744 (1957), and *McPheeter v. City of Auburn*, 288 Ala. 286, 259 So. 2d 833 (1972). Such a tax cannot be collected from persons who work only in the police jurisdiction of a municipality. See *City of Mountain Brook v. Beaty*, 349 So. 2d 1097 (Ala. 1977).

F. SUMMARY OF BALDWIN COUNTY SCHOOL SYSTEM AD VALOREM TAXES FOR SCHOOLS FOR FY 2013-14

Following in **Table 4-5** is a summary of budgeted ad valorem tax levies for Baldwin County Public Schools for FY 2013-14.

Table 4-5
Baldwin County School Ad Valorem
Millages and Revenues Budgeted for FY 2013-14

Revenue Code	Type of School Ad Valorem Tax	Constitutional Authorization	Millage Rate: District 1	Millage Rate: District 2	Budgeted for FY 2013-14	Yield Per Mill
6010	Countywide	Section 269	1.0	1.0	\$ 3,361,755	\$ 3,361,755
6010	Countywide	Amendment 3	3.0	3.0	\$ 10,085,264	\$ 3,361,755
6030	Countywide	Amendment 162	5.0	5.0	\$ 18,035,027	\$ 3,607,005
6210	District	Amendment 3	0.0	3.0	\$ 10,081,131	\$ 3,360,377
6210	District	Amendment 778	1.0	0.0	\$ 799,830	\$ 799,830
		TOTAL	10.0	12.0	\$ 42,363,006	n/a

Source: Baldwin County Board of Education Budget for FY 2014

Orange Beach School System Countywide and District School Taxes

The proposed Orange Beach City School System would share all Baldwin County countywide taxes of all types. The plan of apportionment is provided for in statute, whether general application or by local act, referring to the countywide foundation program cost ratio. Calculation of the **1995 Foundation Program** is necessary for each local board of education to determine their state and local share of cost. No stipulation is made that the total cost must exceed the chargeback or local share. In fact, without the state education officials performing the calculation, there would be no metric as to whether the local share exceeded the calculation of cost.

In addition, the proposed Orange Beach City School System would be by definition a school tax district and would automatically have levied and collected on their behalf all school ad valorem district taxes currently levied and collected on behalf of the Baldwin County Schools in the parent **School Tax District 2**. The rate would be the same as the parent district and the boundaries of the school tax district tax would be the municipal limits of the City of Orange Beach as they currently exist and as they exist in the future.

G. BALDWIN COUNTY SCHOOL SYSTEM TOTAL LOCAL REVENUES FOR SCHOOLS

Baldwin County Board of Education Tax-Based Local Revenues

A combined statement of all local tax-based revenues budgeted for the Baldwin County School System for FY 2013-14 follows in **Table 4-6**. In **Chapter 5**, these revenues will be apportioned to reflect those as would have been earned for FY 2013-14 by the proposed Orange Beach City School System had it been in financial operation. While non-tax revenues are significant, the main focus of **Chapter 5** will be tax-based revenues.

Table 4-6
Baldwin County Board of Education Tax-Based Revenues Budgeted for FY 2013-2014

Revenue Code	Description	FY 2013-14 Baldwin County Budgeted Local Taxes
6010	County Regular Ad Valorem - 4.0 Mills	\$ 13,447,018
6030	County Special Ad Valorem - 5.0 Mills	\$ 18,035,027
6095	Business Privilege Tax	\$ 1,090,000
6110	County Sales Tax - 2.55 cent	\$ 70,450,000
6140	County Alcoholic Beverage Tax	\$ 325,000
6170	Mineral Lease Documentary	\$ 500
6190	Other County Tax	\$175,000
	Subtotal Countywide Taxes	\$ 103,522,545
6210	Regular District Ad Valorem - 3.0/1.0 Mill	\$ 10,880,961
6370	Helping Schools-Vehicles Tags	\$ 45,000
6380	Manufactured Homes Reg. Fee	\$ 32,000
6520	City Council Appropriations	\$ 181,977
	Subtotal District Taxes	\$ 11,139,938
	TOTAL TAX-BASED REVENUES	\$ 114,662,483

The local revenues in **Table 4-5** are derived from local ad valorem taxes, local excise, franchise and privilege license taxes, and from other tax-based sources (this includes city council appropriations because they are tax-based). Those which are countywide rather than school tax district will be apportioned in accordance with general state law. Other local funds not derived from taxes shown in **Table 4-7** which follows are unique to the operation of each local board of education.

Table 4-7
Non Tax-Based Local Revenues Budgeted
by the Baldwin County School System for FY 2013-14

Revenue Code and Account Description	Budgeted for FY 2013-14
6710 - Daily Sales - Lunch	\$2,637,403.00
6720 - Daily Sales - Breakfast	\$219,249.00
6730 - Daily Sales - A la carte	\$828,294.00
6790 - Other Food Service Income	\$63,050.00
6810 - Interest	\$124,625.00
6921 - Charges for Services	\$1,241,304.47
6930 - Fees	\$800,000.00
6940 - Contributions from Private Sources	\$4,000.00
6965 - Medicaid Administrative Outreach Program	\$800,000.00
7110 - Admissions	\$800,044.00
7140 - Appropriations	\$4,540.00
7180 - Concessions	\$1,140,948.00
7220 - Commissions	\$126,500.00
7260 - Dues & Fees (Required)	\$1,006,488.00
7300 - Fines & Penalties	\$39,647.00
7340 - Fund Raiser	\$683,080.00
7380 - Grants	\$28,000.00
7420 - Sales	\$774,972.00
7430 - Donations	\$1,146,300.00
7440 - Accommodations	\$62,670.00
7490 - Other	\$58,110.00
7510 - Concessions	\$156,544.00
7610 - Dues & Fees (Self-imposed)	\$207,908.00
7710 - Fund Raiser	\$652,407.00
7810 - Donations	\$771,523.00
7850 - Accommodations	\$54,300.00
7910 - Other	\$40,355.00
Total Non Tax-Based Revenues	\$14,472,261.47

While local taxes are very important, normally state and federal funds make up the vast majority of revenues of local school systems to be budgeted. However, this will not be the case for the proposed Orange Beach City School System. These revenues will be discussed in **Chapter 5**.

In addition, the **State of Alabama Public School Chart of Accounts** recognizes a category of revenues known as **Other Sources** which are not state, federal or local but which can be categorized as local. These are relatively minor amounts and follow in **Table 4-8**:

Table 4-8
Other Financing Sources Budgeted
by the Baldwin County School System for FY 2013-14

Revenue Code and Account Description	Budgeted for FY 2013-14
8990 - Other Miscellaneous Revenues	\$415,000.00
8992 - E-Rate/SLC Refunds-Current Year	\$14,350.00
8993 - CNP Rebates	\$384,461.00
8995 - Extracurricular Trip Mileage Charges	\$200,000.00
8998 - Donated Food Loss	\$2,050.00
Total Other Revenues	\$1,015,861.00

However, once again these revenues are specific to the operation of a local board of education and are not classified as a tax-based revenue.

Allocation of Countywide Tax-Based Revenues

In general, countywide taxes follow students. In those counties where there is more than one school system, any type of countywide tax is apportioned to each public school system of the county on essentially a per student basis. The actual technical basis is the **Countywide Foundation Program Cost Ratio**. The estimated allocation of Baldwin County countywide and school tax district revenues to the proposed Orange Beach City School System will be detailed in **Chapter 5**.

Baldwin County School System Total Revenues Budgeted for FY 2013-14

In **Table 4-9** below is found the combined revenues for all revenue sources for the Baldwin County Public Schools for FY 2013-14. A distinction must be developed as to those revenues over which the board has discretion in spending and those which are earmarked or dedicated. It is important to note from this table that in governmental accounting, revenues are placed in separate funds according to purposes of expenditure. The **General Fund** receives the vast majority of revenues, the **Special Revenue Fund** receives restricted spending funds, the **Debt Service Fund** accumulates revenues to pay for annual debt service, the **Capital Outlay Fund** receives those funds which are dedicated for capital outlay purposes, and the **Expendable Trust Fund** accounts for those local school funds held in trust for local groups, such as student clubs and organizations, and which are not under the general control of the board to determine purpose of expenditure. These are Fiduciary Funds. For purposes of this study, the key elements to determine fiscal feasibility will be local tax revenues in excess of required State matches (discussed in **Chapter 3**) over which the board has control and those dedicated to capital outlay purposes.

Table 4-9
Baldwin County Public Schools Combined Budget Statement FY 2013-14

Category	GOVERNMENTAL				FIDUCIARY	MemoTotal All Funds
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Expendable Trust Fund	
BEGINNING BALANCE	\$ 28,541,612.23	\$17,823,190.78	\$ 3,582,671.36	\$ 28,043,298.35	\$1,218,870.00	\$ 79,209,642.72
State Revenues	\$126,126,582.00	\$ 1,175,057.00	\$ 236,643.55	\$ 6,185,266.45	\$ -	\$133,723,549.00
Federal Funds	\$ -	\$22,845,057.00	\$ -	\$ -	\$ -	\$ 22,845,057.00
Local Revenues	\$100,650,930.56	\$22,833,920.00	\$ -	\$ 3,766,857.00	\$1,883,037.00	\$129,134,744.56
Other Revenues	\$ 615,000.00	\$ 400,861.00	\$ -	\$ -	\$ -	\$ 1,015,861.00
TOTAL REVENUES	\$227,392,512.56	\$47,254,895.00	\$ 236,643.55	\$ 9,952,123.45	\$1,883,037.00	\$286,719,211.56
OTHER FUND SOURCES (USES)						
Other Fund Sources	\$ 1,598,131.47	\$ 3,804,449.00	\$ 9,367,144.76	\$ -	\$ -	\$ 14,769,725.23
Other Fund Uses	\$ 13,227,911.76	\$ -	\$ -	\$ -	\$ -	\$ 13,227,911.76
TOTAL OTHER FUNDS	\$ (11,629,780.29)	\$ 3,804,449.00	\$ 9,367,144.76	\$ -	\$ -	\$ 1,541,813.47
TOTAL EXPENDITURES	\$212,811,394.17	\$51,432,734.00	\$ 9,401,346.20	\$29,950,033.08	\$1,588,240.00	\$305,183,747.45
Excess Revenue and Other Sources Over(Under) Expenditures and Other Fund Uses	\$ 2,951,338.10	\$ (373,390.00)	\$ 202,442.11	\$(19,997,909.63)	\$ 294,797.00	\$ (16,922,722.42)
ENDING FUND BALANCE	\$ 31,492,950.33	\$17,449,800.78	\$ 3,785,113.47	\$ 8,045,388.72	\$1,513,667.00	\$ 62,286,920.30

Note: these budgeted amounts are subject to amendment during the course of the fiscal year.

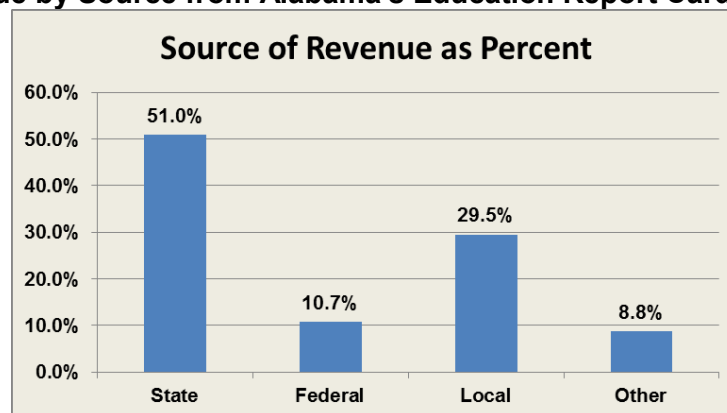
Of all of these funds, the ones which really matter to the enhancement of educational opportunities are those derived from local tax sources. Sources of budgeted revenues from all sources are found in the following in **Table 4-10**.

Table 4-10
Baldwin County School System Sources of Revenues for FY 2013-14

Source of Revenue	Budgeted Amount for FY 2013-14	Percent of Total
State Revenues	\$ 133,723,549.00	46.64%
Federal Funds	\$ 22,845,057.00	7.97%
Local Revenues	\$ 129,134,744.56	45.04%
Other Revenues	\$ 1,015,861.00	0.35%
Total	\$ 286,719,211.56	100.00%

As is shown in **Table 4-10**, the Baldwin County School System is less than 47% funded by state revenues. This can be compared to the latest statewide data found in **Figure 4-2** below:

Figure 4-2
Revenue by Source from Alabama's Education Report Card 2012-13



Note: The financial data is from FY 2011-12.

However, the Baldwin County School System is funded above the state average from local revenues. For local sources, the state average is 29.5%, (**Figure 4-2**) while the Baldwin County School System Average is 45.02% (**Table 4-11**).

Baldwin County School System Expenditures Budgeted for FY 2013-14

The spending plan budgeted by the Baldwin County School System follows in **Table 4-11**. In evaluating the budgeted spending plan for the Baldwin County School System, noteworthy is the percentage of the budget planned for **Instructional Services (48.00%)** and the relatively low percentage of the budget planned for **General Administrative Services (3.28%)**. Also, the relatively low percentages for **Capital Outlay and Debt Service** are noteworthy. The sum of the debt service percentage and the capital outlay percentage yields a total of **11.77%**. This sum is somewhat lower than the state average of **14.0%** (See **Figure 4-3** which follows). However, the Baldwin County School System is projecting the need for the issuance of new debt for a major program of classroom construction.

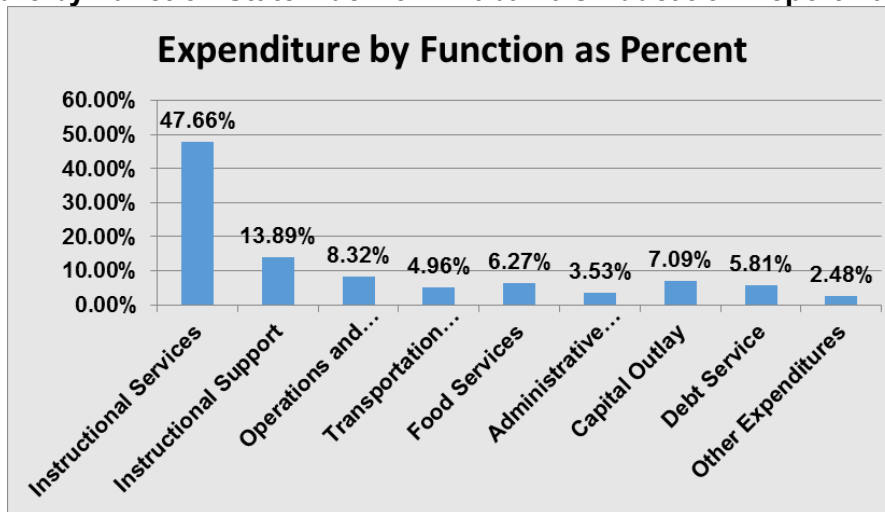
Table 4-11
Baldwin County Budgeted Expenditures by Function for FY 2013-14

Expenditures	Memo Total All Funds	Percent of Total
Instructional Services	\$ 146,502,905.07	48.00%
Instructional Support Services	\$ 39,286,293.80	12.87%
Operation and Maintenance Services	\$ 33,004,570.95	10.81%
Auxiliary Services	\$ 32,039,669.77	10.50%
General Administrative Services	\$ 10,024,904.57	3.28%
Capital Outlay	\$ 15,443,191.00	5.06%
Debt Service	\$ 20,482,921.21	6.71%
Other Expenditures	\$ 8,399,291.08	2.75%
Total Expenditures	\$ 305,183,747.45	100.00%

The statewide distribution of Expenditures by Function follows in **Figure 4-3**. It should be noted that statewide the expenditures for **Instructional Services** only average 48%. This is almost identical to the Baldwin County School System. Also notice that the Baldwin County School System expenditure for **Instructional Support Services** totals 12.87% of the budgeted expenditures, lower than the state average of 13.89%. **Food Service and Transportation** are the two functional components of **Auxiliary Services**. For the Baldwin County School System, this percentage of the budgeted expenditures is 10.50% which is roughly equal to the state average of 11.23%. However, it must be noted that some city local boards of education do not operate a student transportation system, which means that the average for those local school systems which do operate a student transportation system must be higher than the 11.23%. The Baldwin County School System encompasses a very large county and serves multiple school sites widely dispersed in a very large county.

Figure 4-3

Expenditure by Function Statewide from Alabama's Education Report Card 2012-13



Note: The financial data is from FY 2011-12

The expenditures of the Baldwin County School System for FY 2012-13 (actual financial data for FY 2011-12), are a part of the latest statewide report published by the Alabama State Department (*FY 2012-13 Report Card*) which is found in the following **Table 4-12**. This shows that the **Total Expenditures Per ADM** by Baldwin County for FY 2013 was **\$9,422** which ranked **91st** in the State (out of 134) compared to the State of Alabama average of **\$10,471**. This would include all of the revenues displayed in **Figure 4-3** above. However, by removing the expenditures by function for Capital Outlay and Debt Service, the result is **Current Expenditures Per ADM**. For Baldwin County this amount is **\$8,559** compared to a State of Alabama average of **\$9,120**. This amount for Baldwin County ranked **98th** in the State of Alabama. While a wealthy school system in terms of tax capacity, the ad valorem tax rate is at the bottom range of school systems in Alabama.

Table 4-12

Area	Total Expenditures Per Pupil in ADM	Rank in State	Current Expenditures Per Pupil in ADM	Rank in State
Baldwin County	\$9,422	91	\$8,559	98
Alabama Average	\$10,471	n/a	\$9,120	n/a
<i>*Current Expenditures excludes Capital Outlay and Debt Service</i>				

Baldwin County School System Local Tax Effort Budgeted for FY 2013-14

When comparing the pattern of budgeted revenues and expenditures of the Baldwin County School System above to averages for the State of Alabama, it is apparent that funding for the Baldwin County School System is below the state average. This is even more compelling given the past, current, and projected growth in student population and the pressing needs for additional classroom space. As has been previously presented in **Chapter 3**, the single independent variable of tax capacity and wealth upon which **1995 Foundation Program** and **1995 Capital Purchase Allocations** are made is the **Yield Per Mill Per ADM**. The beginning point in this determination is what revenues are generated by one mill of school tax district ad valorem tax in all tax districts comprising the local school system. This yield per mill

multiplied by a factor of 10 becomes the required local contribution or chargeback to the local school system. The next step is the student count in ADM over which these resources must be spread. The Tax Capacity is Yield Per Mill; the wealth is Yield Per Mill Per ADM. Obviously, even with large Tax Capacity (Baldwin County ranks 2nd in **Table 4-13** below), the purchasing power of this Tax Capacity must be spread over the objects of expenditure or cost factors which are students. More students means less wealth in this regard.

As shown in **Table 4-13** below, the Baldwin County School System ranks 6th in this wealth measure in budgeted school tax district ad valorem taxes statewide for FY 2013-14. However, since tax capacity is measured in terms of school tax district ad valorem taxation, limited access to this tax base through a relatively low millage rate means relatively few financial resources. The minimum ad valorem tax rate paid by taxpayers in each local school tax district of the State must be at least 10.0 mills (**Amendment 778**). For the Baldwin County School System this rate is 10.0 mills in **Tax District 1** and 12.0 mills in **Tax District 2**. Financial survival is only through the 2.55 cents of sales/use tax currently collected. Most local school systems in Alabama operate successfully only on the margin of sales tax revenues.

So to measure **Tax Effort** of local boards of education in Alabama, all local tax-based revenues are expressed in number of mills as if they totally derived from school tax district ad valorem tax dollars. In this measure of **Tax Effort** in **Table 4-13** below, the number of equivalent mills budgeted for the Baldwin County School System for FY 2013-14 is **31.08**, compared to the State of Alabama average of **32.43**. This ranks the Baldwin County School System number 72nd in the State out of 134. Obviously a greater local tax effort would improve this ranking, the ranking on expenditures per student, and capacity to issue debt for additional capital outlay. These data elements for each local board of education can be found in **Appendices 7-14** and **7-15**.

Table 4-13
Tax Capacity and Effort Budgeted for the Baldwin County School System for FY 2013-14

System Description	System Yield Per Mill	Rank Yield Per Mill	Yield Per Mill Per ADM	Rank Yield Per Mill Per ADM	Number of Equivalent Mills	Rank Equivalent Mills
Baldwin County	\$ 3,689,087	2	\$ 127.23	6	31.08	72
Alabama Average	\$ 54,118,488	n/a	\$ 73.20	n/a	32.43	n/a

Baldwin County School System Unrestricted Local Taxation Budgeted for FY 2013-14

The most significant criterion of the financial integrity of a local school system is, on a per student basis, the local tax dollars available to the local board of education to be budgeted. For the most part, these are the only resources over which the board has such authority by the fact that most state and federal revenues are highly earmarked by object of expenditure. In addition, due to the required local match of local tax-based tax revenues, these revenues additionally are not to be expended at the determination of the local board of education. Rather they are to be expended in accordance with state statute. So they are not unrestricted local tax-based revenues, they are restricted local tax-based revenues to be expended ad directed for state purposes.

The next calculation to be made is to determine the amount of local tax-based revenues that are unrestricted and to be expended at the discretion of the local board of education. Note that local debt service and current expenditures for capital outlay must come from this unrestricted portion. This data is presented in **Appendices 7-18** and **7-19**. This calculation is summarized for the Baldwin County School System for budgeted local tax-based revenues for FY 2013-14 in the following **Table 4-14**. The leeway for program enhancement is from local tax revenues, the amounts left over after required state matches are made. These required state matches are known as required local effort (See **Table 3-6** for the definition of this term). State allocations from the **1995 Foundation Program** and the **1995 Capital Purchase Program** require local funds to be budgeted as a match to receive the funds and are thus restricted to state purposes. The implication of this required match for the Baldwin County and proposed Orange Beach City School System will be detailed in **Chapter 5**.

Table 4-14
Unrestricted Local Taxation Budgeted for the
Baldwin County School System for FY 2013-14

System Description	FY 2014 Foundation Program Local Match 10.00000 Mills	FY 2014 Local Capital Purchase Local Match 1.02282 Mills	Total Local Match 11.02282 Mills	FY 2014 Budgeted Local Tax- Based Revenues	FY 2014 Unrestricted Local Taxation	FY 2014 Unrestricted Local Taxation Per ADM	Rank
Baldwin County	\$ 36,890,870	\$ 3,766,857	\$40,657,727	\$114,662,483	\$74,004,756	\$2,552	14
Alabama Average	\$ 541,184,880	\$ 55,353,492	\$596,538,372	\$1,755,122,755	\$1,158,584,383	\$1,567	n/a

From this **Table 4-14**, it is shown that while the local match exceeds \$40 million annually, a large amount of local tax revenues are left over, predominately from sales taxes. Simply put, the ad valorem taxation for the Baldwin County School System for FY 2013-14 must be expended to meet state statutorily required educational programs. Only the balance which is predominately sales/use taxes is available for local purposes. And a considerable portion of this amount is pledged for existing debt service; \$16,144,494.90 is budgeted for FY 2013-14 (see **Appendix 7-30** for a complete summary of the Baldwin County School System Schedule of Debt Service budgeted for FY 2013-14).

State Allocations for the Baldwin County School System for FY 2013-14

State allocations for the Baldwin County School System budgeted for FY 2013-14 are found in the following **Tables 4-15** which is the facsimile of the State Department of Education annual allocation exhibit of selected appropriations from the **Education Trust Fund**, and **Table 4-16** is the summary of all state allocations budgeted by the Baldwin County Public School System. This allocation sheet is prepared annually by the State Department of Education and distributed to local school systems when a state ETF budget is approved by the legislature. The most important component of this allocation sheet is the analysis of the teacher units that are earned and the associated cost reimbursement from the state for these teacher units. The annual 1995 Foundation Program allocations are actually reimbursement for the education program costs for the prior fiscal year since prior year ADM and the placement of each certificated person on the statewide minimum salary schedule matrix are the input variables. However, adjustments may be made annually for a state mandated pay raise, an increase in fringe benefits, increases in the appropriations of the components of Classroom Instructional Support, and the number of Current Teacher Units appropriation amount. The first section of the allocation sheet is devoted to the **1995 Foundation Program**.

Table 4-15
Baldwin County Public School System State Allocations for FY 2013-14

State Department of Education					
Final FY 2014 Foundation Program					
002	Baldwin County	FY 2014		FY 2013	Change
		Sum of All School Sites		Sum of All School Sites	FY 2014 - FY 2013
System ADM		28,996.50		28,319.10	677.40
Foundation Program Units					
Teachers		1,634.96		1,596.07	38.89
Principals		42.00		42.00	0.00
Assistant Principals		34.50		31.50	3.00
Counselors		55.50		50.50	5.00
Librarians		59.75		59.75	0.00
Voc. Ed. Directors		3.00		3.00	0.00
Voc. Ed. Counselors		2.00		2.00	0.00
Total Units		1,831.71		1,784.82	46.89
Foundation Program (State & Local Funds)		FY 2014 Per Unit		FY 2013 Per Unit	
Salaries	\$ 47,795.79	87,548,023	\$ 47,315.79	84,450,175	3,097,848
Fringe Benefits	38.16%	33,407,544	36.85%	31,120,876	2,286,668
Other Current Expense	\$ 15,661.00	28,486,916	\$ 14,958.00	26,697,157	1,789,759
Classroom Instructional Support Total		1,454,757		1,423,251	31,506
Student Materials and Supplies	\$ 300.00	545,715	\$ 300.00	535,446	10,269
Technology	\$ -	-	\$ -	-	-
Library Enhancement	\$ -	-	\$ -	-	-
Professional Development	\$ -	-	\$ -	-	-
Common Purchase	\$ -	-	\$ -	-	-
Textbooks Per ADM	\$ 31.35	909,042	\$ 31.35	887,805	21,237
Current Units	\$ -	-	\$ -	503,171	(503,171)
Total Foundation Program.		150,897,240		144,194,630	6,702,610
Foundation Program Cost from ETF		114,006,370		104,762,870	9,243,500
State Funds - Categorical Aid					
Salaries - 1% per Act 97-238		-		-	-
School Nurses Program		904,205		867,341	36,864
Technology Coordinator		27,146		26,813	333
Student Health Data		-		-	-
Transportation			APSCA		
Operating Allocation	Per Chassis	8,402,231	Per Chassis	8,127,789	274,442
Fleet Renewal	\$ 6,000.00	1,350,000	n/a	-	1,350,000
At Risk		555,647		522,287	33,360
At-Risk Program - ASIMS		0		0	0
Board of Adjustment Awards		-		-	-
Subtotal ETF Categorical Aid Programs		11,239,229		9,544,230	1,694,999
Subtotal ETF from Appropriation Bill		125,245,599		114,307,100	10,938,499
SDE Allocations					
High Hopes Program (HS Graduation Exam Remediation)		-		-	-
High Hopes Program to link home computers to ASIMS		-		-	-
Preschool Program		-		-	-
Total from ETF		125,245,599		114,307,100	10,938,499
PSF Allocations					
Capital Purchase		5,071,910		4,696,385	375,525
Total from PSF		5,071,910		4,696,385	375,525
TOTAL STATE FUNDS		130,317,509		119,003,485	11,314,024
Local Funds					
Number Mills			Number Mills		
Foundation Program Match	10.000000	36,890,870	10.000000	39,431,760	(2,540,890)
Capital Purchase Match	1.022820	3,766,857	1.041451	4,105,644	(338,787)
Total Local Funds		40,657,727		43,537,404	(2,879,677)
NOTE: Due to rounding, some line items may not calculate to exact dollar amount shown.					

The next section of the allocation sheet is devoted to the **Categorical Aid Programs**, most of which are found in statute, which are outside of the 1995 Foundation Program statute but commonly referred to as being in the 1995 Foundation Program. The major programs here as categorical aid are the Student Transportation Programs and the Capital Purchase Program.

The last section of the allocation sheet, **SDE Allocations**, contains a few of the additional line items of appropriation made by the Legislation in the annual education appropriations act to the State Department of Education for allocation to local school systems. These items of appropriation do not have a statutory basis and are annual determinations at the discretion of the Legislature.

In addition at the bottom of the allocation sheet is a summary of the local tax-based contributions for state match for the two financial aid programs equalized by the State of Alabama by statute. However, all these programs and the required local taxation with required local effort (see **Table 3-6** for definitions) are not sufficient to operate a school system. Generally, the costs of local central administration or General Administrative Services are to be funded from local taxes; however, the funds allocated as other current expense could be used for this purpose if they were not already required to provide for multiple unfunded mandates from the State. And there is the need for debt service and capital outlay from local funds as well as local initiatives for instructional improvement. In **Chapter 5**, the revenues allocated under this scheme for the schools which serve the resident students of Orange Beach will be detailed.

Alabama Public School and College Authority and Public School Fund (PSF)

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 and periodic bond issue allocations paid for by local school system with **Capital Purchase Program** allocations intercepted by the State from the Public School Fund. This procedure was discussed in **Chapter 3**. The utilization of this bonding authority by the Baldwin County Board of Education will be documented in **Chapter 5** as amortization tables for the debt assigned from this authority to school sites in the City of Orange Beach will be discussed and included as **Appendix 7-29**.

Near the bottom of the allocation sheet presented in **Table 4-15** is found the allocation from the Public School Fund. The Public School Fund is comprised primarily of a 3.0 mill statewide ad valorem tax. These are equalized funds restricted to capital outlay. **Appendices 7-16** and **7-17** detail the process of calculating these funds annually, both state share and required local match.

State Revenues Sources Budgeted by Baldwin County for FY 2013-14

As was explained in **Chapter 3**, there are many sources of State revenues to local boards of education. The following revenues by State source or line item of appropriation are in majority budgeted for the Baldwin County School System for FY 2013-14 in the General Fund (unrestricted) of the system which comprises the majority of revenues as shown in **Table 4-16**. The students and schools of the proposed Orange Beach 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. These will be detailed in **Chapter 5**. Also, budgeted revenues for local and federal sources may be re-estimated during the course of the fiscal year. However, no changes are permitted to the amounts for required

local effort. Other amounts may change slightly during the fiscal year and are budgeted amounts subject to amendment.

Table 4-16
Total State Revenues Budgeted by Baldwin County for FY 2013-14

Revenue Code and Account Description	Budgeted for FY 2013-14
1110 - Foundation Program - Regular	\$114,006,370.00
1220 - School Nurses Program	\$904,205.00
1221 - Technology Coordinator	\$27,146.00
1222 - Career Tech O & M	\$169,032.00
1230 - Alabama Reading Initiative	\$1,381,381.00
1250 - Childrens First - Alabama Tobacco Settlement	\$99,623.00
1252 - English as a Second Language - State	\$58,738.00
1275 - Gifted Education	\$40,337.00
1310 - Transportation - Operations	\$8,402,231.00
1320 - Transportation - Fleet Renewal	\$1,350,000.00
1410 - At Risk	\$555,647.00
1520 - Preschool	\$66,872.00
2120 - Public School Fund- Capital Outlay	\$5,071,910.00
2227 - Act 2013-381 Career Tech Bond Issue	\$1,175,057.00
2901 - State Sources Default	\$415,000.00
Total State Revenues	\$133,723,549.00

Note: includes revenues in **Table 4-15**.

H. EXPIRATION OF EXISTING TAXES FOR THE BALDWIN COUNTY SCHOOL SYSTEM

Ad Valorem Taxes

All ad valorem school taxes (five general constitutional authorizations) may be levied only by a referendum of the people. These authorizations are for a fixed period of time and either will expire or be renewed by an additional referendum according to the following provision of Section 16-13-108, *Code of Alabama, 1975*:

(b) No election for the voting of the tax shall be held which would authorize the tax for a period or aggregate periods which would cause the tax to become due and payable later than 30 years from the October 1 next after such election. All warrants heretofore or hereafter issued as preferred claims against a special tax under the constitution shall continue such claims against such tax until paid, whether such tax was voted at one time or from time to time and whether such tax was voted at the time the warrants were issued or thereafter (*Code of Alabama, 1975, Section 16-13-108*).

This limitation applies to the five general authorizations known as school ad valorem taxes. In the case of Baldwin County, **Amendment 162** is levied as a local constitutional amendment **without limit as to time**. The summary of expiration dates of general levys are found in the following **Table 4-17**.

Table 4-17
Expiration of Baldwin County School System Ad Valorem Taxes

Type of School Ad Valorem Tax	Millage Rate: District 1	Millage Rate: District 2	Constitutional Authorization	Date of Last Levy	Date of Last Collection
Countywide	1.0	1.0	Section 269	10/1/2016	10/1/2017
Countywide	3.0	3.0	Amendment 3	10/1/2015	10/1/2016
District	0.0	3.0	Amendment 3	10/1/2015	10/1/2016
Total	4.0	7.0			

Source: Baldwin County Board of Education Budget for FY 2014, Form Budget 5, Millage Rates.

Sales/Use Tax

In addition, the one cent countywide sales/use tax levied under the authority of **Amendment 879** also has in the language of the amendment a termination date of June 1, 2018. The yield of a one cent sales tax is budgeted at \$27,627,451 for FY 2013-14.

New School Construction

At the Baldwin County Education Summit last fall, John Wilson, the system's finance director, said that if student enrollment trends continue at an average growth of 2 percent per year, the system could see an overall 33 percent growth from 2000-2014. The school system issued a \$150 million bond in 2007 to build or renovate 11 elementary, middle and high schools, but the system's current capital needs, Wilson said, would cost about \$120 million. The school system's sales tax revenue is "maxed out," Wilson said at the summit, because it is largely pledged toward meeting the system's current debt obligations of \$200 million (*Mobile Press Register*, Sally Pearsall Ericson, sericson@al.com, March 05, 2014, 3:39PM).

If current revenues are unable to meet the demands for new construction, it would appear logical that additional sources of revenues to service capital outlay debt must be found. There is the possibility that the Baldwin County Board of Education could request the Baldwin County Commission to hold a referendum on an ad valorem tax increase based upon unused authority. This could be for 5.0 mills countywide under the authority of **Amendment 202** and 3.0 mills by school tax district (two separate elections in Tax District 1 and 2) under the authority of **Amendment 382**.

CHAPTER 5

FINANCING THE PROPOSED ORANGE BEACH CITY SCHOOL SYSTEM

A. PROPERTY ENDOWMENTS OF THE BALDWIN COUNTY SCHOOL SYSTEM IN THE CITY OF ORANGE BEACH

Should the Orange Beach City Council pass a resolution to create the proposed Orange Beach City School System, all school property of the Baldwin County School System located within the city limits of the City of Orange Beach (land, buildings, and equipment) would become the property of the new city school system. This would include school sites with buildings and equipment, vacant land, and any sixteenth section school lands (there are none identified). The following acreage has been identified at existing school sites and is displayed in the **Figure 5-1** which follows:

Figure 5-1
Acreage of School Sites in the City of Orange Beach



Adjacent current city property and that which can be acquired in the future can be dedicated to the use of this campus.

B. PROPOSED ORANGE BEACH CITY SCHOOL SYSTEM LOCAL REVENUES FOR FY 2013-14 (REVENUE CODE RANGE 6000-7999)

Student Enrollment

In Alabama, school funding formulas for the allocation of the **1995 Foundation Program** and the **1995 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 after Labor Day in a local school system). As this measure of wealth increases, so does the contribution that local boards of education must provide in order to receive state funds from the (1) **1995 Foundation Program** and the (2) **1995 Capital Purchase Program**.

In the case of the **1995 Foundation Program**, the first requirement is that a local board of education must deposit into the School System General Fund for the purposes of funding the 1995 Foundation Program the equivalent yield of 10.0 mills of school district tax from any tax-based local source. This amount is calculated from the most recent financial statement of local boards filed with the State Department of Education whose fiscal year of tax collection is **two years in arrears** from the amount in the annual education appropriations bill. Once the Financial Statement is filed for the fiscal year ended, the amounts for each local board of education statewide are summed, and are included in the appropriation request for the budget year. In addition, with the exception of motor vehicle taxes, real and personal property ad valorem taxes are paid in arrears.

Therefore, this statewide total and the amount for each local board lag behind the current appropriations by two fiscal years. The local match for the Baldwin County Board of Education for FY 2013-14 Foundation Program calculations were based upon the ad valorem revenues actually received for FY 2011-12 from all classes of property. Since the Foundation Program in actuality determines and allocates cost on a per student basis in ADM as cost reimbursement for prior year costs, this required local effort, or contribution, or chargeback is, in reality on a per student basis. This is the statutory determination of the wealth of the local board of education in terms of yield per mill per ADM.

All state calculations of state aid formulas are based upon this one measure of wealth: the yield of one mill of school tax district tax of all school tax districts comprising the school system (see **Appendices 7-12** and **7-13**). Therefore, a local board of education can demonstrate greater wealth for these calculations by the enhancement of the assessed valuation of property of the respective school tax districts of the school system (increase revenues), or by having a declining student population upon which this wealth must be expended (reduce costs). However, diminished student population conversely also means a reduced calculated cost reimbursement from state aid formulas, and in the case of a city school system, reduced allocation of countywide taxes.

Budgeting for any local school systems requires accurate and timely recognition of changes in student enrollment measured in ADM. Losing students, which results in a loss of state and local revenues, must be accompanied by a commensurate reduction in infrastructure cost. Fortunately, the **1995 Foundation Program** is calculated for the budget year on the prior year student count. Therefore there is a one year period of hold-harmless funding (reimbursement for prior year cost of operations) which means local boards have reasonable opportunity to make adjustments in costs should student enrollment decline.

Conversely, gaining students means the local board must forward fund such necessary cost increase. While the **1995 Foundation Program** does provide for the annual allocation of **“current teacher units”** to those local boards of education increasing enrollment in the budget year, the amount is limited to what the Legislature chooses to provide and for the past several years has been dramatically underfunded. Therefore, local boards of education are mandated to absorb additional costs for teacher units necessary to cover personnel costs, instruction costs, and classroom space when student enrollment grows. A difficulty in planning growth is that a local board may have no way of knowing future enrollment trends until students actually show up and register. However a city council through zoning and construction permits can predict future student growth with some degree of accuracy.

Tax Capacity and Chargeback or Required Local Effort

The calculation of the chargeback for the Baldwin County School System follows in **Table 5-1**; this chargeback has been steadily growing over the past decade. However, the decline in FY 2012-13 illustrates the delay in the fiscal effects on real estate of the Great Recession and the BP Oil Spill actually being recorded in the chargeback. The measure of yield per mill is the measure of tax capacity used in Alabama for school funding purposes (See **Table 3-6** for definition of terms). This measure is collected annually by the Alabama State Department of Education from the financial statements submitted at the end of each fiscal year. The amounts thus tabulated are included in the annual education appropriations request submitted to the Governor and the Legislature by the State Board of Education for appropriation for the budget year. Therefore the actual collections reported are the amounts to be charged back in the budget year, or two years in arrears of actual collections.

Table 5-1
Calculation of the Chargeback for the
Baldwin County School System, FY 1999-00 to FY 2013-14

State Fiscal Year	Current Year ADM	ADM Used in Foundation	Yield per Mill Used in Foundation	Chargeback Used	Chargeback PER ADM
1999-00	22,319.14	n/a	\$1,699,457	n/a	n/a
2000-01	22,598.51	22,319.14	\$1,850,805	n/a	n/a
2001-02	23,087.02	22,598.51	\$1,962,115	\$16,994,570	\$761.43
2002-03	23,414.12	23,087.02	\$2,155,209	\$18,508,050	\$818.99
2003-04	23,977.91	23,414.12	\$2,409,759	\$19,621,150	\$849.88
2004-05	24,657.25	23,977.91	\$2,466,412	\$21,552,090	\$920.47
2005-06	25,825.20	24,657.25	\$2,931,421	\$24,097,590	\$1,004.99
2006-07	26,037.40	25,825.20	\$3,723,640	\$24,664,120	\$1,000.28
2007-08	26,323.05	26,037.40	\$4,543,147	\$29,314,210	\$1,135.10
2008-09	26,735.95	26,323.05	\$4,383,047	\$37,236,400	\$1,430.11
2009-10	27,445.40	26,735.95	\$4,333,115	\$45,431,470	\$1,725.92
2010-11	27,744.30	27,445.40	\$3,689,087	\$43,830,470	\$1,639.38
2011-12	28,319.10	27,744.30	\$3,943,176	\$43,331,150	\$1,578.81
2012-13	28,996.50	28,319.10	n/a	\$36,890,870	n/a
2013-14	29,685.05	28,996.50	n/a	\$39,431,760	n/a

As is seen in **Appendix 7-12**, this measure ranks the Baldwin County Public School System as the **2nd** in the state in terms of **tax capacity** measured as yield per mill of school tax district ad valorem tax. However, this is **not tax wealth**. In terms of students to be served by taxing this tax capacity, the Baldwin County Public School System ranks **6th** in the state based on **wealth measured by yield per mill per ADM**. A similar calculation will follow for the proposed Orange Beach City School System.

Resident and Non-Resident Student Populations

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 Orange Beach City School System before a measure of wealth can be predicted. Using information based on actual residents of Orange Beach, the following **ADM** (see **Table 5-2**) can be estimated for the proposed two school sites serving grades K-12 of the City of Orange Beach. It is important to note at this point that any estimate of resident student attendance is just that, an estimate made of resident students eligible to attend, a snapshot of the present as a reasonable predictor of the future. Actual operation of the proposed Orange Beach City School System is, with all deliberate speed to separate, most likely two school years later.

Some explanation is necessary to explain how the student count shown below was derived. A direct analysis of residence of students by ADM by school site was provided by the Baldwin County Board of Education. However, total enrollment, which counts every student who was enrolled for at least one day by source of residence, was provided. So many factors must be accepted as uncertainties. (1) Some of these students may have withdrawn, moved away, dropped out, and so forth; this introduces an error into any projection. (2) Furthermore, a few Ono Island students currently attend Orange Beach Elementary School site in the City of Orange Beach and also in Gulf Shores; they live outside the political boundaries of the City (city limits) and therefore are not resident students and whose count should be considered. (3) Some resident students are zoned to attend school sites outside of the City of Orange Beach in Gulf Shores and must be counted. (4) And lastly, some students currently home schooled or in private schools, if they are residents of the City of Orange Beach, are guaranteed the right to attend the proposed Orange Beach City School System.

The estimates made for student population follow in **Table 5-2** and will be used in financial calculations:

Table 5-2
Predicted Resident Student Enrollment in Schools of Orange Beach

Source of Enrollment	Orange Beach Elementary	Gulf Shores Middle School	Gulf Shores High School	Total
Grade	K-6	7-8	9-12	
FY 2014 ADM FROM BCBOE*	485.45	472.95	831.00	1,789.40
Less:				
1. Orange Beach Enrollment	-445.45	-136.00	-227.00	-808.45
2. Ono Island Enrollment	-40.00	-20.00	-18.00	-78.00
Net Enrollment Outside OB and Ono	0.00	316.95	586.00	902.95
Orange Beach Residents Only	445.45	136.00	227.00	808.45
Add:				
1. Ono Island Enrollment	40.00	20.00	18.00	78.00
2. Add Home/Private Schooled/Children of Employees	33.00	10.00	17.00	60.00
Total Estimated OB City School System	518.45	166.00	262.00	946.45
<i>*ADM is student county by average enrollment for the first twenty days after Labor Day.</i>				
<i>*BCBOE is Baldwin County Board of Education.</i>				

The ultimate decision as to which students who reside outside the City limits of Orange Beach attend the proposed Orange Beach City School System will be made by the Orange Beach City School Board. One of these decisions may be to allow school age children of

Orange Beach City Employees residing outside the City limits to attend. Over the next two years, it should be expected that the population of the City of Orange Beach will increase. The last point of explanation is that while students residing outside of the City of Orange Beach are not included at this point, the Board appointed by the City Council of Orange Beach can and may establish rules and procedures by which non-resident students may attend the proposed Orange Beach City School System. It should be noted that **Table 5-2** table uses ADM and Enrollment interchangeably. The ADM is from the prior year but used for purposes of calculating state aid for FY 2013-14. The determination of resident and non-resident students is by enrollment as an ADM value is not available. However, estimates of error are very slight in this process and will not materially affect the outcome of the **Study**. By definition state funding is based upon student count in ADM.

From this **Table 5-2**, the estimated resident student count for funding purposes of **the proposed Orange Beach City School System for FY 2013-14 in ADM was set at 946.45**. This student count as ADM and distributed by grade according to current year distribution in Gulf Shores High School, Gulf Shores Middle School, and Orange Beach Elementary School was used to estimate state allocation based upon earned teacher unit by grade divisors. However, at the time of separation, a different student count, probably larger, will be used to determine state funding and share of countywide taxes.

Wealth of the Proposed Orange Beach City School System

The proposed Orange Beach City School System would have its initial chargeback determined by the yield of 1.0 mill of city school district tax for schools multiplied by ten since this is the best single proxy for the yield of the district school tax. Since this city school tax district does not exist, as a proxy for the following calculations, a summary of the assessed valuation of property, **Classes I, II, III, and IV** will be used and a millage rate of 1.0 mill or 1/10th on a penny or 0.1% or 0.001 will be applied. The assessed valuation data for real and personal property in **Classes I, II, and III** were provided by the Baldwin County Revenue Commissioner's Office; the motor vehicle assessed valuation data for **Classes I, II and IV** were provided by the Baldwin County Probate Judge. The net assessed valuation for application of millage rates is found in **Table 5-3**.

Table 5-3
Assessed Valuation of Classes I, II, III and IV of Orange Beach City, 2007 to 2013

Fiscal Year	Real/Personal Property						Motor Vehicles	Total All
	Class I	Class II	Class III	Add Penalties	Less Homestead Exemptions	Less Other Exemptions	Class I, II and IV	
2007	\$11,393,220	\$1,647,888,007	\$231,831,900	\$349,820	(\$70,670,920)	(\$771,981,060)	\$16,168,768	\$1,053,586,515
2008	\$5,803,440	\$1,571,883,800	\$233,939,760	\$310,020	(\$71,984,940)	(\$759,227,660)	\$15,894,540	\$990,815,520
2009	\$6,240,540	\$1,488,945,520	\$187,308,440	\$295,920	(\$56,193,520)	(\$741,704,280)	\$15,096,530	\$893,748,610
2010	\$7,888,400	\$1,403,671,060	\$163,527,160	\$381,580	(\$11,533,080)	(\$745,178,020)	\$13,869,840	\$824,738,540
2011	\$7,762,900	\$1,276,116,480	\$157,992,480	\$406,880	(\$11,304,820)	(\$682,072,400)	\$15,074,615	\$756,213,235
2012	\$7,762,900	\$1,240,479,060	\$157,950,120	\$111,880	(\$10,213,980)	(\$669,713,720)	\$16,255,090	\$734,868,450
2013	\$7,644,280	\$1,237,883,420	\$164,884,180	\$107,380	(\$10,932,220)	(\$663,482,600)	\$17,793,013	\$746,253,173

The distribution of these found classes of ad valorem property is worth noting. **Table 5-4** shows the relative distribution by class of property (**Table 5-4** is the distribution of gross assessed valuation before adjustments are made for penalties, homestead exemptions and other exemptions to get net taxable property values). It can be seen that business property

(**Class II**) is the second largest class of property in the City of Orange Beach, accounting for **86.67%** of the total assessed air market value of property subject to the ad valorem tax. This property is assessed at **20%** of its fair market value. Also noteworthy is the relatively small percentage of assessed valuation of public utilities (**Class I**), **0.54%**, which is assessed at **30%** of its fair market value. Further development of **Class II** property per dollar value of investment is taxed at twice the rate of residential property and further generates sales tax revenues. Class III property represents a very small proportion and is assessed at **10%** of its fair market value at **11.54%**.

Table 5-4
Percentage Share of Assessed Valuation by Class of Property in Orange Beach, 2013

Fiscal Year	Class I	Class II	Class III	Motor Vehicles Class I, II and IV	Total
2013	0.54%	86.67%	11.54%	1.25%	100.00%

In **Table 5-5**, is found the net assessed valuation for Baldwin County as a whole, a companion to **Table 5-3** for Orange Beach:

Table 5-5
Assessed Valuation of Classes I, II, III and IV of Baldwin County, 2007 to 2013

Fiscal Year	Real/Personal Property						Motor	Total All
	Class I	Class II	Class III	Add Penalties	Less Homestead Exemptions	Less Other Exemptions	Class I, II and IV	
2007	\$123,227,310	\$5,044,335,913	\$1,641,480,820	\$1,640,160	(\$191,288,900)	(\$1,838,745,100)	\$336,892,415	\$4,994,315,308
2008	\$123,455,040	\$4,874,879,940	\$1,652,881,080	\$1,951,860	(\$199,136,040)	(\$1,789,402,280)	\$324,782,760	\$4,865,957,320
2009	\$126,214,240	\$4,531,295,880	\$1,531,426,640	\$1,621,460	(\$196,649,600)	(\$1,718,747,600)	\$314,497,370	\$4,463,444,150
2010	\$128,350,960	\$4,205,378,680	\$1,391,762,600	\$1,715,780	(\$191,970,040)	(\$1,724,599,060)	\$284,265,256	\$3,966,553,216
2011	\$135,230,060	\$3,890,862,800	\$1,333,248,700	\$1,501,560	(\$199,468,860)	(\$1,590,876,720)	\$310,697,586	\$3,745,965,066
2012	\$135,230,060	\$3,666,996,140	\$1,306,371,840	\$1,260,100	(\$190,328,760)	(\$1,494,834,480)	\$334,184,000	\$3,623,648,840
2013	\$133,965,020	\$3,636,787,080	\$1,331,018,780	\$1,195,400	(\$198,760,020)	(\$1,479,267,140)	\$353,124,342	\$3,644,098,442

In **Table 5-6**, a companion to **Table 5-4**, is a calculation of percentage share of total assessed valuation of Baldwin County as a whole without adjustments for penalties, homestead exemptions, and other exemptions. In terms of **Class II** business property, the percentage share is smaller than the City of Orange Beach and a much larger dependence on motor vehicles. Also, the percent of **Class I** utility property is approximately fivefold that of Baldwin County. And there should be no surprise that **Class III** property is, in terms of share of total, about twice that of the City of Orange Beach. In terms of tax policy, residents of Orange Beach bear a much smaller share of the burden of ad valorem tax than residents of Baldwin County overall.

Table 5-6
Percentage Share of Assessed Valuation by Class of Property in Baldwin County, 2013

Fiscal Year	Class I	Class II	Class III	Motor Vehicles Class I, II and IV	Total
2013	2.46%	66.67%	24.40%	6.47%	100.00%

Calculation of the Chargeback to the Proposed Orange Beach City School System

Obviously the tax capacity of the City of Orange Beach is much less than Baldwin County as a whole based upon what one mill of ad valorem tax would yield. However, the final

determination of state aid for public schools in Alabama is not the yield per mill, but the wealth of a local school system as measured by the yield per mill per student in ADM. This value has been displayed above in **Table 5-1** for the Baldwin County School System and shows the wealth diluting effect of a relatively large population.

Table 5-7 summarizes **Class I, II, III and IV** real and personal property and determines the yield per mill and applicable chargeback for the proposed Orange Beach City School System. Note that the chargeback or required state match is not directly based upon assessed valuation, but yield of assessed valuation – taxes paid – after abatements, exemptions, and cost of collection have been applied and is calculated on actual collections two years in arrears of the budget year for public schools.

Table 5-7
Estimated Chargeback for the
Proposed Orange Beach City School System for FY 2013-14

Fiscal Year***	Ad Valorem Tax Revenues from Revenue Commissioner	Ad Valorem Tax Revenues from Probate Judge	Total Ad Valorem Tax Revenues*	Millage Rate	Calculated Yield Per Mill	Estimated Chargeback 2014*
2008	\$ 2,932,043.05	\$ 58,472.95	\$ 2,990,516.00	4.0	\$ 747,629.00	n/a
2009	\$ 3,927,032.50	\$ 56,412.30	\$ 3,983,444.80	4.0	\$ 995,861.20	n/a
2010	\$ 4,223,966.47	\$ 54,385.53	\$ 4,278,352.00	4.0	\$ 1,069,588.00	\$ 7,476,290
2011	\$ 3,034,334.55	\$ 57,364.45	\$ 3,091,699.00	4.0	\$ 772,924.75	\$ 9,958,612
2012	\$ 2,900,029.70	\$ 69,678.30	\$ 2,969,708.00	4.0	\$ 742,427.00	\$ 10,695,880
2013	\$ 2,976,369.49	\$ 65,773.76	\$ 3,042,143.25	4.0	\$ 760,535.81	\$ 7,729,248
2014**	\$ 2,765,000.00	\$ 65,000.00	\$ 2,830,000.00	4.0	\$ 707,500.00	\$ 7,424,270
* Chargeback is calculated from ad valorem tax yield per mill two years in arrears.						
**Estimated or Budgeted.						
***Revenues provided by Ms. Clara Myers, Orange Beach Director of Finance.						

From **Table 5-7**, it is seen that the Chargeback for the proposed Orange Beach City School System for FY 2013-14 would have been **\$7,424,270**. However, 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 calculation for the proposed Orange Beach City School System is shown in **Table 5-8**. Note that all ADM values are current year estimated and yield per mill is two years in arrears.

Table 5-8
Calculation of Chargeback Per ADM for
Proposed Orange Beach City School System for FY 2013-14

Fiscal Year	Current Yield Per Mill	FY 2013-14 ADM	Yield Per Mill Per ADM*	Chargeback Per ADM*
2008	\$ 747,629.00	946.45	\$ 789.93	\$ 7,899.30
2009	\$ 995,861.20	946.45	\$ 1,052.21	\$ 10,522.07
2010	\$ 1,069,588.00	946.45	\$ 1,130.11	\$ 11,301.05
2011	\$ 772,924.75	946.45	\$ 816.66	\$ 8,166.57
2012	\$ 742,427.00	946.45	\$ 784.43	\$ 7,844.33
2013	\$ 760,535.81	946.45	\$ 803.57	\$ 8,035.67
2014**	\$ 707,500.00	946.45	\$ 747.53	\$ 7,475.30
* Chargeback is calculated from ad valorem tax yield per mill two years in arrears.				
**Estimated or Budgeted.				

The wealth value is **\$784.43** and is defined as **yield per mill per ADM**. From this calculation of wealth, it is shown that for FY 2013-14 (the latest financial data available statewide from the State Department of Education on budgeted local taxes is FY 2013-14) the state average **yield per mill per ADM** would be **\$73.20** as in found in **Appendix 7-13**. This can be compared to other school systems of the state as seen in **Appendices 7-12** and **7-13**.

Table 5-9
Calculation of Chargeback Per ADM for
Baldwin County School System for FY 2013-14

Fiscal Year	Yield per Mill Used in Foundation	Prior Year ADM	Yield Per Mill Per ADM	Chargeback Used	Chargeback PER ADM
2008	\$4,543,147	26,037.40	\$ 174.49	\$29,314,210	\$ 1,125.85
2009	\$4,383,047	26,323.05	\$ 166.51	\$37,236,400	\$ 1,414.59
2010	\$4,333,115	26,735.95	\$ 162.07	\$45,431,470	\$ 1,699.27
2011	\$3,689,087	27,445.40	\$ 134.42	\$43,830,470	\$ 1,597.01
2012	\$3,943,176	27,744.30	\$ 142.13	\$43,331,150	\$ 1,561.80
2013	n/a	28,319.10	n/a	\$36,890,870	\$ 1,302.69
2014**	n/a	28,996.50	n/a	\$39,431,760	\$ 1,359.88
* Chargeback is calculated from ad valorem tax yield per mill two years in arrears.					
**Estimated or Budgeted.					

These data would rank the proposed Orange Beach City School System at **\$747.53** as by far the wealthiest school system in the State of Alabama, with the current actual wealthiest at **\$148.76** for FY 2013-14 being the Colbert County School System (See **Appendix 7-12**). The reader should note that increasing the student population (the denominator) while not increasing the ad valorem tax yield (the numerator) will result in a decreased value. Wealth is not useful unless taxed for funding schools. Fortunately, Baldwin County has a relatively high ad valorem tax wealth and a relatively low millage rate of ad valorem taxes for schools. Simply stated, the proposed Orange Beach City School System is off the wealth scale in Alabama.

Allocation of Countywide Tax Revenues within a County

As discussed in an earlier section, the first source of school taxes for the proposed Orange Beach 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 by general state law. Simply put, the only two governmental entities to be considered are the Baldwin County School System and the proposed Orange Beach City School System. It is a statutory requirement by general state law that the State Superintendent of Education annually notifies all local county taxing officials as to the proper distribution of countywide taxes to the respective local boards of education of the county.

This statutory provision was created in 1935 to further the state purpose of equalization of educational resources. The **Minimum Foundation Program of 1935** equalized the state allocation of resources among the 67 counties. The **Countywide Foundation Program Cost Ratio** equalized the allocation of countywide tax revenues for public schools to the various boards of education of each county. The assumption of the Countywide Foundation Program Cost Ratio is that a state calculation of a foundation program cost is a reasonable and valid determination of the cost of operating a local school system's educational programs and that each local board of education of a county should receive a fair share of the countywide

resources based upon this calculation. This division of countywide tax revenues is in no way based upon the amount a local board receives from the State of Alabama; rather it uses the **Countywide Foundation Program Cost Ratio** only as a mechanism to establish a fair and equitable distribution of countywide taxes within the county.

Proposed Orange Beach City School System Share of Countywide Taxes

An estimated **1995 Foundation Program** calculation has been created for the proposed Orange Beach City School System. Similarly, a **1995 Foundation Program** calculation has been made for the residual Baldwin County School System as if the proposed Orange Beach City School System were in actual financial operation for FY 2013-14. Each of these will be presented later in this **Chapter**.

For the purposes of this calculation, the factor of **3.321168%** will be used to estimate the share (dollar amount) of countywide ad valorem taxes to be allocated to the proposed Orange Beach City School System. This calculation is shown in **Table 5-10**. For those counties of the state with more than one school system, the calculations of the **Countywide Foundation Program Cost Ratio** are performed annually by the State Superintendent of Education and distributed to the respective county revenue commissioners (or similar local official) to direct the apportionment of countywide taxes. The estimated Foundation Program Allocation for the proposed Orange Beach City School System will be presented in a later section although it is the basis for this calculation. Numerous statutory citations for this process were presented in **Chapter 3** as well as the state constitutional requirement that general state law supersedes local acts.

Table 5-10
Estimated Countywide Foundation Program Cost Ratio
for the Proposed Orange Beach City School System for FY 2013-14

School System	FY 2013-14 Amount	Percent of Baldwin County*
Orange Beach Foundation Program	\$ 5,011,551	3.321168%
Residual Baldwin County Foundation Program	\$ 145,885,689	96.678832%
Total Baldwin County School System*	\$ 150,897,240	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>		

Since the **1995 Foundation Program** cost is based upon student count in ADM, grade level of students, and rank and experience of teachers as well as school site size in ADM, the actual share upon financial separation may vary slightly, but not significantly from the estimate. Efforts have been made to properly adjust for average teachers' salaries in the proposed newly configured school site of Orange Beach. However, any decision to allow non-resident students to attend the proposed Orange Beach City School System will earn additional state dollars, countywide tax dollars, and federal dollars. Increasing ADM will not earn any more school tax district ad valorem tax and will require further consideration of classroom construction needs.

A similar calculation can be estimated for the alternative **ADM Cost Ratio** which follows in **Table 5-11** and is provided as a means of comparison to demonstrate how similar the **Countywide Foundation Program Cost Ratio** and the **ADM Cost Ratio** are. The important difference is that the Countywide Foundation Program Cost Ratio more accurately represents

the cost of providing the education program and benefits in smaller school systems. Obviously as teachers' salaries go up, the share of countywide revenues goes up.

Table 5-11
Estimated ADM Cost Ratio for the
Proposed Orange Beach City School System for FY 2013-14

School System	FY 2013-14 ADM*	Percent of Baldwin County*
Orange Beach Foundation Program	946.45	3.264015%
Residual Baldwin County Foundation Program	<u>28,050.05</u>	<u>96.735985%</u>
Total*	28,996.50	100.000000%
*School Year 2012-13 ADM is used to fund FY 2013-14.		

Tax-Based Local Revenues (Revenue Codes 6000-6599)

Proposed Orange Beach School System Countywide Revenues (Revenue Codes 6000-6199)

The calculation of the apportionment of the countywide and tax district (area for a city school system contiguous with city boundaries) ad valorem revenues budgeted for FY 2013-14 to the proposed Orange Beach City School System follows in **Table 5-12**. As will be seen, a portion of the countywide ad valorem tax revenues will be apportioned by the **Countywide Foundation Program Cost Ratio** and a portion will be levied and collected in the tax district which will be the same as the city boundary of Orange Beach upon final (fiscal) separation. This analysis is performed for each separate ad valorem tax currently levied and collected by Baldwin County as school taxes by constitutional authorization. Note that the yield of the school tax district for Orange Beach (legal boundary of the city) is based upon FY 2011-12 fiscal year estimates of revenues to be consistent with the yield per mill used to calculate the required local effort for the Foundation Program and the Capital Purchase Allocation.

The **Countywide Foundation Program Cost Ratio** is applied to net ad valorem tax collections (net of cost of collection, abatements, and exemptions). From these data, it is projected that the proposed Orange Beach City School System would receive **\$3,438,158** as its share of countywide taxes (driven by student count in **ADM** as **1995 Foundation Program Cost Ratio**). All of these taxes are based upon current levies and estimated collections and would be due the proposed Orange Beach City School System.

Table 5-12
Estimated Orange Beach School System Revenues
from Countywide Ad Valorem and Sales and Use Taxes

Revenue Code	Description	FY 2013-14 Baldwin County Budgeted Local Taxes	Orange Beach Foundation Program Cost Ratio	Orange Beach Share of Countywide Taxes
6010	County Regular Ad Valorem - 4.0 Mills	\$ 13,447,018	3.321168%	\$ 446,598
6030	County Special Ad Valorem - 5.0 Mills	\$ 18,035,027	3.321168%	\$ 598,974
6095	Business Privilege Tax	\$ 1,090,000	3.321168%	\$ 36,201
6110	County Sales Tax - 2.55 cent	\$ 70,450,000	3.321168%	\$ 2,339,763
6140	County Alcoholic Beverage Tax	\$ 325,000	3.321168%	\$ 10,794
6170	Mineral Lease Documentary	\$ 500	3.321168%	\$ 17
6190	Other County Tax	\$175,000	3.321168%	\$ 5,812
	Subtotal Countywide Taxes	\$ 103,522,545		\$ 3,438,158

These revenues are available for general educational purposes. However, the required state matches (required local effort or chargeback) must be met to receive state funding from the **Foundation Program** and **Capital Outlay Allocation** from the **3.0 mill Public School Fund**. In addition, debt service must be considered as a charge against these revenues. This debt will be discussed in a further section.

Proposed Orange Beach School System School Tax District Revenues

In addition to the estimated share of Baldwin County School System countrywide, additional tax revenues will be due the proposed Orange Beach City School System as school tax district taxes which would basically appear as municipal taxes in terms of yield. These amounts are found in **Table 5-13** below:

Table 5-13
Proposed Orange Beach City School System Tax District Revenues for FY 2013-14

Revenue Code	Description	FY 2013-14 Baldwin County Budgeted Local Taxes	Orange Beach School Tax District Revenues
6210	Regular District Ad Valorem - 3.0 Mills	\$ 10,880,961	\$ 2,281,607
6370	Helping Schools-Vehicles Tags	\$ 45,000	\$ 1,495
6380	Manufactured Homes Reg. Fee	\$ 32,000	\$ 1,063
6520	City Council Appropriations	\$ 181,977	\$ 50,000
	Subtotal District Taxes	\$ 11,139,938	\$ 2,334,165

City of Orange Beach Appropriations and In-Kind Contributions to the Orange Beach Elementary School

The City of Orange Beach has made significant financial contributions to the Orange Beach Elementary School Since its construction in 1997. These contributions have included capital outlay, equipment, and subsidy of general operations (see **Appendix 7-32** for detail). These amounts include \$130,825.38 for Sea, Sand, and Stars, \$347,954.54 for the Orange Beach Elementary School from 2000 to 2012, and \$17,088.57 in 2013 and to date for 2014 the amount of \$77,683.00. A reasonable estimate over time is included in **Table 5-13** above as revenue code 6520 is estimated at \$50,000. This is defined as a tax-based revenue.

Total Tax-Based Local Revenues (Revenue Codes 6000-6599)

From the sum of **Table 5-12** and **Table 5-13**, it is estimated that the proposed Orange Beach City School System would have received **\$5,772,322** in total tax-based revenues for FY 2013-14. This amount is shown in **Table 5-20**.

Non Tax-Based Local School System Revenues (Revenue Codes 6600-6999)

A category of local revenues from non tax-based sources is included in the accounting system. A summary of estimated non tax-based revenues follows in **Table 5-14**. The majority of these revenues are from food service income.

Table 5-14
Estimated Non Tax-Based Local School Systems Revenues

Revenue Code and Account Description	Orange Beach Estimate
Non Tax Based Local Revenues 6600-6999	\$ 219,274

School Internal Funds: Public and Non-Public (Revenue Codes 7000 to 7999)

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: **(1) Public Funds** and **(2) Non-Public Funds**. This Alabama state accounting system is designed in compliance with federal reporting requirements as developed by the National Center for Education Statistics.

(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. These funds are controlled primarily by the principal.

(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 5-15**:

Table 5-15	
Revenue Sources - Type 12	
<u>Local School Revenue – Public</u>	<u>Revenue Account Code</u>
	(7000-7499)
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 **Table 5-16**.

Table 5-16
Revenue Sources - 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 Orange Beach, a summary of these funds follow in **Table 5-17**. It should be noted that these budgeted amounts are generated from a student population approximately 86% greater than the resident student population of Orange Beach. However, the results are valid for purposes of extrapolation.

Table 5-17
**Summary of Baldwin County School Internal Funds Budgeted
for FY 2013-14 (Revenue Code 7000-7999)**

School Site	Public	Non Public	Total	ADM	Per ADM
Revenue Code	7000-7499	7500-7999	7000-7999	n/a	n/a
Orange Beach Elementary	\$ 238,818	\$ 6,050	\$ 244,868	458.25	\$ 534.35
Gulf Shores Middle	\$ 326,693	\$ 37,110	\$ 363,803	440.05	\$ 826.73
Gulf Shores High	\$ 693,746	\$ 217,579	\$ 911,325	862.65	\$1,056.42
Total	\$1,259,257	\$ 260,739	\$ 1,519,996	1,760.95	\$ 863.17

In **Table 5-18**, these values are adjusted for the estimated student population of the proposed Grade K-8 Orange Beach School site for **grade K-8** students and the proposed Orange Beach High School for **grade 9-12** students.

Table 5-18
**Summary of Proposed Orange Beach School System
Internal Funds Budgeted for FY 2013-14 (Revenue Code 7000-7999)**

School Site	Grade	ADM	Per ADM	Amount
Orange Beach Elementary	K-6	518.45	\$ 534.4	\$ 277,036
Orange Beach Middle	7-8	166.00	\$ 826.7	\$ 137,237
Orange Beach High	9-12	262.00	\$ 1,056.4	\$ 276,783
Total		946.45		\$ 691,057

While these funds are very important to the operation of these schools, they should not and will not be counted in a consideration of the fiscal capacity and feasibility of the proposed Orange Beach 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 are, of course, a function of the student population and the support of the school community. These funds are included in the reported revenues per student and expenditures per student of the school systems of Alabama by the Alabama State Department of Education.

Other Sources Not Federal, State, or Local (Account Code 8000-8999)

Other miscellaneous revenues which do not accurately fit into the category of state or local revenues are grouped as Other Sources. This includes items such as miscellaneous, E-rate refunds, Child Nutrition Program (CNP) refunds, extracurricular trip mileage, and so forth. **Table 5-19** summarizes the estimate for Orange Beach:

Table 5-19
Other Sources Not Federal or State (Account Code 8000-8999)

Revenue Code and Account Description	Orange Beach Estimate
OTHER SOURCES (8000-8999)	\$ 33,158

Summary of Local Revenues for the Proposed Orange Beach City School System

The range of local tax-based revenues to be received by the proposed Orange Beach City School System has been delineated. These include the school tax district local ad valorem taxes which will be levied and collected in the same manner as a municipal ad valorem tax. While the City Council of Orange Beach could allocate City tax revenues in the future to the proposed city school system (a prospective event), the current allocation of city resources to the school sites in the City of Orange Beach can be presented. These are shown in **Table 5-20**. The reader is again cautioned that revenues from Local Sources from Non-Taxes are generally not available for purposes of the board of education.

Table 5-20
Estimated Total Local Revenues for
Proposed Orange Beach City School System for FY 2013-14

Local Revenue Category	Amount
Tax Based Local Revenues (6000-6590)	\$ 5,772,322
Non Tax Based Local Revenues (6600-6999)	\$ 219,274
Local School Revenue Sources (7000-7999)	\$ 691,057
Other Sources (8000-8999)	\$ 33,158
Total Local Revenues	\$ 6,715,811

City of Orange Beach Sales Tax

Many municipalities either dedicate a sales/use tax for their city school system or annually appropriate the proceeds. In addition, any other excise, franchise, or privilege license tax can be levied and collected by a city council and allocated to the city school system. The following **Table 5-21** illustrates potential local tax-based revenues that could be provided the proposed Orange Beach City School System:

Table 5-21
Yield of an Orange Beach City Sales/Use Tax

Fiscal Year	General Rate	Total Collections**	Yield per Percent
2009	3.00%	\$ 6,300,789	\$ 2,100,263
2010	3.00%	\$ 5,205,964	\$ 1,735,321
2011	3.00%	\$ 6,674,168	\$ 2,224,723
2012	3.00%	\$ 7,339,442	\$ 2,446,481
2013	3.00%	\$ 8,131,166	\$ 2,710,389
2014*	3.00%	\$ 7,000,000	\$ 2,333,333
<i>*Estimated or Budgeted.</i>			
<i>**Revenues provided by Ms. Clara Myers, Orange Beach Director of Finance.</i>			

This information is provided as a resource to review for potential future revenues that could be provided by the City Council of Orange Beach to the proposed Orange Beach City School System.

C. PROPOSED ORANGE BEACH CITY SCHOOL SYSTEM STATE REVENUES FOR FY 2013-14 (REVENUE CODE RANGE 1000-2999)

The proposed Orange Beach City School System would not receive, under current estimates any state allocation from the **1995 Foundation Program**. This will be explained in the following discussion. Other allocations will either have a separate statutory authorization with differing apportionment procedures or be allocated to the State Board of Education for the benefit of all school children of the State of Alabama. Examples are the **1995 Capital Purchase Allocation** and the pupil Transportation Program (this is an optional decision of city boards of education). The issue with the **1995 Foundation Program** is not the determination of cost, but rather the source of funding to pay for it. Required local contribution by the proposed Orange Beach City School System exceeds the state cost from the ETF. Since there is no statutory provision for recapture (a local school system paying the state), there will be no ETF allocation until student population increases significantly. In the following **Table 5-22** is detailed the cost calculation of the **1995 Foundation Program** and other allocations for the two school sites schools estimated to serve the residents of school age in the proposed Orange Beach City School System.

Budgeting by School Site

When analyzing the potential financial operation of a school system, resources gross and on a per student basis that are available to the schools which serve the student residents of Orange Beach, while of interest, do not answer the question of the feasibility of such an operation. While these amounts are the Foundation Program allocation budgeted at each school site, the state only requires that the state allocation for professional and support staff included within these calculations be budgeted at the school site where earned in meeting classroom cap limitations (teacher units must be budgeted where earned unless a waiver is granted by the State Superintendent of Education) imposed by the State Board of Education. But state law (*Code of Alabama 1975*, Section 16-13-231) further provides additional guidance regarding the local board of education's responsibility to allocate state and local Foundation Program funds to each school.

Table 5-22
Estimated Foundation Program Cost by Cost Center
for the Proposed Orange Beach City School System for FY 2013-14

State Department of Education					
Estimate of FY 2014 Foundation Program Calculations					
000	Proposed Orange Beach City School System	FY 2014	FY 2014	FY 2014	FY 2014
		Orange Beach K-8 School		Orange Beach 9-12 High School	Total Orange Beach City School System
	School Code	0095		0000	0095
	Grades	K-8		9-12	K-12
Proposed System ADM		684.45		262.00	946.45
Foundation Program Units					
Teachers		39.29		14.20	53.49
Principals		1.00		1.00	2.00
Assistant Principals		0.50		0.50	1.00
Counselors		1.00		1.00	2.00
Librarians		1.00		1.00	2.00
Voc. Ed. Directors					-
Voc. Ed. Counselors					-
Total Units		42.79		17.70	60.49
Foundation Program (State & Local Funds)		FY 2014 Per Unit	FY 2014 Per Unit		
Salaries		\$ 47,939.14	2,051,196	48,317.59	855,248
Fringe Benefits			784,249		325,737
Other Current Expense		\$ 15,661.00	670,095	\$ 15,661.00	277,208
Classroom Instructional Support Total			34,294		13,524
Student Materials and Supplies		\$ 300.00	12,836	\$ 300.00	5,310
Technology		\$ -	-	\$ -	-
Library Enhancement		\$ -	-	\$ -	-
Professional Development		\$ -	-	\$ -	-
Common Purchase		\$ -	-	\$ -	-
Textbooks Per ADM		\$ 31.35	21,458	\$ 31.35	8,214
Current Units		\$ -	n/a	\$ -	n/a
Total Foundation Program.			3,574,128		1,485,241
Foundation Program Cost from ETF			n/a		n/a
State Funds - Categorical Aid					
Salaries - 1% per Act 97-238			n/a	n/a	-
School Nurses Program			n/a	n/a	89,000
Technology Coordinator			n/a	n/a	27,146
Student Health Data			n/a	n/a	-
Transportation		APSCA	n/a	n/a	-
Operating Allocation		Per Chassis	n/a	n/a	223,173
Fleet Renewal		\$ 6,000.00	n/a	n/a	30,653
At Risk			n/a	n/a	-
At-Risk Program - ASIMS			n/a	n/a	-
Board of Adjustment Awards			n/a	n/a	-
Subtotal ETF Categorical Aid Programs			n/a	n/a	369,972
Subtotal ETF from Appropriation Bill			n/a	n/a	369,972
SDE Allocations			n/a	n/a	
High Hopes Program (HS Graduation Exam Remediation)			n/a	n/a	-
High Hopes Program to link home computers to ASIMS			n/a	n/a	-
Preschool Program			n/a	n/a	-
Total from ETF			n/a	n/a	369,972
PSF Allocations					
Capital Purchase			n/a	n/a	113,962
Total from PSF			n/a	n/a	113,962
TOTAL STATE FUNDS			n/a	n/a	483,934
Local Funds		Number Mills			
Foundation Program Match		10.000000	n/a	n/a	7,424,270
Capital Purchase Match		0.153500	n/a	n/a	113,962
Total Local Funds			n/a	n/a	7,538,232
NOTE: Due to rounding, some line items may not calculate to exact dollar amount shown.					

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 any statutory conflict between budgeting Foundation Program funds (ETF and local share) where earned versus where needed by students currently enrolled, given the financial guidance given to local boards of education in preparing budgets for local budget hearing, the documentation which follows does not address the allocation of the chargeback by school site nor the allocation of the proceeds of "Other Current Expense" by school site. For these and other reasons, the financial feasibility of a local school system is best viewed as a whole and not by school sites. And as will be discussed in **Chapter 6**, the best single criterion is not state funds alone, federal funds alone, or local funds alone. It is the net local tax-based resources available to a local board of education after meeting state matching requirements. It is only these resources that the local board of education can control and use for providing for mandated and optional expenditures that are not provided for in state school aid formulas. A detailed analysis of this issue will follow, and a school system by school system analysis of the result of net local taxes after match will be found in **Appendices 7-18 and 7-19**.

Budgeting of Certificated Personnel by School Site

This budgeting law requires resources to be allocated according to the current year's needs of students and thus gives the local board of education flexibility, whereas current year's allocations are based upon prior year enrollment. The certificated units earned by the single Baldwin County school site for FY 2013-14 follow in **Table 5-23** as would be earned under the proposed student count in ADM for residents only of Orange Beach. These are state-allocated and funded units.

Table 5-23 contains a summary of employees budgeted for FY 2013-14 at the single school site of the Baldwin County School System located in the City of Orange Beach

Table 5-23
Personnel Including Certificated Teacher State Earned Units
at Orange Beach Elementary School for FY 2013-14

Type	Number By									Total Employees
	*Level of Degree					Source of Funds				
	BS	MS	6Y	DO	ND	State Earned	Other State	Federal	Local	
Teachers	11.00	22.00	0.00	0.00	0.00	27.36	0.84	1.00	4.16	33.36
Librarians	0.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Counselors	0.00	1.00	0.00	0.00	0.00	0.50	0.00	0.00	0.50	1.00
Administrators	0.00	1.00	1.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
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						6.00	3.00	5.03	4.00	18.03
Total	11.00	25.00	1.00	0.00	0.00	35.86	3.84	6.03	8.66	54.39
* BS - Bachelor of Science MS - Master of Science 6Y - 6-Year DO - Doctorate ND - Bachelor of Science Non-Degree										

Table 5-23 shows **30.70** state funded certificated teachers at Orange Beach Elementary School for FY 2013-14. Any personnel recommendation would include all of these units, in addition to **4.56** which are paid for from local funds.

The following **Table 5-24** details the number of teacher units estimated to be earned under the creation of two school sites for **grades K-12** in the proposed Orange Beach City School System.

Table 5-24
Estimated Earned Teacher Units by School Sites of
Proposed Orange Beach City School System for FY 2013-14

School Sites of Proposed Orange Beach City School System								
Grade	Act 2013-264 Grade Divisors	Total ADM by School Site	Distribution by Grade by Site	Orange Beach Estimated ADM By Grade	Earned Classroom Teachers	Recommended Grade Configuration	Instructional Support Teacher Units	
K	14.25		14.84%	76.95	5.40	5.40	Principals	2.00
1	14.25		13.41%	69.53	4.88	4.88	Assistant Principals	1.00
2	14.25		16.07%	83.30	5.85	5.85	Counselors	2.00
3	14.25		14.49%	75.13	5.27	5.27	Librarians	2.00
4	21.85		13.39%	69.42	3.18	3.18	Career Tech Directors	0.00
5	21.85		13.39%	69.42	3.18	3.18	Career Tech Counselors	0.00
6	21.85		14.41%	74.71	3.42	3.42	Total Instructional Support	7.00
Total K-6		518.45	100.00%	518.45	31.17	n/a		
7	20.45		51.37%	85.27	4.17	4.17		
8	20.45		48.63%	80.73	3.95	3.95		
Total 7-8		166.00	100.00%	166.00	8.12	39.29		
9	18.45		24.90%	65.25	3.54	3.54		
10	18.45		28.09%	73.60	3.99	3.99		
11	18.45		25.18%	65.97	3.58	3.58		
12	18.45		21.82%	57.18	3.10	3.10		
Total 9-12		262.00	100.00%	262.00	14.20	14.20	Add Classroom Teachers	
GRAND TOTAL		946.45		946.45	53.49	53.49		
							Grand Total State Funded	60.49

To meet 1995 Foundation Program Cost Estimates, a total of **60.49** certificated personnel would be required, or an additional **29.79** certificated personnel from state funds. However, for the proposed Orange Beach City School System these personnel would be funded by local funds.

Participation in the 1995 Foundation Program

The statute creating the **1995 Foundation Program** was established without expectation that any existing and potential city school system would have a chargeback greater than the estimated cost of the program. Under this premise, since significant state allocations were at stake, the conclusion was inevitable that every local board of education would find it fiscally necessary to meet the statutory requirements to participate in the **1995 Foundation Program**.

Section 16-13-231: Purposes and plan of apportionment.

(a) In addition to all other appropriations and apportionments of public school money now provided by law and made available for public schools there shall be apportioned and paid to local boards of education from the Foundation Program Fund, the amounts to be determined as hereinafter provided and in accordance with regulations of the State Board of Education (*Code of Alabama* 1975, Section 16-13-231)

However, under the following provisions regarding calculation of the amount to be apportioned to local boards of education, the proposed Orange Beach City School System is not entitled to a state allocation from the ETF and thus "not eligible" to participate. But the calculation still must be made by the State Department of Education in order to determine the net cost to the ETF.

(2) DETERMINING COST OF FOUNDATION PROGRAM. In determining the cost of the Foundation Program, the Legislature, based on the recommendation of the State Board of Education, shall proceed to find the following allowable costs for each local board of education: Teachers' salaries, fringe benefits, classroom instructional support, and other current expense

f. The total cost of the Foundation Program for any local board of education shall be the total allowed for teachers' salaries, for fringe benefits, for classroom instructional support, and for other current expense. The allowances herein to the local boards of education shall be expended subject to all applicable laws, rules and regulations, however, the total funds calculated in the total cost of the Foundation Program for teachers' salaries shall be expended for salaries within the instructional program (*Code of Alabama 1975*, Section 16-13-231).

(3) DETERMINING FUNDS AVAILABLE TO PROVIDE FOUNDATION PROGRAM.

a. The funds available to meet the cost of the Foundation Program shall be appropriated by the Legislature taking into consideration an amount of local effort required on the part of each local board of education. The required local effort charged against each local board of education for its share of the cost of the Foundation Program shall be as follows:

4. For each fiscal year thereafter, the equivalent of ten mills of local school tax district ad valorem tax as reported pursuant to subsection (b)(1)a.

b. After calculating the total cost of the Foundation Program for each local board of education, the state allocation from the Education Trust Fund is calculated by subtracting the local effort required by this section from the total cost (*Code of Alabama 1975*, Section 16-13-231).

This statutory provision is printed in whole as **Appendix 7-31**. It remains to be determined what exemptions to state statutes, rules, and regulations may be concomitant with non-participation in the **1995 Foundation Program**.

Foundation Program and Categorical Aid Allocations Estimated for FY 2013-14

The preceding **Table 5-22** has detailed the projected state revenues the proposed Orange Beach City School System would have been allocated in FY 2013-14 based upon the numbers of students which have been projected as actually residing in the City of Orange Beach. In addition, there are state categorical aid programs to be considered and, in addition, potential allocations of line items appropriated to the State Department of Education. The largest of these programs usually is the **1995 Capital Purchase Allocation**. The determination of the projected value of the chargeback based on the ad valorem tax wealth of the City of Orange Beach is also used in the estimation of a **1995 Capital Purchase Allocation** from the **Public School Fund** which is also based on yield of a mill of ad valorem tax per student.

Should the board of education decide to create a student transportation program, it would be a state-funded program, although inadequately funded by the Legislature and thus requiring the expenditure of local tax revenues. An estimated state allocation for transportation has been included in the following summary in **Table 5-26**. Transportation equipment of the Baldwin County School System serving the attendance site of the single school in the City of

Orange Beach would become the property of the proposed Orange Beach City School System. A summary of this transportation equipment is found in **Appendix 7-28**. However, transportation equipment transporting Orange Beach residents to Gulf Shores Middle School and Gulf Shores High School should also be transferred. It is noteworthy that all transportation is paid for and there is no debt.

Capital Purchase Program Allocation Estimated for FY 2013-14

The proposed Orange Beach 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 known as the **Capital Purchase Allocation**. These funds would be available annually for capital purchase needs as the local board might identify, including new construction, renovation or debt service. The state share and local match is estimated in **Table 5-25** (see **Appendices 7-16** and **7-17** for allocations for FY 2013-14). However this amount is speculative since the wealth of the proposed Orange Beach City School System lies outside any regular parameter.

Table 5-25
Estimated Capital Purchase Allocation
for the Proposed Orange Beach City School System for FY 2013-14

System Description	System Yield Per Mill	System ADM	Yield Per Mill Per ADM	Mills Equalized	State Capital Purchase Allocation	Local Capital Purchase Allocation	Total
Orange Beach City	\$ 742,427	946.45	\$ 784.43	0.153500	\$ 113,962	\$ 113,962	\$ 227,924

As seen in the preceding **Table 5-25**, for a local contribution of **\$113,962** the proposed Orange Beach City School System would receive **\$113,962** from the state for capital outlay purposes. The reader should note that in addition to the 10.0 mills already required to match the state allocation in the **1995 Foundation Program**, an additional **0.153500** mills must be pledged for capital outlay to meet the state match for the **1995 Capital Purchase Allocation**. With the legislative change to the approval of local uses of these funds, they could also be used to pay for local debt. However, the caveat is that the current allocation scheme could be changed in future years to rationalize the wealth of the proposed Orange Beach City School System which is many multiples of any current school system in Alabama.

Participation in Capital Purchase Allocation Pooled Purchase through APSCA

If the proposed Orange Beach City School System had been in existence in FY 2013-14, 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 **APSCA** (Alabama Public School and College Authority). The Pooled Purchase bond issue would allow the proposed Orange Beach 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 Orange Beach City School System would be in increments of \$5,000 and contingent upon interest rates at time of bond sale less shared underwriting costs.

Alabama Public School and College Authority Bond Issue

The proposed Orange Beach City School System should, if operational, participate in the next Alabama Public School and College Authority Bond Issue funded by the state from the proceeds of the four cent sales tax. The critical issue would be the decision of the City Council to pass a resolution forming the new city school system and the effective date in the legislation authorizing such a new bond issue which is payable from the first proceeds of the four cent state sales tax before net sales tax revenues are credited to the ETF. However, given the large debt service assumed by the state in the 2007 issue, a future issue is unlikely. The total APSCA debt service will escalate dramatically in the near future due to refinancing existing debt service payments to limit such payments and to hundreds of millions of new APSCA bonds being issued.

Total State Revenues for the Proposed Orange Beach City School System for FY 2013-14

The following **Table 5-26** summarizes the estimated total state revenues that the proposed Orange Beach City School System could have earned in FY 2013-14. A reasonable expectation is that these programs will continue for the foreseeable future; however, their level of funding is uncertain. In addition, new programs may be added at the expense of existing programs.

Table 5-26
Estimate of Total State Revenues for
Proposed Orange Beach City School System for FY 2013-14

Revenue Code and Account Description	Estimated for FY 2013-14
1110 - Foundation Program - Regular	\$0
1220 - School Nurses Program	\$89,000
1221 - Technology Coordinator	\$27,146
1222 - Career Tech O & M	\$5,614
1230 - Alabama Reading Initiative	\$45,878
1250 - Childrens First - Alabama Tobacco Settlement	\$3,309
1252 - English as a Second Language - State	\$1,951
1275 - Gifted Education	\$1,340
1310 - Transportation - Operations	\$223,173
1320 - Transportation - Fleet Renewal	\$30,653
1410 - At Risk	\$18,454
1520 - Preschool	\$2,221
2120 - Public School Fund- Capital Outlay	<u>\$113,962</u>
Total State Revenues	\$562,700

D. PROPOSED ORANGE BEACH CITY SCHOOL SYSTEM FEDERAL REVENUES FOR FY 2013-14 (REVENUE CODE RANGE 3000-5999)

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 (any combination of 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 not significant to the evaluation of the feasibility of the proposed Orange Beach City School System. That is not to say they are not important, but the significant education costs of the proposed city school

system will be carried by state and local funds. Federal funds, like state funds and countywide local funds, follow the students whom they are designated to serve. It doesn't matter which school system or school a given student may attend; the designated federal funds will follow and support that student. Proportionate shares of all of these budgeted expenditures from federal, state, and local revenue sources will be available to the proposed Orange Beach City School System. **Table 5-27** summarizes federal revenues by source which are budgeted for FY 2013-14 for the Baldwin County School System and which demonstrate the wide variety of designations available. There is, of course, no guarantee as to which federal programs will be funded in FY 2013-14 and beyond.

Table 5-27
Federal Revenues Budgeted for FY 2013-14 for the Baldwin County School System

Revenue Code and Account Description	Budgeted for FY 2013-14
3210 - IDEA-Part B	\$5,635,118.00
3220 - Pre-School Part B-Ages 3-5	\$130,637.00
3310 - Basic Grant	\$321,502.00
4110 - Title I, Part A	\$5,418,371.00
4116 - Title I, Part D - Neglected and Delinquent	\$91,247.00
4120 - Title I, Part A - School Improvement	\$52,791.00
4130 - Title II, Part A - Teacher and Principal Training	\$851,480.00
4150 - Title III - English Lang Adq, Lang Enhance & Acad.	\$119,684.00
4161 - Title IV, Part B - 21st Century Comm. Learning Centers	\$1,925,000.00
5110 - USDA-School Lunch Program-Section 11	\$5,823,913.00
5125 - USDA-After School Snack Program	\$146,788.00
5130 - USDA-School Breakfast Program	\$41,912.00
5135 - USDA-Severe Need Breakfast Program	\$1,424,387.00
5160 - USDA-Food Donation Program	\$539,323.00
5192 - USDA - Fresh Fruits and Vegetable Program (FFVP)	\$46,000.00
5920 - DOD-Air Force ROTC	\$127,318.00
5930 - DOD-Navy ROTC	\$93,883.00
5990 - Other Federal Revenue	\$55,703.00
Total Federal Revenues	\$22,845,057.00

Since there is no certainty of the amount and nature in federal program funds for FY 2013-14 and beyond and since they, for the most part, follow students in accord with educational needs, and since their spending purpose is predominately restricted, an estimate for FY 2013-14 can only be based upon the above allocations. This estimate for the proposed Orange Beach City School System follows in **Table 5-28**:

Table 5-28
Estimated Federal Funding for
Proposed Orange Beach City School System for FY 2013-14

Revenue Code and Account Description	Budgeted for FY 2013-14
3210 - IDEA-Part B	\$183,931.08
3220 - Pre-School Part B-Ages 3-5	\$4,264.01
3310 - Basic Grant	\$10,493.87
4110 - Title I, Part A	\$176,856.42
4116 - Title I, Part D - Neglected and Delinquent	\$2,978.32
4120 - Title I, Part A - School Improvement	\$1,723.11
4130 - Title II, Part A - Teacher and Principal Training	\$27,792.43
4150 - Title III - English Lang Adq, Lang Enhance & Acad.	\$3,906.50
4161 - Title IV, Part B - 21st Century Comm. Learning Centers	\$62,832.28
5110 - USDA-School Lunch Program-Section 11	\$190,093.37
5125 - USDA-After School Snack Program	\$4,791.18
5130 - USDA-School Breakfast Program	\$1,368.01
5135 - USDA-Severe Need Breakfast Program	\$46,492.20
5160 - USDA-Food Donation Program	\$17,603.58
5192 - USDA - Fresh Fruits and Vegetable Program (FFVP)	\$1,501.45
5920 - DOD-Air Force ROTC	\$0.00
5930 - DOD-Navy ROTC	\$0.00
5990 - Other Federal Revenue	\$0.00
Total Federal Revenues	\$736,627.81

As will be seen in the following **Table 5-29**, Federal Revenues are estimated to account for 9.15% of estimated revenues, while in-state revenues are estimated to account for 90.85%. In this case, state revenues have been replaced by local revenues. In **Chapter 6**, additional local revenues will be recommended. Any estimate made regarding future allocation of federal funds depends upon actions of Congress, grants actually received by the proposed Orange Beach City School System, and the educational needs of students who actually attend. Also, with federal budget cuts in effect at the time of this writing and additional budget cuts planned, there will be further reliance on state and local funding by all public school systems in Alabama.

E. PROPOSED ORANGE BEACH CITY SCHOOL SYSTEM TOTAL REVENUES FOR FY 2013-14

The following financial resources have been estimated to be available to the proposed Orange Beach 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 discussed and estimated.
- (3) Local revenues are shown as previously estimated.
 - (a) The **Countywide Foundation Program Cost Ratio** is being applied to countywide tax-based revenues (using Foundation Program Based rather than ADM Based) which are 9.0 mills of ad valorem plus the high yield sales/use tax and minor other countywide taxes also apportioned by the **Countywide ADM Ratio**;
 - (b) The yield of the 3.0 mill school tax district tax being based upon the estimated ad valorem tax yield per mill of the City of Orange Beach; and
 - (c) The other local revenues derived from non-tax sources.

The summary of these revenue sources follows in **Table 5-29**. It is important to note that in-state funding will not come from the **1995 Foundation Program**. The continuing experience of local boards of education, even prior to the current recession, has been the necessity to reduce the number of personnel paid from local funds. This is becoming the normal staffing arrangement, particularly in light of increases in fringe benefit costs and state funding insufficient to meet demands for educational services mandated by the State. Given the financial reductions imposed by several years of proration and the additional reduction for FY 2013-14 imposed by the **Rolling Reserve Act**, the **1995 Foundation Program** which is the minimum educational program as defined by the state, is now the maximum educational program that most boards of education can offer.

The ultimate financial reality for most local boards of education today is that without local tax-based revenues in excess of the 10.0 mill equivalency local match for the **1995 Foundation Program** and the approximately 1.0 or less mill equivalency local match for the **1995 Capital Purchase Program**, they could not financially survive. Any expectation that the local taxes generated by **Amendment 778**, the 10.0 mill local ad valorem tax levy and collection mandate, would be sufficient to meet local needs displays a woeful lack of understanding of both the costs of operating a local school system and the inadequacy of local revenues for that purpose generated by the equivalent of 10.0 local mills of school tax district ad valorem tax.

As a matter of fact, at least 11.0 plus local school tax district mills are necessary just to meet the state match requirement and cannot serve to pay for local necessary expenditures, such as the function of General Administrative Services and enhanced instructional programs. The chargeback is thus the mathematical equivalent of 11.0 plus mills of local taxes actually being a state tax levy. While not sent to the state, these revenues are considered to be available for state purposes just as if they were levied and sent to the state for allocation back to local boards of education.

Table 5-29
Total Estimated Current Revenues for the
Proposed Orange Beach City School System for FY 2013-14

Source of Revenues	Revenue Code Range	Estimated Amount	Percent of Total	Estimated ADM	Revenues Per ADM
State Sources	1000-2999	\$ 562,700	6.99%	946.45	\$ 594.54
Federal Sources	3000-5999	\$ 736,628	9.15%	946.45	\$ 778.31
Local Sources	6000-7999	\$ 6,715,811	83.44%	946.45	\$ 7,095.79
Other Sources	8000-8999	\$ 33,158	0.41%	946.45	\$ 35.03
Total All Revenues		\$ 8,048,297	100.00%	946.45	\$ 8,503.67

The fiscal impact of not receiving a **1995 Foundation Program** state allocation will be evaluated in **Chapter 6**. Recommendations will be made at that point for additional city council action(s) for a current operating budget requiring additional local revenues. In addition, recommendations will be presented for a range of capital outlay costs for the two building projects for the proposed Orange Beach City School System.

Table 5-30
Total Budgeted Expenditures by Function for the
Baldwin County School System for FY 2013-14

Expenditures	Memo Total All Funds	Percent of Total	FY 2013-14 ADM	Expenditures Per ADM
Instructional Services	\$ 146,502,905.07	48.00%	28,996.50	\$ 5,052.43
Instructional Support Services	\$ 39,286,293.80	12.87%	28,996.50	\$ 1,354.86
Operation and Maintenance Services	\$ 33,004,570.95	10.81%	28,996.50	\$ 1,138.23
Auxiliary Services	\$ 32,039,669.77	10.50%	28,996.50	\$ 1,104.95
General Administrative Services	\$ 10,024,904.57	3.28%	28,996.50	\$ 345.73
Capital Outlay	\$ 15,443,191.00	5.06%	28,996.50	\$ 532.59
Debt Service	\$ 20,482,921.21	6.71%	28,996.50	\$ 706.39
Other Expenditures	\$ 8,399,291.08	2.75%	28,996.50	\$ 289.67
Total Expenditures	\$ 305,183,747.45	100.00%		\$ 10,524.85

A reasonable expectation is that the proposed Orange Beach City School System will have at least the total financial resources of the current Baldwin County School System through revenue streams created by the Orange Beach City Council and School Board. In addition, these target resources must be supplemented by additional revenues to offset significant construction costs and diseconomy of scale student transportation and general administration expenditures. These amounts will be detail in **Chapter 6**.

F. EXISTING DEBT TO BE ASSUMED BY THE PROPOSED ORANGE BEACH CITY SCHOOL SYSTEM FOR FY 2013-14

Three Instruments of School Debt Authorized by the State of Alabama

Alabama Public School and College Authority (APSCA)

(1) APSCA State Assumption of Debt from State Sales Tax Revenues. Providing for financing for the construction of school buildings was historically left to local boards of education. Provision was made by constitutional amendment for additional millages to be voted on by the local voters which could be used to finance construction. The state in 1959 began the first program to sell bonds and allocate the proceeds to local boards of education to offset costs of construction (1959). The modern mechanism, the Alabama Public School and College Authority, was created in 1965. With a pledge by the state of the proceeds of the state sales tax for repayment, a continuing program of bonded debt assumption and repayment by the state began with the last issue in **2007**. The Baldwin County Board of Education has participated in these bond issues. The proceeds are a gift from the state and require no repayment. Therefore, **no construction debt** can be assigned to school sites.

(2) APSCA Pooled Purchase Bond Issues. The state began the **Capital Purchase Allocation** in 1995 which allocates annually, with the requirement of a local match, the proceeds from a statewide 3.0 mill ad valorem tax credited to the Public School Fund. These tax resources have also been used as a pledge for repaying of statutory **Pooled Purchase APSCA Bond Issues** to benefit local boards of education. The Baldwin County School System has participated in these bond issues. However, no construction projects were funded for the Orange Beach Elementary School by this type of instrument of debt.

(3) Local School Board Revenue Warrants

The third major mechanism still in effect is the statutory provision that local boards can issue revenue warrants (similar to bonds) with repayment pledged from local ad valorem and sales/use taxes. The Baldwin County Board of Education has issued local revenue warrants with repayment pledged from ad valorem and sales tax revenues. The following **Table 5-31** will summarize the debt of the Baldwin County Board of Education for school building construction (See **Appendix 7-30**).

Table 5-31
Debt of the Baldwin County School System as of September 30, 2013

Schedule of Debt Service Requirements to Maturity At September 30, 2013									
Fiscal Year Ending September 30	Warrants Payable		Certificate of Participation		Capital Lease Payable		Notes Payable		Total Principal and Interest Requirements to Maturity
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$ 5,877,842	\$ 8,945,229			\$ 753,509	\$ 99,520	\$ 34,782	\$ 5,865	\$ 15,716,748
2014	\$ 6,337,600	\$ 9,140,235			\$ 561,098	\$ 68,570	\$ 35,071	\$ 1,921	\$ 16,144,495
2015	\$ 6,623,745	\$ 8,876,485			\$ 585,517	\$ 44,151	\$ 63,478	\$ 1,146	\$ 16,194,522
2016	\$ 6,901,826	\$ 8,610,567			\$ 610,998	\$ 18,670	\$ 5,351	\$ 345	\$ 16,147,756
2017	\$ 7,197,832	\$ 8,308,285			\$ 104,388	\$ 557	\$ -	\$ -	\$ 15,611,062
2018-2022	\$ 41,047,645	\$ 36,014,850	\$ 1,000,000						\$ 78,062,495
2023-2027	\$ 47,012,010	\$ 26,022,604							\$ 73,034,615
2028-2032	\$ 40,340,000	\$ 15,087,333							\$ 55,427,333
2033-2037	\$ 43,060,000	\$ 5,992,875							\$ 49,052,875
Total	\$204,398,499	\$126,998,463	\$ 1,000,000	\$ -	\$ 2,615,510	\$231,469	\$138,682	\$ 9,277	\$ 335,391,901

The following **Table 5-32** summarized the debt which may be assumed to the proposed Orange Beach City School System (See **Appendix 7-29**).

Proposed Orange Beach City School System Assumption of Debt

A provision of the statute authorizing the formation of local city school systems is repeated here from **Chapter 1** and the shaded area emphasizes the statutory reference to debt:

§ 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*).

Common practice regarding the assumption of debt by a local warrant issue over time has been based upon the shaded language in **Section 16-39-199**. Historically a district school tax had been levied and collected to issue debt to finance school construction; the assumption is that since the district school tax of the newly formed city school system would be paid over to the new city board of education, and debt financed by that revenue source would be transferred to the new city board of education.

The amounts in **Table 5-32** which follows represent the reported expenditures (cost of projects) reported by the Baldwin County Board of Education as being attributed to the single school site in the City of Orange Beach. The instrument of debt is the **2007 Capital Outlay School Warrant Issue**:

Table 5-32
Capital Projects Funded in School Sites of the City of Orange Beach
from Baldwin County School System 2007 Capital Outlay School Warrant Issue

BCBOE Capital Outlay School Warrants, Series 2007, \$150,000,000 Principal Amount				Orange Beach Elementary 2008 Classroom Wing 1.3% of Warrant Issue		
Fiscal Year Ending 9/30	Repayment Pledge: One Percent Sales Tax			Principal	Interest	Total
	Principal	Interest	Total			
2014	\$ 3,190,000	\$ 6,570,983	\$ 9,760,983	\$ 41,470	\$ 85,423	\$ 126,893
2014-2037	\$ 138,425,000	\$ 95,752,919	\$ 234,177,919	\$ 1,799,525	\$ 1,244,788	\$ 3,044,313

An amortization schedule of principal and interest payments from this debt can be found in **Appendix 7-29**.

Summary of Debt to be Assumed by the Proposed Orange Beach City School System

The debt to be assumed by the proposed Orange Beach City School System is extremely small. However, the additional cost of new debt for school construction may be relatively large for a small school system as the proposed Orange Beach City School System. Cost estimates for construction and debt service will be presented in **Chapter 6**.

G. FINANCING THE STUDENT TRANSPORTATION PROGRAM BY THE PROPOSED ORANGE BEACH CITY SCHOOL SYSTEM FOR FY 2013-14

In the final agreement of separation, the proposed Orange Beach City School System will **assume** control of the student transportation equipment providing transportation services to the school sites of Orange Beach. No allowance has been included in the state revenue section of this study to account for estimated allocations. As previously discussed, local school systems receive two allocations from the state to fund the student transportation system. The first is Current Operations, and the second is Fleet Renewal. This was presented in **Chapter 3**. A city school system has the option of not operating a student transportation program. However, a decision not to operate does not remove the necessity to provide transportation for class activities, athletics, and students with disabilities.

Current Operations

The first factor of the transportation allowance is for current operations. Previous practice had been to request 100% reimbursement for prior year operations with specific regard to efficiency of operations. The process is being modified over several years by the State Department of Education to make an estimate of "reasonable" costs for reimbursement – not all costs. In addition, significant budget cuts and proration have further reduced the operations allowance to local boards of education. In addition to the state operations allowance, there are site-based fees for non-route transportation (field trips, sports, etc.) that will be received from local sources. With significant uncertainty as to the number of school sites, number of transported students, and municipal boundaries that would be in effect at final separation, the best estimate of the state allocation for Current Operations to the proposed Orange Beach City School System is one based on other school systems with comparable ADM. If the decision is made to provide student transportation services, without a waiver granted, students living within two miles of the school site will not be counted for reimbursement.

Fleet Renewal

The proposed Orange Beach City School System would acquire four buses from the Baldwin County School System that currently serve the Orange Beach Elementary School. Only two of these buses, on which there is no debt, are under ten years of age and eligible for Fleet Renewal allocations. A further expectation could be the transfer of the buses carrying Orange Beach resident students to Gulf Shores Middle School and Gulf Shores High School.

The premise of the 10 year life span of buses is full escrow of the cost of purchasing a new bus based upon 10 years of payments. Buses can be operated longer than 10 years, but will not be eligible for the state fleet renewal allocation. However, caution may be taken to

understand that while the State Department of Education annually requests a Fleet Renewal allocation sufficient for this purpose, years of proration and budget reductions has resulted in insufficient allocations. In fact, when the Legislature needs funds for other items of the annual education appropriations bill, cutting transportation is many times the source of funds. This state allocation is currently underfunded by the Legislature of Alabama.

Given the current ETF fiscal situation recovering from the Great Recession, the appropriation caps in the Rolling Reserve Act, and new programmatic demands for funding, it is difficult to foresee a complete accounting for reasonable cost in the near future by the state. What is underfunded today may well be underfunded tomorrow. Therefore, for budget planning purposes, it would be prudent to plan on a 25% cost over and above any state operating cost reimbursement for operations and a similar underfunding of fleet renewal . This would require the proposed Orange Beach City School System to budget expenditures from the General Fund to supplement any state allocation. However, cost efficiencies could be investigated including out sourcing the entire student transportation program or just outsourcing the maintenance and repair of buses. Also there is the option of lease-purchase of new buses.

CHAPTER 6

SUMMARY AND CONCLUSIONS

A. PROPOSED REVENUES AND EXPENDITURES

The financial feasibility of the proposed Orange Beach City School System is a function both of startup costs and of continuing revenues and expenditures for both operations and potentially for capital outlay. The issue of continuing revenues and expenditures will be discussed first.

Continuing Revenues and Expenditures

Usual methodology of evaluating the adequacy of continuing local tax-based revenues to support a public school system in Alabama would consider the net local tax-based revenues after deducting the mandated match for the **1995 Foundation Program** and the **1995 Capital Purchase Program** defined as unrestricted local revenues. Simply stated, the final question is whether local tax-based revenues available to the control of the local board of education are sufficient to meet necessary costs of operation. A review of each category of expenditure by function follows.

Normally budgets will be developed in terms of expenditures by function such as necessary to meet the stated goals of the local board of education; then a revenue budget will be developed. In Alabama this process is reversed, with state appropriations being made by object of expenditure and requirements placed on local revenues. Expenditures are planned based upon the restrictions accompanying revenues. Local boards of education do not have taxing authority and therefore have little control, if any, over revenues. The closest exception to this practice is that a city council of a municipality having a city school system does have local control in terms of revenue generation – taxation. An expenditure budget will follow for the proposed Orange Beach City School System using the methodology of this **Study** and sources of revenue suggested.

Components of Expenditures by Function

I. General Administrative Services are those activities concerned with establishing and administering policy for operating the school system.

1. Board of Education Services
2. Executive Administrative Services
3. Business Support Services
4. System-Wide Support Services
5. Central Office Services

These services are funded through the **General Fund**. Normally sound fiscal policy dictates that a well-managed school system will maintain these expenditures by function to less than four percent of the total budget, and most desirably between 2.5% and 3.0%. It has been

the intent of the Legislature in the State of Alabama financial aid programs that this function of expenditure is made from local funds. Given the diseconomy of scale of the proposed Orange Beach City School System, it would be reasonable to expect an additional \$100,000 of cost in excess of the imputed amount from the target amount in the Baldwin County Board of Education expenditure profile.

II. Operation and Maintenance Services are those activities concerned with keeping the physical plant open, comfortable and safe for use and keeping the grounds, buildings and major equipment in effective working condition and good state of repair. These include the activities of maintaining safety in buildings, on the grounds and in the vicinity of schools. Included in this function are security services, janitorial services, utility services and maintenance services. Components include the following:

1. Security Services
2. Building Services
3. Grounds Services
4. Equipment Services
5. Vehicle Services

A portion, if not all, of these costs may be paid for from the **Other Current Expense Allocation** in the **1995 Foundation Program**. However, this item of appropriation has been cut by the Legislature in the past few years. Given the diseconomy of scale of a small size city school system, existing revenues may be insufficient funding for this function of expenditure, especially in light of deferred maintenance and renovation needs at existing school sites. A partial offset of costs may be provided through the action of the city council of a city school system to provide on-behalf services through existing city resources. Such has been provided as illustrated in **Chapter 5** by the City of Orange Beach. The availability of continuing such on-behalf services should be considered. Another option is out-sourcing.

A newly formed school system may be required to make moderate upgrades in school sites in accordance with taxpayer expectations. The facility analysis reported in **Chapter 2** did delineate some areas needing attention. It is recommended that, upon a resolution for separation, a new revenue source be identified to escrow funds for any needed improvements at separation. This could be a one-time expenditure from a beginning balance made available by the Orange Beach City Council to the City Board of Education if separation is accomplished.

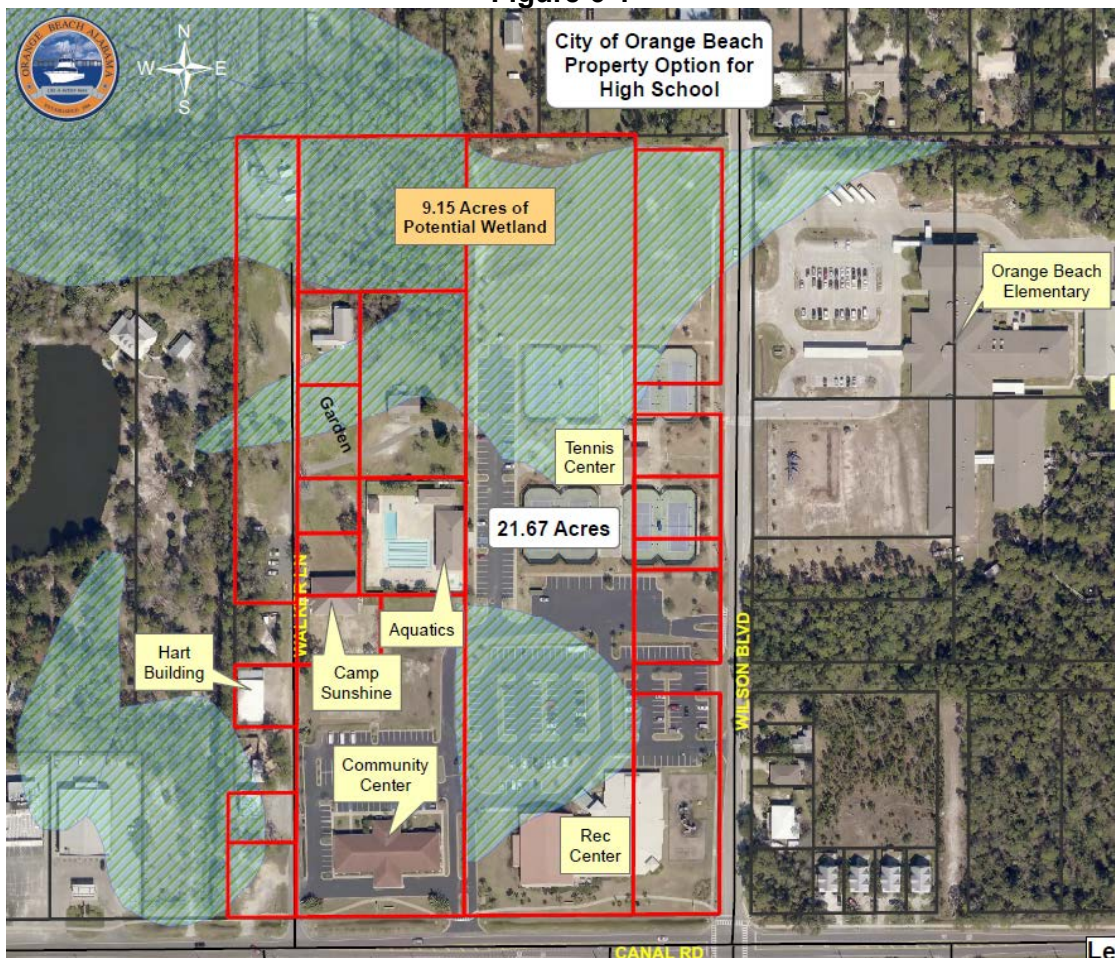
III. Capital Outlay includes those activities concerned with acquiring land and buildings, land and building improvements, building additions and construction, and architecture and engineering services. Components include the following:

1. Site Acquisition and Improvements
2. Building Acquisition and Improvements

An immediate disadvantage for the proposed Orange Beach City School System is insufficient school sites and buildings to accommodate immediate projected student enrollment. Also capital expenditures for the future must be considered. Fortunately, there are few required upgrades noted for the Orange Beach Elementary School. A further disadvantage for the proposed Orange Beach City School System, as well as for the Baldwin County School System, is the significant predicted growth in student enrollment which will require additional classroom space. The demographics of Baldwin County and the City of Orange Beach were detailed in **Chapter 2**.

However, this predicted growth in enrollment can be construed as an advantage in terms of matching the physical plan to the instructional objectives of the proposed Orange Beach City School System. Immediate capital outlay needs will be for a classroom wing for **grades 7-8** and associated instructional space at the Orange Beach Elementary School and for construction of a new high school to serve **grades 9-12**. This construction could well be planned and completed in less than two years. The following **Figure 6-1** details a possible city-owned building site for the Orange Beach High School.

Figure 6-1



Since the proposed Orange Beach City School Board could begin functions after appointment, they would not be the beneficiary of school tax revenues nor have operational control of Orange Beach Elementary School prior to final contractual separation. However, they would have legal status to receive Orange Beach City Council appropriations and receive grants and bequests. Therefore, it would be incumbent upon the Orange Beach City Council to fund as necessary site acquisition, site preparation, and construction directly pending final separation for all construction and potentially issue an instrument of debt. This debt could be assumed later by the proposed Orange Beach City Council. The school board, however, could be in charge of design and construction, or could receive as a gift from the City Council the site and physical plant. These details would be worked out upon a decision of the Orange Beach City Council to separate and to formally appoint the school board.

The following estimates of cost of construction have been provided by Mr. Perry Taylor, State Architect with the Alabama State Department of Education in accordance with initial estimates of student enrollment. In the absence of a complete description of the educational program to be provided (contingent upon the decision of the proposed Orange Beach City Board of Education) with accompanying space requirements, developing estimates is very difficult. The estimates which follow are in line with similar type projects that have been constructed and should at least give a “magnitude of cost” for capital outlay and subsequently for debt service that would be incurred if financed.

(1) Grades 7-8. Construct additions and renovations as required to the existing grade K-6 Orange Beach Elementary School to accommodate approximately 175 ADM in grades 7 and 8. Included would be classrooms with related support spaces, computer room, administration, toilets, mechanical spaces, and cafeteria expansion. This could be constructed and equipped in the **\$2,950,000** range. Should a gymnasium be required to serve the entire K-8 facility, then the total cost for the addition/renovation would be in the **\$5,250,000** range. Square footage to be added includes about 20,000 for classrooms and about 15,000 for the gymnasium for a total of 35,000 square feet.

(2) Grades 9-12. Construct a new grade 9-12 high school as required to accommodate approximately 270 ADM. Included would be classrooms with related support spaces, labs, administration, safe spaces, food service, media center, competition gymnasium and any other spaces that might be common to a new facility. Cost would be in the **\$12,200,000** range. Square footage of construction is estimated at about 70,000.

The above estimates include the costs for construction, architectural and engineering fees, furniture, fixtures and equipment, testing and other miscellaneous soft costs. Site grading/preparation and exterior athletic facilities are not included in the estimates. Basic core spaces have been sized to handle additional classrooms should the need arise (source: Mr. Perry Taylor, State Architect - ptaylor@alsde.edu, phone: (334) 242-9731, March 13, 2014). The operative assumption is that the Orange Beach City Council would assume costs of site and site preparation and for exterior athletic facilities, some using existing city property and structures. Potential debt service is discussed in the following section.

IV. Debt Service includes those activities involved in servicing the long term debt(s) of the school system. These include payments of principal and interest on bond and warrant obligations, payments of principal and interest on lease-purchase agreements and payments of other related debt service charges incurred such as handling charges from lending institutions. These activities include the following:

1. Bonds and Warrants
2. Notes
3. Lease Purchase Agreements

State law requires that a newly formed city school system be transferred title to all property associated with the school sites within the city, the equipment of those sites and the transportation equipment transporting students to those sites. Furthermore, the new city school system may also be required to assume responsibility for debt assigned to those sites (subject to contractual pledge of repayment). According to the records of the Baldwin County Board of Education (See **Appendix 7-29**), there is a potential debt to be assumed of **\$ 3,044,313** as of **September 30, 2014**. This debt, however, will be further retired by time of actual financial

separation and is uncommonly small for a newly forming school system to assume. In addition, the annual principal and interest payment of between \$126,000 and \$127,000 is less than any potential calculation of the state and local share of the **1995 Capital Purchase Allocation**. Therefore, this debt and revenue offset.

Long-term debt for capital improvements can occur in several ways for a city school system. The city can issue bonds or warrants and provide annually for the debt service from city revenues, or the city can look to the school board to make the annual debt service payments. The local board of education can issue revenue warrants and pledge proceeds from the ad valorem taxes earmarked for capital outlay purposes (they can also pledge other tax revenues for this purpose as well). And the local board, once separated, can participate in an Alabama Public School and College Authority Pooled Purchase Bond Issue whereby the annual Capital Purchase Allocation from the state is used to purchase a portion of a larger bond issue and the annual apportionment from the state is intercepted to make debt service payments.

In the previous section, capital outlay costs were discussed along with the conditions under which they would be contracted for and funded. Precedent in Alabama has been to issue debt for a period of **20 years** for amortization in order to fully pay off the instrument of debt prior to need arising for expansion of the site or for major renovation and/or repair. This pay off period has been assumed in the following **Table 6-1**:

Table 6-1
Annual Estimated Debt Service Payment for Proposed Orange Beach City School System

Site	Cost Estimate	Assumed Interest Rate	Annual P&I Payments
Grade 7-8	\$5,250,000	n/a	n/a
Grade 9-12	\$12,200,000	n/a	n/a
Total*	\$17,450,000	3.21%	\$ 1,219,673
*Assumes term of debt to be 20 years.			

When considering the target expenditures of the Baldwin County School System for capital outlay and debt service, it is recommended that an additional **\$402,849** in new local revenues for the proposed Orange Beach City School System be made available.

V. Instructional Services are those activities dealing directly with the interaction between teachers and students. Teaching may be provided for pupils in a school classroom, in another location such as a home or hospital and in other learning situations such as those involving co-curricular activities (includes such activities as field trips, athletics, and band and school clubs). It may also be provided through some other approved medium such as television, radio, telephone, computers and other areas of technology. This function should include the purchase of instructional furniture and equipment, and the repairs and maintenance for this equipment. Also included here are the activities of classroom assistants of any type and substitute teachers who directly assist in the instructional process. These activities are for the most part the salaries and benefits for certificated personnel, teachers, at each school site.

This category is the definition of classroom expense. Teachers are a part of instruction and thus are expenditures of the classroom. For the most part, the instructional services costs of the existing schools serving the resident students of Orange Beach are funded through the **1995 Foundation Program**, other state aid programs such as line items allocated through the State Department of Education, and federally funded programs. Some of these costs are provided from local funds of the Baldwin County School System and would continue to be

funded through allocation of countywide and proposed Orange Beach City School System Tax District taxes and perhaps through additional revenues provided by the City Council of Orange Beach.

However, based upon expectations of taxpayers, citizens, parents, and students of the proposed Orange Beach City School System, improvements in classroom supplies and equipment and additional instructional personnel may be a necessity. In addition, additional funding for the education of exceptional children may be required based upon the identified educational needs of students actually in attendance upon separation. The Board of the proposed Orange Beach City Board of Education would make decisions in this regard.

VI. Instructional Support Services facilitate and enhance instruction. Such services will include student support, instructional staff support, educational media and local school administration. These include the following:

1. Student Support Services

- Attendance Services
- Guidance & Counseling Services
- Testing Services
- Health Services
- Social Services
- Work Study Services
- Psychological Services
- Speech Pathology & Audiology Services
- Other Student Support Services

2. Instructional Staff Support Services

- Instructional Improvement & Curriculum Development Services
- Instructional Staff Development Services
- Educational Media Services
- Other Instructional Staff Services

3. School Administrative Services

- Office of School Administrator
 - School Principal/Assistant Principal Services
 - Operation of Office of School Administrator
- Other School Administrative Services

For the most part, the **1995 Foundation Program** will provide funding for a principal for each school site, and based upon SACS staffing recommendations, assistant principals, guidance counselors, and librarians. Some of the student support services could be out-sourced as a cost-saving measure. Some additional local funding is recommended for this function of expenditure. However, some additional administrative personnel which are funded by local Baldwin County revenues should be continued.

VII. Auxiliary Services are those activities or services functioning in a subsidiary capacity and lending assistance to the educational process. Included in this function are (1) food service operations (the Child Nutrition Program) and (2) student transportation services. In Alabama, these two programs define Auxiliary Services.

1. The **Child Nutrition Program** in Alabama is funded in large part by federal programs and fees paid for lunches. In addition, the Legislature has mandated annually that pay raises and increases in fringe benefits for school lunchroom workers be included in the **1995 Foundation Program** in the cost factor of Other Current Expense Allowance. This is accomplished annually by a transfer from the General Fund to the Child Nutrition Program (CNP). At least one school system in Alabama out-sources the operations of the school lunchroom program. Mandated transfers from the General Fund to the Child Nutrition Program have been recently relaxed for FY 2013-14. Over time, no such transfers may be required for the proposed Orange Beach City School System which could be outsourced or which could sustain itself on federal and student paid revenues. The Child Nutrition Program is funded through a combination of federal revenues, school site revenues, and General Fund transfers from Other Current Expense or local tax-based revenues. It is expected that the CNP would be able to operate with a minimum, if any, general fund revenues. Therefore no additional revenues are recommended.

2. The **School Transportation Program** in Alabama has been assumed to be a fully state-funded program. City school systems are not required to operate a school transportation program, but may so choose and thus receive state reimbursement to the extent the Legislature provides. The **1995 Foundation Program** removed transportation as a cost factor from the 1935 Foundation Program and established it as a state-funded categorical aid program. An allowance is made to each local board of education operating a school transportation system based upon the product of the number of students transported on approved routes and an amount per pupil transported. In addition, a depreciation allowance was funded.

Current Operations. In determining the cost of current operations, transported students must live two miles or more from a school center. However, physically disabled students who live closer shall be included in the determination of average daily transported students. The State Superintendent must approve the school centers. 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. All transportation of special education students is fully reimbursed by including their full costs in the calculations. As discussed earlier, this reimbursement is under intense state financial pressure to be reduced. Not operating a student transportation program is a viable option. Outsourcing of the student transportation program is a viable option the proposed Orange Beach City Board of Education could consider. Based upon projected enrollment, it is estimated that a state appropriation in the amount of **\$223,173** could be available for current operations.

Fleet Renewal. 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 only for the purchase of new school buses. These funds may be carried over to future years. Based upon projected enrollment, it is estimated that a state appropriation in the amount of **\$ 30,653** could be available for fleet renewal.

This categorical aid program does not require a local match of funds directly. To the extent that the state allocation does not provide 100% reimbursement of allowable costs, there is an operating cost deficit that must be provided from local resources. To the extent that a local school system operates a transportation program in excess (miles to approved school sites, inefficient routes, etc.) of the state approved program, the local school system must provide the excess operations costs from local sources. To the extent the escrowed amount for fleet renewal from the state transportation program is insufficient to cover the replacement costs of bus by chassis which exceed 10 years of age, the local school system must provide for the excess purchase costs from

pay-as-you-go local revenues and/or assumption of local debt. There is no debt on the buses serving the school sites of the City of Orange Beach.

A thorough review of the age of transportation equipment and anticipated state funds should be made in anticipation of financial operations beginning. The final separation agreement should also include transfer of school transportation equipment serving students of Orange Beach and/or Ono Island to the new Orange Beach City Board of Education. If the decision is made to operate a student transportation program, lease/purchase is also an option as well as totally outsourcing the program. An estimate of state allocation for the proposed Orange Beach City School System was included in **Chapter 5, Table 5-22**, (this estimate was based upon the average state allocations to 13 comparable city schools systems). The estimated excess cost to be borne by local revenues is presented in **Table 6-2** which follows.

Table 6-2
Estimated State Allocations Student Transportation Program for proposed Orange Beach City School System Based Upon Comparable Size City School Systems for FY 2013-14

School System	ADM	State Allocation for Operations	State Operations Per ADM	State Allocation for Fleet Renewal	State Fleet Renewal Per ADM
Sum of Comparables	15,376.15	\$ 3,625,693	\$ 235.80	\$ 498,000	\$ 32.39
Orange Beach	946.45	\$ 223,173	\$ 235.80	\$ 30,653	\$ 32.39
State Allocation as Percent of Actual Cost	n/a	75%	n/a	75%	n/a
Estimated Total Cost to Orange Beach	n/a	\$ 297,564	n/a	\$ 40,871	n/a
General Fund Cost to Orange Beach	n/a	\$ 74,391	n/a	\$ 10,218	n/a

Please note that the state allocations are only usually about 25% of the cost requested by local boards of education for state reimbursement. These amounts in **Table 6-2** are only estimates as the mileage to be traveled and the density of students to be transported will affect the outcome are unknown at this time. The exact age of each chassis of transportation equipment that would be eligible for state fleet renewal allocations is also unknown. The recommended additional revenue to operate a student transportation program is **\$84,609**.

B. CONCLUSIONS REGARDING REVENUES AVAILABLE

Continuing Operations

Local tax-based revenues estimated for the proposed Orange Beach City School System should be adequate to meet estimated expenditure obligations for current operations and to meet expenditure obligations for capital outlay and debt service. Once the mandated state matches are made for the **1995 Foundation Program** and the **1995 Capital Purchase Program**, and in addition for the state-mandated function of General Administrative Services (the Central Office), net unrestricted revenues are determined. However, in order to provide a sound financial base for the proposed Orange Beach City School System, the following **Table 6-3** outlines the additional revenues to be provided that will provide the educational opportunities for the students of the proposed Orange Beach City School System.

The first step to be considered is the replacement of state revenues to fund the costs of the **1995 Foundation Program** (state ETF allocation is estimated to be zero). The second step is meeting the target of local tax-based revenues on a student basis that is currently budgeted to be expended by the Baldwin County School System. Then the third step is providing

additional revenues to operate a diseconomy of scale small school system with support for student transportation and operation of general administrative services. Significant construction costs must be included. The calculation of the target of local tax-based revenues follows in **Table 6-3** based upon on a per student basis available to the Baldwin County School System:

Table 6-3
Target for Annual Expenditures from Local Tax-Based Current Revenues

School System	Local Tax-Based Revenues	ADM	Local Tax-Based Revenues Per ADM	Required to Replace ETF for Foundation Program	Net Local Tax-Based Revenues	Net Local Tax-Based Revenues Per ADM
Baldwin County School System	\$ 114,662,483	28,996.50	\$ 3,954.36	-	\$ 114,662,483	\$ 3,954.36
Orange Beach City School System	\$ 5,772,322	946.45	\$ 6,098.92	\$ 5,011,551	\$ 760,772	\$ 803.82

The purpose of this **Table 6-3** is to illustrate that the proposed Orange Beach City System, after funding the **1995 Foundation Program** from estimated local revenues, would only have a balance of **\$760,772** to operate, or **\$803.82** per student compared to the Baldwin County School Systems **\$3,954.36**. The next step is to calculate how much additional local tax-based revenue is necessary to meet this target of local tax-based revenues per student.

In **Table 6-4** is found the calculation of additional tax-based revenues that would be necessary to erase the deficit in potential expenditures per ADM of **\$3,150.54** or a total of **\$2,981,829**. Using the yield per mill of Orange Beach Municipal Ad Valorem Tax for FY 2012-13 as a divisor, this amount is expressed in terms of mills or **3.92**.

Table 6-4
Estimate of Local Tax-Based Revenues Needed to Reach Target

School System	Yield Per Mill 2013	Target Local Tax-Based Revenues	Roll-Over Status Local Per ADM	Deficit Local Revenues Per ADM	Deficit Local Revenues	Deficit Local Mills
Orange Beach City School System	\$ 760,535.81	\$3,954.36	\$ 803.82	\$ 3,150.54	\$ 2,981,829	3.92

The chargeback or local contribution was calculated on the basis of the yield per mill for FY 2011-12. Actual revenues for FY 2013-14 are unavailable, so the most recently completed fiscal year was used.

In **Table 6-5** is found the calculation of additional revenue necessary to fund the estimated debt service for the construction of new school construction:

Table 6-5
Estimate of Local Tax-Based Revenues to Provide for Construction Costs

School System	Deficit Local Revenues Per ADM	Annual Capital Outlay & Debt Service	Capital Outlay & Debt Service Per ADM	Subtract BCBOE Capital Outlay & Debt Service per ADM	Additional Local Revenue to Service Construction per ADM	Additional Local Revenue Needed	Additional Local Mills Needed
Orange Beach City School System	\$ 3,150.54	\$ 1,219,673	\$ 1,288.68	\$ (863.04)	\$ 425.64	\$ 402,849	0.53

This **Table 6-5** shows that additional local tax-based revenues in the amount of **\$402,849** or **0.53** mills are recommended for capital outlay.

In **Table 6-6** is found the calculation of additional revenue necessary to fund the estimated excess cost for student transportation and general administrative services. These

amounts have been referenced in previous sections, but are now expressed in terms of mills of school tax district ad valorem tax.

Table 6-6
Estimate of Local Tax-Based Revenues to Provide
for General Administrative Services Costs

School System	Deficit Transportation Revenues	Deficit General Administrative Services	FY 2013 OB Yield Per Mill	Additional Local Mills Needed
Orange Beach City School System	\$ 84,609	\$ 100,000	\$ 760,535.81	0.24

In **Table 6-7** below is presented a summary of the previous Tables and which summarizes the additional revenues recommended:

Table 6-7
Summary of Additional Tax-Based Revenues Recommended

Category	Amount	Mills
Recommended Target Revenues	\$ 2,981,829	3.92
Recommended Construction Revenues	\$ 402,849	0.53
Recommended Transportation Revenues	\$ 84,609	0.11
Recommended General Administrative Service Revenues	\$ 100,000	<u>0.13</u>
TOTAL	\$ 3,569,286	4.69

As presented earlier, only once the proposed Orange Beach City Board of Education is formed and in financial operation will decisions regarding numbers of students, personnel and staffing considerations, potential outsourcing, and repair, renovation, and new construction actually be known. However, on the basis of the assumptions made in this **Study** regarding revenues and expenditures, **Table 6-8** provides a total estimated summary of revenues:

Table 6-8
Estimated Summary of Revenues for Proposed Orange Beach City School System

Source of Revenues	Revenue Code Range	Estimated Amount	Percent of Total	Estimated ADM	Revenues Per ADM
State Sources	1000-2999	\$ 562,700	4.8%	946.45	\$ 594.54
Federal Sources	3000-5999	\$ 736,628	6.3%	946.45	\$ 778.31
Local Sources	6000-7999	\$ 6,715,811	57.8%	946.45	\$ 7,095.79
Proposed Tax Increase	6200-6399	\$ 3,569,286	30.7%	946.45	\$ 3,771.24
Other Sources	8000-8999	\$ 33,158	0.3%	946.45	\$ 35.03
Total All Revenues	1000-8999	\$ 11,617,583	100.0%	946.45	\$ 12,274.90

Transition Costs

There are significant transition costs in establishing a new city school system. While the academic year begins July 1, the state fiscal year does not begin until October 1, and state allocations are not made before the end of October. It is recommended that additional local tax-based revenues in the range of \$1,000,000 to \$2,000,000 annually be provided as soon as steps are begun for separate status by City Council Resolution. This amount should be based upon a preliminary budget for the proposed Orange Beach City School System. In addition, the beginning of operations will encounter unexpected and unbudgeted expenditures as well as the need to show plans to meet the state requirement of a one month's operating reserve.

C. REVENUE OPTIONS FOR CONSIDERATION

Creating a separate city school system for the City of Orange Beach does not present a difficult financial circumstance due to the very large ad valorem tax base, the projected cost-efficient size in ADM to be housed in only two school sites grades K-12(economy of scale), the needs of the physical plant, and the potential needs for instructional improvement; however, certain cost containment and revenue options should be considered. Primary among these is the need for a reserve account to be established concurrent with any City Council action creating the Orange Beach City School System. While the projected revenue stream may appear to be minimally adequate for operating the current instructional program provided, funds for start-up costs must be considered as well as roll-over costs (maintaining the current instructional program) and costs for instructional improvement.

Providing all prospective school sites with sufficient instructional support personnel and teaching faculty to enhance educational programs may require staffing ratios smaller than currently provided the school sites of the Baldwin County Board of Education. Creating and filling the new positions of superintendent (position is required by state law) and of chief school finance officer (position is required by state law) should be accomplished prior to financial separation. Some costs at separation will be due to restructuring of grade levels of current and projected student enrollment to meet instructional needs.

The position of superintendent should be filled as soon as possible. A commensurate salary would be negotiated in a contract for this position. While the position would oversee just two attendance centers, adjusting the existing staff to the roll-over instructional load would be a significant task. Other state required positions such as a technology coordinator and school nurses(s) must be addressed. Others such as the required attendance officer may be a joint position with a principal or actually the superintendent.

Upon acceptance of revenue options which follow or some different options as circumstances may dictate, a key financial consideration will be the accommodation of current site employees:

Section 16-24C-4: Tenure of teachers; nonprobationary status of classified employees.

e. Neither tenured status nor time in probationary service shall be transferable from one employer subject to this chapter to another such employer, except that employees whose employer changes by virtue of annexation, school district formation, consolidation, or a similar reorganization over which the employee has no control shall retain tenure or nonprobationary status and service credit attained by virtue of employment with the predecessor employer (*Code of Alabama 1975*, Section 16-24C-4).

This provision of law is found in the recently approved *Students First Act of 2011* as contained in Act 2011-270, p. 494. The purpose of this legislation was to allow local boards of education more flexibility in dealing with the employment status of personnel. It must be noted that while the Section 14-24C-4 quoted above declares that the change in employer status which occurs because of the formation of a new city school system cannot remove the employment status of tenure, simplified provisions for non-continuance of a tenured teacher is possible due to decreased need for services:

Section 16-24C-6: Termination of employment - Grounds for termination; procedures; appeals.

(a) Tenured teachers and nonprobationary classified employees may be terminated at any time because of a justifiable decrease in the number of positions or for incompetency, insubordination, neglect of duty, immorality, failure to perform duties in a satisfactory manner, or other good and just cause, subject to the rights and procedures hereinafter provided. However, a vote or decision to approve a recommended termination on the part of a president of a two-year educational institution operated under the authority and control of the Department of Postsecondary Education or the governing board shall not be made for political or personal reasons (*Code of Alabama 1975, Section 16-24C-6*).

In planning for separation and/or school closings, provision must be made to protect continuing employment status of personnel assigned to and working at these building sites. However, some employees may wish to transfer to the Baldwin County School System at the offer of employment by the Baldwin County School System in the negotiations for the conditions of fiscal separation. Such a practice is common in the formation of new city school systems. In addition, some certificated and non-certificated personnel will be lost due to retirement, relocation, or other reasons. The proposed Orange Beach City School System will have a unique advantage over previously forming city school systems. They will not have excess certificated personnel; they will need to hire additional certificated personnel.

D. OPTIONS FOR ADDITIONAL TAX REVENUES

Options for additional local revenues do exist. The Orange Beach City Council could impose the following taxes without the need for a referendum. These are not included as recommendations, but are noted as possibilities for additional revenues since they have been the most common practice of new city school systems that have been formed.

- (1) A 1.0% sales and use tax increase is not feasible given the current existing rate of 10% in the City of Orange Beach. However, if proceeds of an existing 1.0% sales tax were to become available, the estimated yield could be-----**\$2,333,333.**
- (2) A 1.0 mill municipal ad valorem tax to be levied and collected under authority conferred in **Section 216** of the *Constitution of 1901* by resolution of the Orange Beach City Council could yield-----**\$760,536.**
- (3) A 1.0 mill municipal ad valorem tax to be levied and collected under authority conferred in *Amendment 56* of the *Constitution of 1901* by referendum of the Orange Beach City Council could yield-----**\$760,536.**
A millage increase of up to 7.5 mills is available under this authority:

Each municipal corporation in this state whose annual ad valorem tax rate is otherwise limited by the Constitution or any amendment thereto less than one and one-fourth per centum (1 1/4 %) of the value of the property situated therein as assessed for state taxation during the preceding year shall have, in addition to the power to levy and collect such ad valorem tax each year at the rate authorized immediately prior to the adoption of this amendment, the further power to levy and collect each year an additional tax or taxes to such extent that the total ad valorem tax rate of such municipal corporation shall not exceed one and one-fourth per centum (1 1/4 %) in any one year on the property situated therein based on the

valuation of such property as assessed for state taxation during the preceding year; provided, that before any such additional tax may be so levied and collected a majority of the qualified electors of any such municipal corporation voting at an election called for that purpose shall vote in favor of the levy thereof; provided further, that the total ad valorem tax or taxes to be levied and collected by any such municipal corporation shall not exceed one and one-fourth per centum (1 1/4 %) in any one year; and provided further, that the adoption of this amendment shall in no wise affect, limit, modify, abridge or impair the power, authority or right of any such municipal corporation to levy and collect the special school taxes now or hereafter vested or conferred upon them, or any of them, under the Constitution or any amendment thereto, which said special school taxes shall be in excess of said one and one-fourth per centum (1 1/4 %) herein provided for. Each election held under the provisions hereof shall be ordered, held, canvassed and may be contested in the same manner as is or may be provided by the law applicable to municipal corporations for elections to authorize the issuance of municipal bonds. The ballots used at such elections shall specify the purpose for which the proposed additional rate of taxation shall be authorized and shall contain the words "For ... % additional rate of taxation"; and "Against ... % additional rate of taxation"; the additional rate of taxation proposed to be shown in the blank space provided therefor. The voter shall record his choice, whether for or against the additional rate shown, by placing a cross mark before or after the words expressing his choice. The proceeds of any such additional tax so authorized at any such election shall be used only for the purpose for which the same shall be authorized at such election. Elections to authorize the levy of such additional tax may be held as often as ordered by the governing body of the municipality, but when a proposition is submitted to the electors to levy such additional tax for a specific purpose and such proposition is defeated then no second election for the same purpose shall be held in one year thereafter (*Constitution of 1901, Amendment 56*).

- (4) A municipal occupations license tax can be levied and collected. The principal statutory grant of authority for Alabama cities and towns to tax businesses or trades, occupations or professions is found in Section 11-51-90, *Code of Alabama, 1975*.
- (5) A municipality is empowered to levy and collect at any rate any excise, franchise, and privilege license taxes under the authority granted by (*Code of Alabama 1975, Section 11-51-200*).

E. FORWARD FUNDING OF PROPOSED ORANGE BEACH CITY SCHOOL SYSTEM ADMINISTRATION AND OPERATIONS

It is recommended that if creation of a separate city school system for Orange Beach is undertaken, the City Council should provide for funding for the new Board and administration at the same time approval of a City Council resolution for separation is accomplished. 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** along with contracts of many school system employees, the state fiscal year for the allocation of state revenues begins **October 1** with actual receipts from the state due and payable at the end of October. These revenues could be from city tax sources which are immediately available to the City Council for action. School ad valorem taxes would be collected only after the final separation agreement is made. Any new ad valorem tax would not provide revenues at least one to two years after approval (only motor vehicles ad valorem taxes are current; real property is in arrears). In addition, assistance should be secured in providing that the current year appropriations for the first year of operation be parsed from the amount based upon prior year ADM from the Baldwin

County Board of Education state allocation procedure and allocated directly to the proposed Orange Beach City Board of Education.

Legal assistance is highly desirable in these issues of planning for a smooth transition of federal, state, and local revenues. It is recommended that at least a superintendent and a chief fiscal officer be employed by the newly appointed Orange Beach City Board of Education as soon as possible to oversee and implement the transition to a new city system. Also a board of education attorney needs to be identified and involved. It is highly recommended that the position of chief school fiscal officer be filled due to the uniqueness and complexity of public school finance and the time that will be required. The Alabama Association of School Boards recommends the Superintendent be hired first, however. Immediate participation in financial training and professional development will be essential for both.

Additional Revenue Options Dependent upon Referendum

In addition to the revenue options for the City Council previously presented, the following additional revenue options should be noted:

- (1) **Amendment 373**, the “Lid Bill,” provides for the rate of an existing millage to be increased in a referendum, contingent upon certain steps being implemented. If an existing city millage were increased, the collection of the levy would be in the next collection cycle. If an existing school tax millage were to be increased, the collection of the levy could not occur until after final separation. Such a tax would be approved for levy and collection by the following steps:
 - (a) **Public Hearing.** The local taxing authority (in the case of most, but not all, school taxes, this is the county commission) conducts a public hearing on the proposed tax increase (usually at the request of the school board) at which the local taxing authority formally votes to propose the increase;
 - (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. The issue is not voted upon statewide or countywide.
- (2) Ad valorem taxes cannot be levied and collected without specific constitutional authority (and in most cases only by referendum). Another method for an ad valorem tax increase is a local application constitutional amendment affecting only the City of Orange Beach, but which must be voted upon statewide.

Proposed Orange Beach City School System Share of Baldwin County School System Fund Balances

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

- (1) At final implementation of separation, the Orange Beach City School System should be entitled to its share of escrowed Capital Purchase Allocation from the Public School

Fund in escrow by the Baldwin County Board of Education. Orange Beach should be entitled to at least **3.321%** of this amount (a prorata share) as resident students of Orange Beach earned this allocation, and the residents of Orange Beach paid the 3.0 mill statewide ad valorem tax which funds it.

- (2) At final implementation of separation, the Orange Beach City School System should be entitled to its prorata share of any fund balance in the General Fund of the Baldwin County Public School System for the same reasons as above.
- (3) At final implementation of separation, the Orange Beach City School System should be entitled to its prorata share of any escrowed fund balance of revenue warrants and or bond issues by the Baldwin County Board of Education.
- (4) At initial implementation of separation, the Orange Beach City School System should be entitled to full documentation detailing ownership of all county school property.
- (5) At final implementation of separation, the Orange Beach City School System will be entitled to receive all fund balances in school internal accounts.
- (6) At final implementation of separation, all school site supplies, equipment, transportation equipment, educational materials and resources, and similar items used in the school site of Orange Beach shall be transferred to the Orange Beach City School System. In addition, school transportation equipment serving resident students of Orange Beach attending school sites in Gulf Shores should also be transferred.

Legal Counsel

Should the Orange Beach City Council vote to form an independent city school system, it is recommended that legal counsel familiar with such matters be retained as soon as possible to coordinate all steps necessary for implementation. Chief among these steps will be to file for Pre-clearance with the Justice Department under the provisions of the 1965 Voting Rights Act. Legal counsel will represent the newly formed Orange Beach Board of Education in the negotiation with the Baldwin County Board on matters of property transfer, personnel issues, property and fund balance transfer, and other related issues. Many decisions will have to be made by the Orange Beach City Board of Education upon final separation, including attendance issues. Advice of legal counsel is crucial. Specific diligence and representation will be required for the creation of the **Countywide Foundation Program Cost Ratio** for the allocation of the Orange Beach City School System's share of countywide revenues. Immediate contact with the Alabama State Department of Education should be made and their involvement in financial planning solicited. Similar concern would be necessary for the creation a proxy amount for a chargeback to be assigned to the Foundation Program and for a Capital Purchase allocation match.

In addition, given that state funding is based upon prior year student attendance data by school site, it is imperative to plan with both the Alabama State Department of Education and the local legislative delegation to provide for direct allocation to the proposed Orange Beach City Board of Education beginning with the first year of financial separation. While the state fiscal year begins **October 1**, the school academic year begins **July 1**. Provisions must be made for bridging this financial hiatus by intergovernmental transfer of funds and should be thoroughly delineated in the final agreement of separation.

CHAPTER 7

APPENDICES

	Title	Page Number
7-1	Per Capita Income in Current Dollars and Rank by County in Alabama for 2012	7-3
7-2	Rank of Places in Alabama by Per Capita Income for 2012 and by Places in Alabama with City School Systems for FY 2014.....	7-4
7-3	<i>Section 269, Constitution of 1901 as Amended: Statewide Application</i> 1.0 Mill Countywide Ad Valorem School Tax.....	7-5
7-4	<i>Amendment 3, Constitution of 1901 as Amended: Statewide Application</i> 3.0 Mill Countywide and 3.0 Mill School Tax District Ad Valorem Tax	7-6
7-5	<i>Amendment 382, Constitution of 1901 as Amended: Statewide Application</i> 3.0 Mill School Tax District Ad Valorem Tax	7-7
7-6	<i>Amendment 162, Constitution of 1901 as Amended: Additional Tax for</i> School Purposes in Baldwin County	7-8
7-7	<i>Amendment 778, Constitution of 1901 as Amended: Minimum Statewide</i> Ad Valorem Tax Rate for General School Purposes	7-9
7-8	Local Act: Special Sales Tax for Baldwin County, Act Number 84-523	7-11
7-9	General Authorization for Countywide Franchise, Excise, and Privilege License Taxes for Public School Purposes, Section 40-12-4, <i>Code of Alabama 1975</i>	7-13
7-10	Baldwin County Commission Ordinance Number 2010-01-01 Authorizing the Levy and Collection of a One Cent Sales and Use Tax.....	7-14
7-11	<i>Amendment 879, Constitution of 1901 as Amended: Baldwin County</i> Tax - Schools; Sales and Use.....	7-21
7-12	Calculation of Yield per Mill per ADM for County School Systems for FY 2013-14	7-23
7-13	Calculation of Yield per Mill per ADM for City School Systems for FY 2013-14.....	7-24
7-14	Tax Capacity and Tax Effort for County School Systems for FY 2013-14	7-25

7-15	Tax Capacity and Tax Effort for City School Systems for FY 2013-14.....	7-26
7-16	Capital Purchase Allocation from the Public School Fund for County School Systems for FY 2013-14	7-27
7-17	Capital Purchase Allocation from the Public School Fund for City School Systems for FY 2013-14	7-28
7-18	Unrestricted Local Tax Revenues per ADM for County School Systems for FY 2013-14.....	7-29
7-19	Unrestricted Local Tax Revenues per ADM for City School Systems for FY 2013-14.....	7-30
7-20	Orange Beach Elementary School Summary Report	7-31
7-21	Orange Beach Elementary School Site Building Detail Summary	7-32
7-22	Orange Beach Elementary School Site Building Assessment Detail Report.....	7-33
7-23	Orange Beach Elementary School Attachment to Exhibit P-II for FY 2013-14 Budget	7-34
7-24	Gulf Shores Elementary School Attachment to Exhibit P-II for FY 2013-14 Budget.....	7-35
7-25	Gulf Shores Middle School Attachment to Exhibit P-II for FY 2013-14 Budget.....	7-36
7-26	Gulf Shores High School Attachment to Exhibit P-II for FY 2013-14 Budget.....	7-37
7-27	Letter from Dr. Wayne Teague, State Superintendent of Education, Regarding Formation of a City School System.....	7-38
7-28	Student Transportation Equipment Serving the Orange Beach Elementary School	7-41
7-29.	Schedule of Debt Service for Budgeted for Orange Beach Elementary School for FY 2013-14 Until Maturity	7-42
7-30	Schedule of Debt Service Budgeted for the Baldwin County School System as of September 30, 2013 Until Maturity	7-43
7-31	Statute Creating the 1995 Foundation Program: <i>Code of Alabama, 1975</i> , Section 16-13-231	7-44
7-32	City of Orange Beach Financial and In-Kind Support of Orange Beach Elementary School Site	7-49

Appendix 7-1

Per Capita Income in Current Dollars and Rank by County in Alabama for 2012

Per Capita Personal Income Estimates for Alabama Counties 2012				
Area	Per Capita Income Estimate for 2012	Rank	Percent of 2012 US Average	Percent of 2012 Alabama Average
United States	\$43,735	n/a	100%	121%
Alabama	\$35,926	n/a	83%	100%
<i>Counties:</i>				
Autauga	\$34,043	16	79%	96%
Baldwin	\$38,548	5	90%	109%
Barbour	\$27,771	58	64%	77%
Bibb	\$25,001	66	56%	68%
Blount	\$28,799	54	65%	78%
Bullock	\$23,611	68	54%	66%
Butler	\$29,988	44	68%	82%
Calhoun	\$32,883	22	77%	93%
Chambers	\$29,592	48	68%	82%
Cherokee	\$28,019	57	64%	77%
Chilton	\$30,335	40	69%	83%
Choctaw	\$31,247	33	70%	85%
Clarke	\$31,079	36	71%	85%
Clay	\$28,299	56	63%	77%
Cleburne	\$30,984	38	71%	86%
Coffee	\$37,686	6	87%	105%
Colbert	\$33,083	21	76%	92%
Conecuh	\$29,563	49	67%	81%
Coosa	\$24,975	67	57%	69%
Covington	\$30,975	39	70%	84%
Crenshaw	\$31,937	29	72%	88%
Cullman	\$32,363	27	73%	88%
Dale	\$31,897	30	73%	89%
Dallas	\$29,383	50	68%	82%
DeKalb	\$27,077	62	61%	74%
Elmore	\$35,656	11	83%	100%
Escambia	\$29,842	46	68%	83%
Etowah	\$32,717	24	75%	91%
Fayette	\$29,147	52	66%	80%
Franklin	\$27,756	59	63%	77%
Geneva	\$31,167	34	71%	85%
Greene	\$31,806	31	72%	88%
Hale	\$30,028	43	69%	84%
Henry	\$33,640	18	75%	90%
Houston	\$37,391	7	86%	105%
Jackson	\$32,157	28	72%	87%
Jefferson	\$44,880	2	102%	124%
Lamar	\$29,241	51	66%	80%
Lauderdale	\$33,347	20	76%	92%
Lawrence	\$31,048	37	69%	84%
Lee	\$30,236	41	70%	85%
Limestone	\$35,698	10	83%	101%
Lowndes	\$35,050	12	78%	94%
Macon	\$30,229	42	68%	82%
Madison	\$43,102	3	100%	121%
Marengo	\$34,578	14	78%	94%
Marion	\$27,643	60	62%	76%
Marshall	\$31,369	32	73%	88%
Mobile	\$32,772	23	77%	93%
Monroe	\$28,721	55	66%	80%
Montgomery	\$39,759	4	92%	111%
Morgan	\$33,711	17	78%	94%
Perry	\$29,625	47	67%	82%
Pickens	\$29,904	45	68%	82%
Pike	\$34,932	13	82%	99%
Randolph	\$27,411	61	62%	75%
Russell	\$31,123	35	73%	88%
St. Clair	\$33,640	18	77%	93%
Shelby	\$46,033	1	105%	127%
Sumter	\$26,472	65	60%	72%
Talladega	\$32,410	26	73%	89%
Tallapoosa	\$32,632	25	74%	89%
Tuscaloosa	\$35,730	9	83%	100%
Walker	\$34,286	15	78%	94%
Washington	\$28,940	53	66%	80%
Wilcox	\$26,474	64	60%	73%
Winston	\$27,026	63	61%	74%
Source: U.S. Department of Commerce, Bureau of Economic Analysis.				
Last updated: November 21, 2013 - new estimates for 2012				

Appendix 7-2

Rank of Places in Alabama by Per Capita Income for 2012 and by Places in Alabama with City School Systems for FY 2014

N	Name of Place in Alabama	Estimated PCI 2012	Places Rank in Alabama	Name of Place in Alabama	Estimated PCI 2012	Places Rank in Alabama	Rank Among City LEAs
n/a	Orange Beach city	\$36,909	18	Orange Beach city	\$36,909	18	4 to 5
1	Albertville city, Alabama	\$17,904	359	Mountain Brook city	\$73,465	1	1
2	Alexander City city, Alabama	\$18,185	345	Vestavia Hills city	\$52,036	5	2
3	Andalusia city, Alabama	\$19,726	269	Madison city	\$41,490	10	3
4	Anniston city, Alabama	\$21,338	208	Hoover city	\$38,718	17	4
5	Arab city, Alabama	\$25,276	105	Trussville city	\$34,892	23	5
6	Athens city, Alabama	\$27,599	66	Huntsville city	\$30,299	40	6
7	Attalla city, Alabama	\$15,922	446	Homewood city	\$29,919	41	7
8	Auburn city, Alabama	\$23,749	134	Athens city	\$27,599	66	8
9	Bessemer city, Alabama	\$16,868	402	Satsuma city	\$26,735	78	9
10	Birmingham city, Alabama	\$19,615	277	Pell City city	\$26,329	84	10
11	Boaz city, Alabama	\$17,789	365	Jasper city	\$25,696	95	11
12	Brewton city, Alabama	\$19,229	295	Muscle Shoals city	\$25,369	101	12
13	Chickasaw city, Alabama	\$16,518	423	Arab city	\$25,276	105	13
14	Cullman city, Alabama	\$21,738	192	Enterprise city	\$25,222	107	14
15	Daleville city, Alabama	\$23,478	141	Dothan city	\$25,027	111	15
16	Decatur city, Alabama	\$24,056	126	Decatur city	\$24,056	126	16
17	Demopolis city, Alabama	\$23,021	153	Leeds city	\$23,812	131	17
18	Dothan city, Alabama	\$25,027	111	Auburn city	\$23,749	134	18
19	Elba city, Alabama	\$16,605	415	Saraland city	\$23,622	135	19
20	Enterprise city, Alabama	\$25,222	107	Daleville city	\$23,478	141	20
21	Eufaula city, Alabama	\$19,134	298	Ozark city	\$23,196	147	21
22	Fairfield city, Alabama	\$17,718	367	Oxford city	\$23,147	148	22
23	Florence city, Alabama	\$22,206	180	Hartselle city	\$23,104	149	23
24	Fort Payne city, Alabama	\$20,881	227	Demopolis city	\$23,021	153	24
25	Gadsden city, Alabama	\$18,481	329	Scottsboro city	\$22,939	157	25
26	Geneva city, Alabama	\$16,066	438	Opelika city	\$22,934	158	26
27	Guntersville city, Alabama	\$21,458	201	Winfield city	\$22,425	174	27
28	Haleyville city, Alabama	\$17,888	362	Florence city	\$22,206	180	28
29	Hartselle city, Alabama	\$23,104	149	Thomasville city	\$21,759	191	29
30	Homewood city, Alabama	\$29,919	41	Cullman city	\$21,738	192	30
31	Hoover city, Alabama	\$38,718	17	Guntersville city	\$21,458	201	31
32	Huntsville city, Alabama	\$30,299	40	Anniston city	\$21,338	208	32
33	Jacksonville city, Alabama	\$18,297	341	Roanoke city	\$21,296	210	33
34	Jasper city, Alabama	\$25,696	95	Tuscaloosa city	\$21,082	217	34
35	Lanett city, Alabama	\$14,842	482	Fort Payne city	\$20,881	227	35
36	Leeds city, Alabama	\$23,812	131	Tuscumbia city	\$20,828	231	36
37	Linden city, Alabama	\$16,740	409	Sheffield city	\$20,683	236	37
38	Madison city, Alabama	\$41,490	10	Sylacauga city	\$20,521	245	38
39	Midfield city, Alabama	\$18,622	322	Troy city	\$20,246	254	39
40	Mountain Brook city, Alabama	\$73,465	1	Phenix City city	\$19,904	264	40
41	Muscle Shoals city, Alabama	\$25,369	101	Andalusia city	\$19,726	269	41
42	Oneonta city, Alabama	\$17,986	356	Birmingham city	\$19,615	277	42
43	Opelika city, Alabama	\$22,934	158	Piedmont city	\$19,605	278	43
44	Opp city, Alabama	\$19,232	294	Tallassee city	\$19,470	286	44
45	Oxford city, Alabama	\$23,147	148	Opp city	\$19,232	294	45
46	Ozark city, Alabama	\$23,196	147	Brewton city	\$19,229	295	46
47	Pell City city, Alabama	\$26,329	84	Eufaula city	\$19,134	298	47
48	Phenix City city, Alabama	\$19,904	264	Midfield city	\$18,622	322	48
49	Piedmont city, Alabama	\$19,605	278	Gadsden city	\$18,481	329	49
50	Roanoke city, Alabama	\$21,296	210	Jacksonville city	\$18,297	341	50
51	Russellville city, Alabama	\$17,899	360	Alexander City city	\$18,185	345	51
52	Saraland city, Alabama	\$23,622	135	Oneonta city	\$17,986	356	52
53	Satsuma city, Alabama	\$26,735	78	Albertville city	\$17,904	359	53
54	Scottsboro city, Alabama	\$22,939	157	Russellville city	\$17,899	360	54
55	Selma city, Alabama	\$16,605	415	Haleyville city	\$17,888	362	55
56	Sheffield city, Alabama	\$20,683	236	Boaz city	\$17,789	365	56
57	Sylacauga city, Alabama	\$20,521	245	Fairfield city	\$17,718	367	57
58	Talladega city, Alabama	\$15,855	450	Bessemer city	\$16,868	402	58
59	Tallassee city, Alabama	\$19,470	286	Linden city	\$16,740	409	59
60	Tarrant city, Alabama	\$15,231	471	Elba city	\$16,605	415	60
61	Thomasville city, Alabama	\$21,759	191	Selma city	\$16,605	415	60
62	Troy city, Alabama	\$20,246	254	Chickasaw city	\$16,518	423	62
63	Trussville city, Alabama	\$34,892	23	Geneva city	\$16,066	438	63
64	Tuscaloosa city, Alabama	\$21,082	217	Attalla city	\$15,922	446	64
65	Tuscumbia city, Alabama	\$20,828	231	Talladega city	\$15,855	450	65
66	Vestavia Hills city, Alabama	\$52,036	5	Tarrant city	\$15,231	471	66
67	Winfield city, Alabama	\$22,425	174	Lanett city	\$14,842	482	67
Rank among 571 Places in Alabama				Gardendale, Pelham, and Pike Road are in process of separation.			

Appendix 7-3

***Section 269, Constitution of 1901 as Amended:* Statewide Application 1.0 Mill Countywide Ad Valorem School Tax**

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.

Appendix 7-4

Amendment 3, Constitution of 1901 as Amended: Statewide Application 3.0 Mill Countywide and 3.0 Mill School Tax 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 382, Constitution of 1901 as Amended:* Statewide Application 3.0 Mill School Tax District Ad Valorem Tax**

In addition to any and all taxes now authorized, or that may be hereafter authorized by the Constitution and laws of Alabama, the several school districts of any in the state shall have power to levy and collect an additional special district school tax not exceeding thirty cents on each one hundred dollars worth of taxable property in such district for public school purposes in addition to that now authorized or that may hereafter be authorized for public school purposes; provided, that a school district under 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 a majority of those voting at such election.

Appendix 7-6

***Amendment 162, Constitution of 1901 as Amended:* 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 7-7

Amendment 778, Constitution of 1901 as Amended: **Minimum Statewide 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 7-8

Local Act: Special Sales and Use 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

Appendix 7-8
(continued)

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 7-9

General Authorization for Countywide Franchise, Excise, and Privilege License Taxes for Public School Purposes

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 7-10

**BALDWIN COUNTY COMMISSION
ORDINANCE NUMBER 2010-01-01**

**AUTHORIZING AMENDMENTS TO BALDWIN COUNTY COMMISSION
ORDINANCE NUMBER 2010-01-00 (ORIGINALLY ADOPTED AT APRIL 6, 2010,
REGULAR MEETING) TO CORRECT SCRIVENER'S ERRORS IN THE ORIGINAL
TEXT AND ADD A NEW ARTICLE VIII.**

BE IT ORDAINED BY THE BALDWIN COUNTY COMMISSION, IN REGULAR
SESSION ASSEMBLED, that we hereby amend Ordinance Number 2010-01-00 thereby
repealing with deletions delineated by being ~~STRUCK THROUGH~~ and inclusions delineated by
being DOUBLE UNDERLINED only as follows:

**Appendix 7-10
(continued)**

BALDWIN COUNTY COMMISSION

ORDINANCE NUMBER 2010-01-00

PURSUANT TO THE PROVISION OF SECTION 40-12-4, CODE OF ALABAMA 1975, AS AMENDED, AND WITHOUT LIMITATION, AUTHORIZING AND ENACTING AN ORDINANCE WHICH LEVIES A 1% SALES TAX AND EXCISE TAX AGAINST PERSONS, FIRMS OR CORPORATIONS STORING, USING, OTHERWISE CONSUMING OR ENGAGED IN THE BUSINESS OF SELLING AT RETAIL TANGIBLE PERSONAL PROPERTY OR CONDUCTING PLACES OF AMUSEMENT IN BALDWIN COUNTY, ALABAMA; PROVIDING FOR THE COLLECTION OF THE SAID TAXES; PROVIDING PENALTIES FOR THE VIOLATION OF THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE AND EXPIRATION DATE FOR SAID ORDINANCE.

Adopted 4/6/2010
Amended: 4/20/2010

**Appendix 7-10
(continued)**

**BALDWIN COUNTY COMMISSION
ORDINANCE NUMBER 2010-01-00**

PURSUANT TO THE PROVISION OF SECTION 40-12-4, CODE OF ALABAMA 1975, AS AMENDED, AND WITHOUT LIMITATION, AUTHORIZING AND ENACTING AN ORDINANCE WHICH LEVIES A 1% SALES TAX AND EXCISE TAX AGAINST PERSONS, FIRMS OR CORPORATIONS STORING, USING, OTHERWISE CONSUMING OR ENGAGED IN THE BUSINESS OF SELLING AT RETAIL TANGIBLE PERSONAL PROPERTY OR CONDUCTING PLACES OF AMUSEMENT IN BALDWIN COUNTY, ALABAMA; PROVIDING FOR THE COLLECTION OF THE SAID TAXES; PROVIDING PENALTIES FOR THE VIOLATION OF THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE AND EXPIRATION DATE FOR SAID ORDINANCE.

Pursuant to the provisions of Sections 40-12-4, Code of Alabama 1975, as amended, and without limitation, and as approved by a majority of qualified electors of Baldwin County, Alabama, voting at a special election in Baldwin County on March 23, 2010, be it ordained by the Baldwin County Commission in the State of Alabama as follows:

Article I. There is hereby levied, in addition to all other taxes of every kind now imposed by law, and shall be collected as herein provided, ~~an excise tax~~ a sales tax against the person on account of the business activities, as follows:

(a) Upon every person, firm, or corporation, (including the State of Alabama, the University of Alabama, Auburn University and all other institutions of higher learning in the state, whether such institutions be denominational, state, county or municipal institutions, and any association or other agency or instrumentality of such institutions) engaged, or continuing within Baldwin County in the business of selling at retail any tangible personal property whatsoever, including merchandise and commodities of every kind and character, (not including, however, bonds or other evidences of debts or stocks, or as listed in Section 40-23-4 (a) (10) of the Code of Alabama 1975), an amount equal to one percent (1%) of the gross proceeds of sales of the business except where a different amount is expressly provided herein. Provided, however, that any person engaging or continuing in business as a retailer and wholesaler or jobber shall pay the tax required on the gross proceeds of retail sales of such business at the rates specified, when his books are kept so as to show separately the gross proceeds of sales of each business, and when his books are not so kept he shall pay the tax as retailer on the gross sales of the business.

(b) Upon every person, firm or corporation engaged, or continuing within Baldwin County, in the business of conducting, or operating, places of amusement or entertainment, billiard and pool rooms, bowling alleys, amusement devices, musical devices, theaters, opera houses, moving picture shows, vaudeville, amusement parks, athletic contests, including wrestling matches, prize fights, boxing and wrestling exhibitions, football and baseball games, (including athletic contests, conducted by or under the auspices of any educational institution within Baldwin County, or any athletic association thereof, or other association whether such institution or association be a denominational, a state, or county, or a municipal institution or association or a state, county, or city school, or other institution, association or school), skating

Appendix 7-10 (continued)

rinks, race tracks, golf courses, or any other place at which any exhibition, display, amusement or entertainment is offered to the public or place or places where an admission fee is charged, including public bathing places, public dance halls of every kind and description within Baldwin County, including any other events identified by the Alabama Department of Revenue, an amount equal to one percent (1%) of the gross receipts of any such business. Provided, however, notwithstanding any language to the contrary in the prior portion of this subsection, the tax provisions so specified shall not apply to any athletic event conducted by a public primary or secondary school. The tax amount which would have been collected pursuant to this subsection shall continue to be collected by said public primary or secondary school but shall be retained by the school which collected it and shall be used by said school for school purposes.

(c) Upon every person, firm or corporation engaged or continuing within Baldwin County in the business of selling at retail machines used in mining, quarrying, compounding, processing and manufacturing of tangible personal property, an amount equal to one percent (1%) of the gross proceeds of the sale of such machines, provided, that the term "machines," as herein used, shall include machinery which is used for mining, quarrying, compounding, processing or manufacturing tangible personal property, and the parts of such machines, attachments and replacements therefore which are made or manufactured for use on or in the operation of such machines and which are necessary to the operation of such machines and are customarily so used.

(d) Upon every person, firm or corporation engaged or continuing within Baldwin County in the business of selling at retail any automotive vehicle or truck trailer, semi-trailer or house trailer, an amount equal to one percent (1%) of the gross proceeds of sale of said automotive vehicle or truck trailer, semi-trailer or home trailer.

Where any used automobile vehicle or truck trailer, semi-trailer or house trailer is taken in trade or in a series of trades, as a credit or part payment on the sale of a new or used vehicle, the tax levied herein shall be paid on the net difference, that is, the price of the new or used vehicle sold less the credit for the used vehicle taken in trade.

(e) Upon every person, firm or corporation engaged or continuing within Baldwin County in the business of selling at retail any machine, machinery or equipment which is used in planting, cultivating and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock or poultry on farms, and the parts of such machines, machinery or equipment, attachments and replacements therefore which are made or manufactured for use on or in the operation of such machine, machinery or equipment, and which are necessary to and customarily used in the operation of such machine, machinery or equipment, an amount equal to one percent (1%) of the gross proceeds of the sale thereof. Provided, however, the one percent (1%) rate herein prescribed with respect to parts, attachments, and replacements shall not apply to any automotive vehicle or trailer designed primarily for public highway use, except farm trailers used primarily in the production and harvesting of agricultural commodities.

Where any used machine, machinery or equipment which is used in planting, cultivating, and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock and poultry on farms is taken in trade or in a series of trades as a credit or

Appendix 7-10 (continued)

(f) Upon every person, firm or corporation engaged or continuing within Baldwin County in the business of selling through coin-operated dispensing machines, food and food products for human consumption, not including beverages other than coffee, milk, milk products and substitutes therefore, there is hereby levied a tax equal to one percent (1%) of the cost of such food, food products and beverages sold through such machines, which cost for the purpose of this subsection shall be the gross proceeds of sales of such business.

Article II. Provisions of State Sales Tax Statutes Applicable to this Ordinance and Taxes Levied Herein. The taxes levied in Article I of this Ordinance shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, rules, regulations, provisions, discounts, penalties, fines, punishments, and deductions that are applicable to the taxes levied by the State sales tax statutes, except where inapplicable or where herein otherwise provided, including all provisions of the State sales tax statutes for enforcement and collection of taxes.

Article III. (a) An excise tax is hereby imposed on the storage, use or other consumption in Baldwin County of tangible personal property (including materials as listed in Section 40-23-4 (a) (10) of the Code of Alabama 1975) purchased at retail on or after the effective date of this ordinance for storage, use or other consumption in Baldwin County, except as provided in subsections (b), (c), and (d), at the rate of one percent (1%) of the sales price of such property.

(b) An excise tax is hereby imposed on the storage, use or other consumption in Baldwin County of any machines used in mining, quarrying, compounding, processing, and manufacturing of tangible personal property purchased at retail on or after the effective date of this ordinance at the rate of one percent (1%) of the sales price of any such machine; provided, that the term "machine" as herein used, shall include machinery which is used for mining, quarrying, compounding, processing, or manufacturing tangible personal property, and the parts of such machines, attachments and replacements therefore, which are made or manufactured for use on or in the operation of such machines and which are necessary to the operation of such machines and are customarily so used.

(c) An excise tax is hereby imposed on the storage, use or other consumption in Baldwin County of any automotive vehicle or truck trailer, semitrailer or house trailer purchased at retail on or after the effective date of this ordinance for storage, use or other consumption in Baldwin County at the rate of one percent (1%) of the sales price of such automotive vehicle, truck trailer, semi-trailer or house trailer. Where any used automotive vehicle, truck trailer, semi-trailer or house trailer is taken in trade, or in a series of trades, as a credit or part payment on the sale of a new or used vehicle, the tax levied herein shall be paid on the net difference, that is, the price of the new or used vehicle sold less the credit for the used vehicle taken in trade.

(d) An excise tax is hereby levied and imposed on the storage, use or other consumption in Baldwin County of any machine, machinery, or equipment which is used in planting, cultivating, and harvesting farm products, or used in connection with the production of agricultural produce or products, livestock, or poultry on farms, and the parts of such machines

Appendix 7-10 (continued)

machinery, or equipment, attachments and replacements therefore which are made or manufactured for use on or in the operation of such machine, machinery, or equipment, and which are necessary to and customarily used in the operation of such machine, machinery, or equipment, which is purchased at retail after the effective date of this ordinance, for the storage, use or other consumption in Baldwin County at the rate of one percent (1%) of the sales price of such property; regardless of whether the retailers is or is not engaged in the business in this County. Provided, however, the one percent (1%) rate herein prescribed with respect to parts, attachments, and replacements shall not apply to any automotive vehicle or trailer designed primarily for public highway use, except farm trailers used primarily in the production and harvesting of agricultural commodities. Where any used machine, machinery or equipment which is used in planting, cultivating, and harvesting farm products or used in connection with the production of agricultural produce or products, livestock, and poultry on farms is taken in trade or in a series of trades as a credit or part payment on a sale of a new or used machine, machinery, or equipment, the tax levied herein shall be paid on the net difference, that is, the price of the new or used machine, machinery, or equipment sold, less the credit for the used machine, machinery, or equipment taken in trade.

Article IV. Provisions of State Use Tax Statutes Applicable to this Ordinance and Taxes Herein Levied. The taxes levied by Article III of this Ordinance shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, rules, regulations, provisions, discounts, penalties, fines, punishments, and deductions that are applicable to the taxes levied by the State use tax statutes except where inapplicable or where herein otherwise provided including all provisions of the State use tax statutes for enforcements and collection of taxes.

Article V. Administration and Collection of Taxes by Baldwin County Commission and Disposition of Revenue. The taxes levied in Articles I and III of this ordinance shall be administered and collected by the Baldwin County Commission as provided and authorized by applicable Alabama law including, but not limited to, Section 45-2-243 of the Code of Alabama 1975 and as otherwise further amended. The amount certified as has having been collected for the use of the county, less collection charges deducted, shall be paid to the Custodian of Public School Funds of Baldwin County.

Article VI. Severability. Each and every provision of this ordinance is hereby declared to be an independent provision and the holding of any provision hereof to be void and invalid for any reason shall not affect any other provision hereof, and it is hereby declared that the other provisions of this ordinance would have been enacted regardless of any provision which might have been held invalid.


Article VII. Effective and Expiration Dates. This ordinance shall become effective on the first day of June, 2010, and expire and terminate on the thirty-first day of May, 2013. Respecting the determination made by a majority of qualified electors in Baldwin County, Alabama, who voted at the March 23, 2010, special election to approve the Baldwin County Commission enacting this Ordinance, in no case shall the assessment and collection of the taxes authorized by this instrument exceed three (3) years commencing upon the date of its first assessment (June 1, 2010) and expiring thirty-six (36) months thereafter (May 31, 2013).

**Appendix 7-10
(continued)**

Article VIII. Original Adoption and Amendments. This ordinance has an original date of adoption and may be amended from time to time by the Baldwin County Commission and such shall be shown in the below schedule of information.

<u>Date</u>	<u>Page</u>	<u>Article/Section</u>	<u>Brief Description of Amendment</u>
<u>Original Adoption: April 6, 2010 (Ordinance No. 2010-01-00)</u>			
<u>Amended: April 20, 2010 (Ordinance No. 2010-01-01)</u>	<u>1, 2 & 6</u>	<u>Article I (2nd sentence)</u>	<u>Correction of scrivener's errors at page's 1, 2 and Article I (at 2nd sentence). Inclusion of a new Article VIII at page 6.</u>

Adopted this the 6th day of April, 2010.


Commissioner Charles F. Gruber, Chairman
Baldwin County Commission

ATTEST:


Michael L. Thompson, County Administrator

STATE OF ALABAMA

COUNTY OF BALDWIN

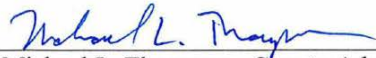
CERTIFICATION of AUTHENTICITY

**Baldwin County Commission Ordinance No. 2010-01-00, as amended by Baldwin County
Commission Ordinance No. 2010-01-01**

I, MICHAEL L. THOMPSON, County Administrator for the Baldwin County Commission, hereby certify that the foregoing Ordinance No. 2010-01-00, as amended by Baldwin County Commission Ordinance No. 2010-01-01, is a true and correct copy of an Ordinance originally adopted by the Baldwin County Commission pursuant to Section 40-12-4 of the Code of Alabama, 1975, as amended, and without limitation, during its April 6, 2010, regular meeting at the County Seat in the City of Bay Minette, Alabama, and amended by the Baldwin County Commission pursuant to Section 40-12-4 of the Code of Alabama, 1975, as amended, and without limitation, during its April 20, 2010, regular meeting at the County Seat in the City of Bay Minette, Alabama.

WITNESS, my hand and seal on this the 20th day of April, 2010.




Michael L. Thompson, County Administrator
Baldwin County Commission

Appendix 7-11

Amendment 879, Constitution of 1901 as Amended: Baldwin County Tax - Schools; Sales and Use.

(a) As used in this amendment, the term "state sales tax" means the tax or taxes imposed by Division 1 of Article 1 of Chapter 23 and by Article 3 of Chapter 23 of Title 40 of the Code of Alabama 1975, as amended (herein called "the Code"), including all other statutes of the State of Alabama (herein called "the state") which expressly set forth any exemptions from the computation of the taxes levied in Division 1 or Article 3 and all other statutes which expressly apply to, or purport to affect, the administration of Division 1 or Article 3 and the incidence and collection of the taxes imposed therein; and the term "state use tax" means the tax or taxes imposed by either Article 2 or Article 3 of Chapter 23 of Title 40 of the Code, including all other statutes of the state which expressly set forth any exemptions from the computation of the tax levied in Article 2 or Article 3 and all other statutes of the state which expressly apply to, or purport to affect, the administration of Article 2 or Article 3 and the incidence and collection of the taxes imposed therein.

(b) Subject to the provisions of this amendment, there are hereby levied in Baldwin County (herein called "the county"), in addition to all other taxes now authorized, or that may hereafter be authorized by the Constitution and laws of Alabama, to be levied in the county, sales and use taxes (herein together called "the county sales and use taxes") that parallel, except for the rate or rates of such taxes (as hereinafter specified), the state sales tax and the state use tax. The duration of the levy of the county sales and use taxes hereunder shall be a period of five (5) years, commencing on June 1, 2013, subject to extension or renewal as authorized by the Legislature in accordance with a local legislative act.

(c) The rate of the county sales and use taxes shall be one percent on any transaction that is subject to taxation by the state pursuant to the provisions of (i) either subdivision (1), subdivision (2), or subdivision (5) of Section 40-23-2 of the Code, or (ii) subsection (a) of Section 40-23-61 of the Code.

(d) The rate of the county sales and use taxes shall be one-half of one percent (.5%) on any transaction that is subject to taxation by the state pursuant to the provisions of (i) either subdivision (3) or subdivision (4) of Section 40-23-2 of the Code; or (ii) either subsection (b) or subsection (c) of Section 40-23-61 of the Code; (iii) either Section 40-23-37 or Section 40-23-63, Code of Alabama 1975; or (iv) Article 3 of Chapter 23 of Title 40 of the Code, as the case may be.

(e) The county sales and use taxes shall, as the Baldwin County Commission (hereafter "the commission") may from time to time determine, be collected either by the commission or by any person, firm, or corporation (whether public or private) with which the commission may contract to collect the county sales and use taxes or any other tax or taxes levied by, or in, the county, all in accordance with, and subject to, applicable provisions of law as are from time to time in effect.

(f) All provisions of law from time to time in effect with respect to the payment, assessment, and collection of the state sales tax and the state use tax, and any and all reports, records, and penalties for failure to pay such taxes, the promulgation of rules and regulations with respect to such taxes, and the administration and enforcement of such taxes or such provisions of law (as the case may be), shall, to the extent not inconsistent with this amendment, apply to the county sales and use taxes.

(g) The commission shall remit to any local boards of education in the county in accordance with state law all amounts collected by the commission from the sales and use tax levied pursuant to the terms of this amendment, less collection fees charged by the commission in accordance with this amendment, applicable state law and any agreements entered into between the commission and the Baldwin County Board of Education or any local board of education in the county not inconsistent with this amendment or state law.

(h) Notwithstanding any provision of law now existing or hereafter enacted by the Legislature, the board of education shall pay, or shall cause to be paid, all costs and expenses incurred (whether by the state, the county or any other political subdivision or public body) in connection with the call, conduct, canvass or contest of any special election hereafter held (whether pursuant to, or in accordance with, the provisions of this amendment or otherwise) for the purpose of levying, or authorizing the levy of, any tax (regardless of the character or nature thereof) all or a majority of the revenues from which may, prior to such special election, be dedicated by constitutional amendment, general law, statute, local legislative act or otherwise (or by ordinance or resolution of the commission) for public school or public educational purposes in the county, or which may be otherwise payable (or paid) to the Baldwin County Board of Education. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or termination of any sales or use tax levied, extended or renewed pursuant to other provisions of this amendment.

(i) The commission is hereby empowered to collect the county sales and use taxes and to enforce the provisions of this amendment, and it shall have and exercise all rights and remedies that the state has for the collection of the state sales tax and the state use tax (as the case may be).

(j) The foregoing provisions of this amendment shall be and are hereby declared to be self-executing; but the Legislature may enact general or local laws that implement, supplement or further any or all of the foregoing provisions of this amendment.

Appendix 7-12

Calculation of Yield per Mill per ADM for County School Systems for FY 2013-14

N	System Number	System Description	FY 2013 System ADM	FY 2013 System Yield Per Mill	Rank Yield Per Mill	System Chargeback	Yield Per Mill Per ADM	FY 2013 Rank Yield Per ADM for FY 2014	LEA Variation From Average
1	001	Autauga County	9,698.60	589,274.00	19	5,892,740	\$ 60.76	60	\$ (12.44)
2	002	Baldwin County	28,996.50	3,689,087.00	2	36,890,870	\$ 127.23	6	\$ 54.02
3	003	Barbour County	988.70	110,189.00	99	1,101,890	\$ 111.45	11	\$ 38.25
4	004	Bibb County	3,551.50	141,844.00	81	1,418,440	\$ 39.94	111	\$ (33.26)
5	005	Blount County	8,343.55	344,004.00	39	3,440,040	\$ 41.23	108	\$ (31.97)
6	006	Bullock County	1,492.70	82,047.00	109	820,470	\$ 54.97	75	\$ (18.24)
7	007	Butler County	3,149.65	204,476.00	62	2,044,760	\$ 64.92	52	\$ (8.28)
8	008	Calhoun County	9,203.85	389,075.00	32	3,890,750	\$ 42.27	106	\$ (30.93)
9	009	Chambers County	3,818.75	265,903.00	49	2,659,030	\$ 69.63	45	\$ (3.57)
10	010	Cherokee County	4,073.60	251,035.00	55	2,510,350	\$ 61.62	58	\$ (11.58)
11	011	Chilton County	7,597.25	373,319.00	36	3,733,190	\$ 49.14	90	\$ (24.06)
12	012	Choctaw County	1,702.70	213,873.00	60	2,138,730	\$ 125.61	7	\$ 52.41
13	013	Clarke County	3,152.10	294,542.00	45	2,945,420	\$ 93.44	21	\$ 20.24
14	014	Clay County	2,051.50	95,899.00	105	958,990	\$ 46.75	96	\$ (26.46)
15	015	Cleburne County	2,617.20	114,514.00	97	1,145,140	\$ 43.75	101	\$ (29.45)
16	016	Coffee County	2,099.95	147,078.00	78	1,470,780	\$ 70.04	42	\$ (3.16)
17	017	Colbert County	2,695.50	400,984.00	31	4,009,840	\$ 148.76	1	\$ 75.56
18	018	Conecuh County	1,590.95	110,858.00	98	1,108,580	\$ 69.68	44	\$ (3.52)
19	019	Coosa County	1,147.45	159,936.00	71	1,599,360	\$ 139.38	3	\$ 66.18
20	020	Covington County	3,093.70	226,344.00	59	2,263,440	\$ 73.16	38	\$ (0.04)
21	021	Crenshaw County	2,188.15	127,801.00	89	1,278,010	\$ 58.41	64	\$ (14.80)
22	022	Cullman County	9,549.50	557,548.00	21	5,575,480	\$ 58.39	65	\$ (14.82)
23	023	Dale County	3,052.70	153,111.00	74	1,531,110	\$ 50.16	86	\$ (23.05)
24	024	Dallas County	3,695.65	194,675.00	63	1,946,750	\$ 52.68	80	\$ (20.53)
25	025	Dekalb County	8,688.90	342,768.00	40	3,427,680	\$ 39.45	113	\$ (33.75)
26	026	Elmore County	11,487.30	887,167.00	12	8,871,670	\$ 77.23	35	\$ 4.03
27	027	Escambia County	4,605.55	319,363.00	42	3,193,630	\$ 69.34	46	\$ (3.86)
28	028	Etowah County	9,132.35	453,666.00	28	4,536,660	\$ 49.68	89	\$ (23.53)
29	029	Fayette County	2,379.20	129,169.00	87	1,291,690	\$ 54.29	76	\$ (18.91)
30	030	Franklin County	3,148.85	156,788.00	73	1,567,880	\$ 49.79	88	\$ (23.41)
31	031	Geneva County	2,718.50	125,158.00	90	1,251,580	\$ 46.04	97	\$ (27.16)
32	032	Greene County	1,224.50	129,330.00	85	1,293,300	\$ 105.62	14	\$ 32.42
33	033	Hale County	2,785.45	121,497.00	92	1,214,970	\$ 43.62	102	\$ (29.58)
34	034	Henry County	2,723.85	151,372.00	75	1,513,720	\$ 55.57	72	\$ (17.63)
35	035	Houston County	6,413.45	499,488.00	26	4,994,880	\$ 77.88	34	\$ 4.68
36	036	Jackson County	5,697.00	288,834.00	47	2,888,340	\$ 50.70	85	\$ (22.50)
37	037	Jefferson County	36,159.40	2,562,500.00	4	25,625,000	\$ 70.87	41	\$ (2.34)
38	038	Lamar County	2,371.95	115,216.00	96	1,152,160	\$ 48.57	94	\$ (24.63)
39	039	Lauderdale County	8,607.35	420,433.00	29	4,204,330	\$ 48.85	93	\$ (24.36)
40	040	Lawrence County	5,066.35	260,465.00	51	2,604,650	\$ 51.41	82	\$ (21.79)
41	041	Lee County	9,787.30	527,537.00	24	5,275,370	\$ 53.90	77	\$ (19.30)
42	042	Limestone County	9,008.80	381,235.00	34	3,812,350	\$ 42.32	105	\$ (30.88)
43	043	Lowndes County	1,754.45	109,448.00	100	1,094,480	\$ 62.38	56	\$ (10.82)
44	044	Macon County	2,381.15	134,723.00	82	1,347,230	\$ 56.58	70	\$ (16.62)
45	045	Madison County	19,341.85	985,879.00	11	9,858,790	\$ 50.97	84	\$ (22.23)
46	046	Marengo County	1,263.40	150,436.00	76	1,504,360	\$ 119.07	10	\$ 45.87
47	047	Marion County	3,442.70	183,698.00	66	1,836,980	\$ 53.36	78	\$ (19.84)
48	048	Marshall County	5,616.45	157,725.00	72	1,577,250	\$ 28.08	131	\$ (45.12)
49	049	Mobile County	58,113.55	5,142,981.00	1	51,429,810	\$ 88.50	27	\$ 15.30
50	050	Monroe County	3,669.75	306,497.00	44	3,064,970	\$ 83.52	28	\$ 10.32
51	051	Montgomery County	31,306.50	2,509,374.00	5	25,093,740	\$ 80.16	32	\$ 6.95
52	052	Morgan County	7,727.00	780,444.00	14	7,804,440	\$ 101.00	17	\$ 27.80
53	053	Perry County	1,698.70	81,024.00	110	810,240	\$ 47.70	95	\$ (25.51)
54	054	Pickens County	2,733.60	145,224.00	80	1,452,240	\$ 53.13	79	\$ (20.08)
55	055	Pike County	2,249.60	129,323.00	86	1,293,230	\$ 57.49	68	\$ (15.72)
56	056	Randolph County	2,248.80	211,073.00	61	2,110,730	\$ 93.86	20	\$ 20.66
57	057	Russell County	3,535.60	185,384.00	65	1,853,840	\$ 52.43	81	\$ (20.77)
58	058	St Clair County	8,824.85	521,765.00	25	5,217,650	\$ 59.12	63	\$ (14.08)
59	059	Shelby County	28,745.35	2,293,345.00	6	22,933,450	\$ 79.78	33	\$ 6.58
60	060	Sumter County	1,876.45	103,298.00	102	1,032,980	\$ 55.05	74	\$ (18.15)
61	061	Talladega County	7,561.40	684,955.00	16	6,849,550	\$ 90.59	23	\$ 17.38
62	062	Tallapoosa County	2,982.00	413,313.00	30	4,133,130	\$ 138.60	4	\$ 65.40
63	063	Tuscaloosa County	17,770.50	1,170,448.00	10	11,704,480	\$ 65.86	51	\$ (7.34)
64	064	Walker County	7,881.10	478,777.00	27	4,787,770	\$ 60.75	61	\$ (12.45)
65	065	Washington County	3,210.90	329,625.00	41	3,296,250	\$ 102.66	16	\$ 29.46
66	066	Wilcox County	1,835.80	128,366.00	88	1,283,660	\$ 69.92	43	\$ (3.28)
67	067	Winston County	2,618.80	259,506.00	52	2,595,060	\$ 99.09	19	\$ 25.89

Appendix 7-13

Calculation of Yield per Mill per ADM for City School Systems for FY 2013-14

N	System Number	System Description	FY 2013 System ADM	FY 2013 System Yield Per Mill	Rank Yield Per Mill	System Chargeback	Yield Per Mill Per ADM	FY 2013 Rank Yield Per ADM for FY 2014	LEA Variation From Average
68	101	Albertville City	4,348.40	191,150.00	25	1,911,500	\$ 43.96	39	\$ (29.24)
69	102	Alexander City	3,170.50	228,336.00	24	2,283,360	\$ 72.02	18	\$ (1.18)
70	104	Andalusia City	1,756.00	115,965.00	37	1,159,650	\$ 66.04	23	\$ (7.16)
71	105	Anniston City	2,026.90	258,546.00	20	2,585,460	\$ 127.56	2	\$ 54.35
72	106	Arab City	2,514.55	100,000.00	40	1,000,000	\$ 39.77	47	\$ (33.43)
73	107	Athens City	3,179.75	237,729.00	23	2,377,290	\$ 74.76	17	\$ 1.56
74	109	Attalla City	1,876.45	42,888.00	60	428,880	\$ 22.86	66	\$ (50.35)
75	110	Auburn City	7,367.55	764,517.00	6	7,645,170	\$ 103.77	7	\$ 30.57
76	113	Bessemer City	4,093.65	291,268.00	17	2,912,680	\$ 71.15	19	\$ (2.05)
77	114	Birmingham City	24,877.40	2,710,511.00	1	27,105,110	\$ 108.95	5	\$ 35.75
78	115	Boaz City	2,135.85	85,802.00	43	858,020	\$ 40.17	45	\$ (33.03)
79	116	Brewton City	1,156.25	66,650.00	49	666,500	\$ 57.64	31	\$ (15.56)
80	121	Chickasaw City	872.45	43,576.00	59	435,760	\$ 49.95	36	\$ (23.26)
81	125	Cullman City	3,096.95	309,677.00	16	3,096,770	\$ 99.99	8	\$ 26.79
82	126	Daleville City	1,185.15	50,710.00	52	507,100	\$ 42.79	43	\$ (30.41)
83	127	Decatur City	8,311.75	638,344.00	7	6,383,440	\$ 76.80	16	\$ 3.60
84	128	Demopolis City	2,286.60	76,549.00	44	765,490	\$ 33.48	56	\$ (39.73)
85	130	Dothan City	9,336.95	829,079.00	5	8,290,790	\$ 88.80	12	\$ 15.59
86	131	Elba City	733.15	27,208.00	66	272,080	\$ 37.11	51	\$ (36.09)
87	132	Enterprise City	6,549.20	273,080.00	18	2,730,800	\$ 41.70	44	\$ (31.51)
88	133	Eufaula City	2,688.90	116,896.00	36	1,168,960	\$ 43.47	42	\$ (29.73)
89	137	Fairfield City	1,755.95	70,242.00	47	702,420	\$ 40.00	46	\$ (33.20)
90	141	Florence City	4,330.60	385,994.00	12	3,859,940	\$ 89.13	11	\$ 15.93
91	143	Fort Payne City	3,010.20	166,919.00	28	1,669,190	\$ 55.45	34	\$ (17.75)
92	144	Gadsden City	5,486.50	380,181.00	13	3,801,810	\$ 69.29	20	\$ (3.91)
93	146	Geneva City	1,278.20	37,017.00	65	370,170	\$ 28.96	63	\$ (44.24)
94	154	Guntersville City	1,969.35	131,317.00	33	1,313,170	\$ 66.68	22	\$ (6.52)
95	155	Haleyville City	1,676.70	37,766.00	63	377,660	\$ 22.52	67	\$ (50.68)
96	156	Hartselle City	3,100.80	105,026.00	38	1,050,260	\$ 33.87	55	\$ (39.33)
97	157	Homewood City	3,661.15	538,097.00	11	5,380,970	\$ 146.97	1	\$ 73.77
98	158	Hoover City	13,688.75	1,447,020.00	3	14,470,200	\$ 105.71	6	\$ 32.51
99	159	Huntsville City	22,831.40	2,046,163.00	2	20,461,630	\$ 89.62	10	\$ 16.42
100	162	Jacksonville City	1,522.05	87,497.00	42	874,970	\$ 57.49	32	\$ (15.72)
101	163	Jasper City	2,690.00	168,397.00	27	1,683,970	\$ 62.60	26	\$ (10.60)
102	165	Lanett City	845.05	41,466.00	61	414,660	\$ 49.07	37	\$ (24.13)
103	167	Leeds City	1,780.65	121,813.00	34	1,218,130	\$ 68.41	21	\$ (4.79)
104	168	Linden City	500.60	14,057.00	67	140,570	\$ 28.08	65	\$ (45.12)
105	169	Madison City	9,334.35	569,626.00	9	5,696,260	\$ 61.02	28	\$ (12.18)
106	171	Midfield City	1,224.40	37,186.00	64	371,860	\$ 30.37	62	\$ (42.83)
107	175	Mountain Brook City	4,467.15	554,119.00	10	5,541,190	\$ 124.04	4	\$ 50.84
108	176	Muscle Shoals City	2,827.05	164,195.00	29	1,641,950	\$ 58.08	30	\$ (15.12)
109	178	Oneonta City	1,470.60	71,922.00	45	719,220	\$ 48.91	38	\$ (24.30)
110	179	Opelika City	4,330.15	358,779.00	14	3,587,790	\$ 82.86	13	\$ 9.65
111	180	Opp City	1,324.70	46,741.00	56	467,410	\$ 35.28	54	\$ (37.92)
112	181	Oxford City	4,105.55	265,292.00	19	2,652,920	\$ 64.62	24	\$ (8.58)
113	182	Ozark City	2,281.90	100,032.00	39	1,000,320	\$ 43.84	41	\$ (29.37)
114	183	Pell City	4,088.00	253,122.00	21	2,531,220	\$ 61.92	27	\$ (11.28)
115	184	Phenix City	6,862.00	242,584.00	22	2,425,840	\$ 35.35	53	\$ (37.85)
116	185	Piedmont City	1,195.40	44,781.00	58	447,810	\$ 37.46	50	\$ (35.74)
117	187	Saraland City	2,515.60	150,211.00	30	1,502,110	\$ 59.71	29	\$ (13.49)
118	188	Roanoke City	1,525.55	46,976.00	55	469,760	\$ 30.79	60	\$ (42.41)
119	189	Russellville City	2,462.65	70,387.00	46	703,870	\$ 28.58	64	\$ (44.62)
120	190	Scottsboro City	2,626.15	146,533.00	31	1,465,330	\$ 55.80	33	\$ (17.41)
121	191	Selma City	3,742.95	132,939.00	32	1,329,390	\$ 35.52	52	\$ (37.69)
122	192	Sheffield City	1,077.85	47,354.00	54	473,540	\$ 43.93	40	\$ (29.27)
123	193	Sylacauga City	2,377.50	121,311.00	35	1,213,110	\$ 51.02	35	\$ (22.18)
124	194	Talladega City	2,350.30	90,954.00	41	909,540	\$ 38.70	48	\$ (34.50)
125	195	Tallassee City	1,883.65	57,587.00	50	575,870	\$ 30.57	61	\$ (42.63)
126	196	Satsuma City	1,462.95	47,517.00	53	475,170	\$ 32.48	57	\$ (40.72)
127	197	Tarrant City	1,096.00	68,670.00	48	686,700	\$ 62.66	25	\$ (10.55)
128	198	Thomasville City	1,477.65	45,860.00	57	458,600	\$ 31.04	58	\$ (42.17)
129	199	Troy City	2,099.65	170,045.00	26	1,700,450	\$ 80.99	15	\$ 7.78
130	200	Tuscaloosa City	9,869.00	1,225,828.00	4	12,258,280	\$ 124.21	3	\$ 51.01
131	201	Tuscumbia City	1,481.95	55,759.00	51	557,590	\$ 37.63	49	\$ (35.58)
132	202	Vestavia Hills City	6,594.40	599,362.00	8	5,993,620	\$ 90.89	9	\$ 17.69
133	204	Winfield City	1,267.75	39,152.00	62	391,520	\$ 30.88	59	\$ (42.32)
134	205	Trussville City	4,232.60	350,178.00	15	3,501,780	\$ 82.73	14	\$ 9.53
		Total	257,347.70	\$ 19,412,455	NA	194,124,550	\$ 75.43	NA	\$ 2.23

Appendix 7-14

Tax Capacity and Tax Effort for County School Systems for FY 2013-14

N	System Number	System Description	FY 2013 System ADM	FY 2014 Budgeted Local Tax-Based Revenues	FY 2014 System Chargeback of 10.0 Mills	System Yield Per Mill	Rank Yield Per Mill	Yield Per Mill (YPM) Per ADM	Rank Yield Per Mill Per ADM	Number of Equivalent Mills	Rank Equiv. Mills
1	001	Autauga County	9,698.60	\$ 12,052,702	5,892,740	\$ 589,274	19	\$ 60.76	60	20.45	113
2	002	Baldwin County	28,996.50	\$ 114,662,483	36,890,870	\$ 3,689,087	2	\$ 127.23	6	31.08	72
3	003	Barbour County	988.70	\$ 1,793,148	1,101,890	\$ 110,189	99	\$ 111.45	11	16.27	129
4	004	Bibb County	3,551.50	\$ 3,661,140	1,418,440	\$ 141,844	81	\$ 39.94	111	25.81	90
5	005	Blount County	8,343.55	\$ 6,165,040	3,440,040	\$ 344,004	39	\$ 41.23	108	17.92	122
6	006	Bullock County	1,492.70	\$ 1,723,448	820,470	\$ 82,047	109	\$ 54.97	75	21.01	110
7	007	Butler County	3,149.65	\$ 4,636,760	2,044,760	\$ 204,476	62	\$ 64.92	52	22.68	100
8	008	Calhoun County	9,203.85	\$ 13,455,000	3,890,750	\$ 389,075	32	\$ 42.27	106	34.58	57
9	009	Chambers County	3,818.75	\$ 5,740,488	2,659,030	\$ 265,903	49	\$ 69.63	45	21.59	108
10	010	Cherokee County	4,073.60	\$ 7,386,350	2,510,350	\$ 251,035	55	\$ 61.62	58	29.42	76
11	011	Chilton County	7,597.25	\$ 7,708,977	3,733,190	\$ 373,319	36	\$ 49.14	90	20.65	112
12	012	Choctaw County	1,702.70	\$ 4,429,853	2,138,730	\$ 213,873	60	\$ 125.61	7	20.71	111
13	013	Clarke County	3,152.10	\$ 4,275,776	2,945,420	\$ 294,542	45	\$ 93.44	21	14.52	132
14	014	Clay County	2,051.50	\$ 1,795,118	958,990	\$ 95,899	105	\$ 46.75	96	18.72	120
15	015	Cleburne County	2,617.20	\$ 2,525,040	1,145,140	\$ 114,514	97	\$ 43.75	101	22.05	107
16	016	Coffee County	2,099.95	\$ 3,250,642	1,470,780	\$ 147,078	78	\$ 70.04	42	22.10	105
17	017	Colbert County	2,695.50	\$ 7,133,185	4,009,840	\$ 400,984	31	\$ 148.76	1	17.79	123
18	018	Conecuh County	1,590.95	\$ 4,773,449	1,108,580	\$ 110,858	98	\$ 69.68	44	43.06	33
19	019	Coosa County	1,147.45	\$ 2,187,714	1,599,360	\$ 159,936	71	\$ 139.38	3	13.68	134
20	020	Covington County	3,093.70	\$ 4,566,950	2,263,440	\$ 226,344	59	\$ 73.16	38	20.18	115
21	021	Crenshaw County	2,188.15	\$ 2,581,428	1,278,010	\$ 127,801	89	\$ 58.41	64	20.20	114
22	022	Cullman County	9,549.50	\$ 15,399,396	5,575,480	\$ 557,548	21	\$ 58.39	65	27.62	82
23	023	Dale County	3,052.70	\$ 4,325,125	1,531,110	\$ 153,111	74	\$ 50.16	86	28.25	80
24	024	Dallas County	3,695.65	\$ 4,603,448	1,946,750	\$ 194,675	63	\$ 52.68	80	23.65	98
25	025	Dekalb County	8,688.90	\$ 8,958,004	3,427,680	\$ 342,768	40	\$ 39.45	113	26.13	89
26	026	Elmore County	11,487.30	\$ 16,974,910	8,871,670	\$ 887,167	12	\$ 77.23	35	19.13	119
27	027	Escambia County	4,605.55	\$ 8,818,626	3,193,630	\$ 319,363	42	\$ 69.34	46	27.61	83
28	028	Etowah County	9,132.35	\$ 10,016,877	4,536,660	\$ 453,666	28	\$ 49.68	89	22.08	106
29	029	Fayette County	2,379.20	\$ 2,739,058	1,291,690	\$ 129,169	87	\$ 54.29	76	21.21	109
30	030	Franklin County	3,148.85	\$ 5,010,027	1,567,880	\$ 156,788	73	\$ 49.79	88	31.95	67
31	031	Geneva County	2,718.50	\$ 2,051,580	1,251,580	\$ 125,158	90	\$ 46.04	97	16.39	128
32	032	Greene County	1,224.50	\$ 2,904,300	1,293,300	\$ 129,330	85	\$ 105.62	14	22.46	102
33	033	Hale County	2,785.45	\$ 3,329,800	1,214,970	\$ 121,497	92	\$ 43.62	102	27.41	85
34	034	Henry County	2,723.85	\$ 3,026,747	1,513,720	\$ 151,372	75	\$ 55.57	72	20.00	117
35	035	Houston County	6,413.45	\$ 10,069,581	4,994,880	\$ 499,488	26	\$ 77.88	34	20.16	116
36	036	Jackson County	5,697.00	\$ 10,811,838	2,888,340	\$ 288,834	47	\$ 50.70	85	37.43	49
37	037	Jefferson County	36,159.40	\$ 82,996,075	25,625,000	\$ 2,562,500	4	\$ 70.87	41	32.39	64
38	038	Lamar County	2,371.95	\$ 2,212,660	1,152,160	\$ 115,216	96	\$ 48.57	94	19.20	118
39	039	Lauderdale County	8,607.35	\$ 13,667,000	4,204,330	\$ 420,433	29	\$ 48.85	93	32.51	63
40	040	Lawrence County	5,066.35	\$ 8,701,790	2,604,650	\$ 260,465	51	\$ 51.41	82	33.41	60
41	041	Lee County	9,787.30	\$ 21,984,550	5,275,370	\$ 527,537	24	\$ 53.90	77	41.67	38
42	042	Limestone County	9,008.80	\$ 17,018,350	3,812,350	\$ 381,235	34	\$ 42.32	105	44.64	26
43	043	Lowndes County	1,754.45	\$ 3,500,666	1,094,480	\$ 109,448	100	\$ 62.38	56	31.98	66
44	044	Macon County	2,381.15	\$ 4,349,980	1,347,230	\$ 134,723	82	\$ 56.58	70	32.29	65
45	045	Madison County	19,341.85	\$ 42,143,790	9,858,790	\$ 985,879	11	\$ 50.97	84	42.75	35
46	046	Marengo County	1,263.40	\$ 2,062,060	1,504,360	\$ 150,436	76	\$ 119.07	10	13.71	133
47	047	Marion County	3,442.70	\$ 3,383,381	1,836,980	\$ 183,698	66	\$ 53.36	78	18.42	121
48	048	Marshall County	5,616.45	\$ 8,117,136	1,577,250	\$ 157,725	72	\$ 28.08	131	51.46	14
49	049	Mobile County	58,113.55	\$ 138,181,356	51,429,810	\$ 5,142,981	1	\$ 88.50	27	26.87	86
50	050	Monroe County	3,669.75	\$ 5,150,708	3,064,970	\$ 306,497	44	\$ 83.52	28	16.81	126
51	051	Montgomery County	31,306.50	\$ 61,253,684	25,093,740	\$ 2,509,374	5	\$ 80.16	32	24.41	95
52	052	Morgan County	7,727.00	\$ 22,603,900	7,804,440	\$ 780,444	14	\$ 101.00	17	28.96	77
53	053	Perry County	1,698.70	\$ 2,070,340	810,240	\$ 81,024	110	\$ 47.70	95	25.55	92
54	054	Pickens County	2,733.60	\$ 2,492,695	1,452,240	\$ 145,224	80	\$ 53.13	79	17.16	125
55	055	Pike County	2,249.60	\$ 4,625,510	1,293,230	\$ 129,323	86	\$ 57.49	68	35.77	53
56	056	Randolph County	2,248.80	\$ 3,362,456	2,110,730	\$ 211,073	61	\$ 93.86	20	15.93	130
57	057	Russell County	3,535.60	\$ 5,825,400	1,853,840	\$ 185,384	65	\$ 52.43	81	31.42	70
58	058	St Clair County	8,824.85	\$ 11,821,468	5,217,650	\$ 521,765	25	\$ 59.12	63	22.66	101
59	059	Shelby County	28,745.35	\$ 74,712,599	22,933,450	\$ 2,293,345	6	\$ 79.78	33	32.58	62
60	060	Sumter County	1,876.45	\$ 3,290,834	1,032,980	\$ 103,298	102	\$ 55.05	74	31.86	68
61	061	Talladega County	7,561.40	\$ 17,351,382	6,849,550	\$ 684,955	16	\$ 90.59	23	25.33	94
62	062	Tallapoosa County	2,982.00	\$ 7,112,384	4,133,130	\$ 413,313	30	\$ 138.60	4	17.21	124
63	063	Tuscaloosa County	17,770.50	\$ 44,145,440	11,704,480	\$ 1,170,448	10	\$ 65.86	51	37.72	48
64	064	Walker County	7,881.10	\$ 16,127,500	4,787,770	\$ 478,777	27	\$ 60.75	61	33.68	58
65	065	Washington County	3,210.90	\$ 5,027,756	3,296,250	\$ 329,625	41	\$ 102.66	16	15.25	131
66	066	Wilcox County	1,835.80	\$ 3,436,760	1,283,660	\$ 128,366	88	\$ 69.92	43	26.77	87
67	067	Winston County	2,618.80	\$ 4,325,506	2,595,060	\$ 259,506	52	\$ 99.09	19	16.67	127

Appendix 7-15

Tax Capacity and Tax Effort for City School Systems for FY 2013-14

N	System Number	System Description	FY 2013 System ADM	FY 2014 Budgeted Local Tax-Based Revenues	System Chargeback of 10.0 Mills	System Yield Per Mill	Rank Yield Per Mill	Yield Per Mill (YPM) Per ADM	Rank Yield Per Mill Per ADM	Number of Equivalent Mills	Rank Equiv. Mills
68	101	Albertville City	4,348.40	\$ 4,638,853	1,911,500	\$ 191,150	25	\$ 43.96	39	24.27	63
69	102	Alexander City	3,170.50	\$ 5,067,495	2,283,360	\$ 228,336	24	\$ 72.02	18	22.19	67
70	104	Andalusia City	1,756.00	\$ 2,959,799	1,159,650	\$ 115,965	37	\$ 66.04	23	25.52	62
71	105	Anniston City	2,026.90	\$ 5,968,342	2,585,460	\$ 258,546	20	\$ 127.56	2	23.08	65
72	106	Arab City	2,514.55	\$ 3,609,835	1,000,000	\$ 100,000	40	\$ 39.77	47	36.10	45
73	107	Athens City	3,179.75	\$ 11,954,401	2,377,290	\$ 237,729	23	\$ 74.76	17	50.29	17
74	109	Attalla City	1,876.45	\$ 1,685,580	428,880	\$ 42,888	60	\$ 22.86	66	39.30	42
75	110	Auburn City	7,367.55	\$ 33,806,885	7,645,170	\$ 764,517	6	\$ 103.77	7	44.22	26
76	113	Bessemer City	4,093.65	\$ 9,071,830	2,912,680	\$ 291,268	17	\$ 71.15	19	31.15	52
77	114	Birmingham City	24,877.40	\$ 76,990,081	27,105,110	\$ 2,710,511	1	\$ 108.95	5	28.40	57
78	115	Boaz City	2,135.85	\$ 4,629,681	858,020	\$ 85,802	43	\$ 40.17	45	53.96	9
79	116	Brewton City	1,156.25	\$ 3,608,438	666,500	\$ 66,650	49	\$ 57.64	31	54.14	8
80	121	Chickasaw City	872.45	\$ 1,352,506	435,760	\$ 43,576	59	\$ 49.95	36	31.04	53
81	125	Cullman City	3,096.95	\$ 8,517,370	3,096,770	\$ 309,677	16	\$ 99.99	8	27.50	59
82	126	Daleville City	1,185.15	\$ 1,856,700	507,100	\$ 50,710	52	\$ 42.79	43	36.61	43
83	127	Decatur City	8,311.75	\$ 35,016,200	6,383,440	\$ 638,344	7	\$ 76.80	16	54.85	7
84	128	Demopolis City	2,286.60	\$ 2,781,461	765,490	\$ 76,549	44	\$ 33.48	56	36.34	44
85	130	Dothan City	9,336.95	\$ 18,613,286	8,290,790	\$ 829,079	5	\$ 88.80	12	22.45	66
86	131	Elba City	733.15	\$ 1,107,128	272,080	\$ 27,208	66	\$ 37.11	51	40.69	37
87	132	Enterprise City	6,549.20	\$ 10,880,600	2,730,800	\$ 273,080	18	\$ 41.70	44	39.84	40
88	133	Eufaula City	2,688.90	\$ 4,616,766	1,168,960	\$ 116,896	36	\$ 43.47	42	39.49	41
89	137	Fairfield City	1,755.95	\$ 3,045,766	702,420	\$ 70,242	47	\$ 40.00	46	43.36	30
90	141	Florence City	4,330.60	\$ 16,809,637	3,859,940	\$ 385,994	12	\$ 89.13	11	43.55	29
91	143	Fort Payne City	3,010.20	\$ 5,052,490	1,669,190	\$ 166,919	28	\$ 55.45	34	30.27	54
92	144	Gadsden City	5,486.50	\$ 9,787,430	3,801,810	\$ 380,181	13	\$ 69.29	20	25.74	61
93	146	Geneva City	1,278.20	\$ 1,590,086	370,170	\$ 37,017	65	\$ 28.96	63	42.96	31
94	154	Guntersville City	1,969.35	\$ 4,681,620	1,313,170	\$ 131,317	33	\$ 66.68	22	35.65	46
95	155	Haleyville City	1,676.70	\$ 2,980,307	377,660	\$ 37,766	63	\$ 22.52	67	78.92	2
96	156	Hartselle City	3,100.80	\$ 9,454,814	1,050,260	\$ 105,026	38	\$ 33.87	55	90.02	1
97	157	Homewood City	3,661.15	\$ 24,896,062	5,380,970	\$ 538,097	11	\$ 146.97	1	46.27	20
98	158	Hoover City	13,688.75	\$ 64,369,404	14,470,200	\$ 1,447,020	3	\$ 105.71	6	44.48	25
99	159	Huntsville City	22,831.40	\$ 94,330,600	20,461,630	\$ 2,046,163	2	\$ 89.62	10	46.10	21
100	162	Jacksonville City	1,522.05	\$ 2,938,513	874,970	\$ 87,497	42	\$ 57.49	32	33.58	49
101	163	Jasper City	2,690.00	\$ 7,549,370	1,683,970	\$ 168,397	27	\$ 62.60	26	44.83	24
102	165	Lanett City	845.05	\$ 1,179,860	414,660	\$ 41,466	61	\$ 49.07	37	28.45	56
103	167	Leeds City	1,780.65	\$ 3,876,105	1,218,130	\$ 121,813	34	\$ 68.41	21	31.82	51
104	168	Linden City	500.60	\$ 593,708	140,570	\$ 14,057	67	\$ 28.08	65	42.24	32
105	169	Madison City	9,334.35	\$ 29,811,915	5,696,260	\$ 569,626	9	\$ 61.02	28	52.34	11
106	171	Midfield City	1,224.40	\$ 1,774,593	371,860	\$ 37,186	64	\$ 30.37	62	47.72	19
107	175	Mountain Brook City	4,467.15	\$ 27,997,496	5,541,190	\$ 554,119	10	\$ 124.04	4	50.53	15
108	176	Muscle Shoals City	2,827.05	\$ 7,169,988	1,641,950	\$ 164,195	29	\$ 58.08	30	43.67	28
109	178	Oneonta City	1,470.60	\$ 1,718,729	719,220	\$ 71,922	45	\$ 48.91	38	23.90	64
110	179	Opelika City	4,330.15	\$ 14,329,755	3,587,790	\$ 358,779	14	\$ 82.86	13	39.94	39
111	180	Opp City	1,324.70	\$ 2,096,510	467,410	\$ 46,741	56	\$ 35.28	54	44.85	22
112	181	Oxford City	4,105.55	\$ 13,837,240	2,652,920	\$ 265,292	19	\$ 64.62	24	52.16	12
113	182	Ozark City	2,281.90	\$ 4,368,425	1,000,320	\$ 100,032	39	\$ 43.84	41	43.67	27
114	183	Pell City	4,088.00	\$ 7,651,200	2,531,220	\$ 253,122	21	\$ 61.92	27	30.23	55
115	184	Phenix City	6,862.00	\$ 12,089,508	2,425,840	\$ 242,584	22	\$ 35.35	53	49.84	18
116	185	Piedmont City	1,195.40	\$ 1,794,302	447,810	\$ 44,781	58	\$ 37.46	50	40.07	38
117	187	Saraland City	2,515.60	\$ 6,262,487	1,502,110	\$ 150,211	30	\$ 59.71	29	41.69	33
118	188	Roanoke City	1,525.55	\$ 1,661,950	469,760	\$ 46,976	55	\$ 30.79	60	35.38	48
119	189	Russellville City	2,462.65	\$ 4,742,922	703,870	\$ 70,387	46	\$ 28.58	64	67.38	4
120	190	Scottsboro City	2,626.15	\$ 6,029,131	1,465,330	\$ 146,533	31	\$ 55.80	33	41.15	34
121	191	Selma City	3,742.95	\$ 3,747,390	1,329,390	\$ 132,939	32	\$ 35.52	52	28.19	58
122	192	Sheffield City	1,077.85	\$ 2,657,051	473,540	\$ 47,354	54	\$ 43.93	40	56.11	6
123	193	Sylacauga City	2,377.50	\$ 3,963,002	1,213,110	\$ 121,311	35	\$ 51.02	35	32.67	50
124	194	Talladega City	2,350.30	\$ 3,727,425	909,540	\$ 90,954	41	\$ 38.70	48	40.98	36
125	195	Tallassee City	1,883.65	\$ 2,904,500	575,870	\$ 57,587	50	\$ 30.57	61	50.44	16
126	196	Satsuma City	1,462.95	\$ 2,475,930	475,170	\$ 47,517	53	\$ 32.48	57	52.11	13
127	197	Tarrant City	1,096.00	\$ 2,432,945	686,700	\$ 68,670	48	\$ 62.66	25	35.43	47
128	198	Thomasville City	1,477.65	\$ 2,342,050	458,600	\$ 45,860	57	\$ 31.04	58	51.07	14
129	199	Troy City	2,099.65	\$ 4,460,600	1,700,450	\$ 170,045	26	\$ 80.99	15	26.23	60
130	200	Tuscaloosa City	9,869.00	\$ 50,312,858	12,258,280	\$ 1,225,828	4	\$ 124.21	3	41.04	35
131	201	Tuscumbia City	1,481.95	\$ 3,141,129	557,590	\$ 55,759	51	\$ 37.63	49	56.33	5
132	202	Vestavia Hills City	6,594.40	\$ 31,615,074	5,993,620	\$ 599,362	8	\$ 90.89	9	52.75	10
133	204	Winfield City	1,267.75	\$ 1,755,222	391,520	\$ 39,152	62	\$ 30.88	59	44.83	23
134	205	Trussville City	4,232.60	\$ 25,783,293	3,501,780	\$ 350,178	15	\$ 82.73	14	73.63	3
		Total	257,347.70	\$ 1,755,122,755	194,124,550	\$19,412,455	NA	\$ 75.43	NA	90.41	NA

Appendix 7-16

Capital Purchase Allocation from the Public School Fund for County School Systems for FY 2013-14

System Desc	System Number	FY 2013 System ADM	System Yield Per Mill	Yield Per Mill Per ADM	Rank	Z	K	M	KM	Y	KM-Y	FY 2014 STATE PSF	FY 2014 LOCAL MATCH	FY 2014 TOTAL	TOTAL PER ADM
Autauga County	001	9,698.60	589,274	\$ 60.76	60	1.022282	2	\$ 148.76	\$ 297.52	\$ 60.76	\$ 236.76	\$ 2,347,405	602,417	2,949,823	\$ 304.15
Baldwin County	002	28,996.50	3,689,087	\$ 127.23	6	1.022282	2	\$ 148.76	\$ 297.52	\$ 127.23	\$ 170.29	\$ 5,047,838	3,771,428	8,819,266	\$ 304.15
Barbour County	003	988.70	110,189	\$ 111.45	11	1.022282	2	\$ 148.76	\$ 297.52	\$ 111.45	\$ 186.07	\$ 188,067	112,646	300,712	\$ 304.15
Bibb County	004	3,551.50	141,844	\$ 39.94	111	1.022282	2	\$ 148.76	\$ 297.52	\$ 39.94	\$ 257.58	\$ 935,179	145,008	1,080,186	\$ 304.15
Blount County	005	8,343.55	344,004	\$ 41.23	108	1.022282	2	\$ 148.76	\$ 297.52	\$ 41.23	\$ 256.29	\$ 2,186,016	351,670	2,537,685	\$ 304.15
Bullock County	006	1,492.70	82,047	\$ 54.97	75	1.022282	2	\$ 148.76	\$ 297.52	\$ 54.97	\$ 242.55	\$ 370,122	83,882	454,004	\$ 304.15
Butler County	007	3,149.65	204,476	\$ 64.92	52	1.022282	2	\$ 148.76	\$ 297.52	\$ 64.92	\$ 232.60	\$ 748,933	209,031	957,964	\$ 304.15
Calhoun County	008	9,203.85	389,075	\$ 42.27	106	1.022282	2	\$ 148.76	\$ 297.52	\$ 42.27	\$ 255.25	\$ 2,401,629	397,715	2,799,345	\$ 304.15
Chambers County	009	3,818.75	265,903	\$ 69.63	45	1.022282	2	\$ 148.76	\$ 297.52	\$ 69.63	\$ 227.89	\$ 889,646	217,824	1,161,470	\$ 304.15
Cherokee County	010	4,073.60	251,035	\$ 61.62	58	1.022282	2	\$ 148.76	\$ 297.52	\$ 61.62	\$ 235.90	\$ 982,374	256,608	1,238,983	\$ 304.15
Chilton County	011	7,597.25	373,319	\$ 49.14	90	1.022282	2	\$ 148.76	\$ 297.52	\$ 49.14	\$ 248.38	\$ 1,929,051	381,647	2,310,699	\$ 304.15
Chocoma County	012	1,702.70	213,873	\$ 125.61	7	1.022282	2	\$ 148.76	\$ 297.52	\$ 125.61	\$ 171.91	\$ 299,233	128,642	517,875	\$ 304.15
Clarke County	013	3,152.10	294,542	\$ 93.44	21	1.022282	2	\$ 148.76	\$ 297.52	\$ 93.44	\$ 204.08	\$ 657,614	301,095	958,709	\$ 304.15
Clay County	014	2,051.50	95,899	\$ 46.75	96	1.022282	2	\$ 148.76	\$ 297.52	\$ 46.75	\$ 250.77	\$ 525,918	98,045	623,962	\$ 304.15
Cleburne County	015	2,617.20	114,514	\$ 43.75	101	1.022282	2	\$ 148.76	\$ 297.52	\$ 43.75	\$ 253.77	\$ 678,966	117,054	796,020	\$ 304.15
Colbert County	016	2,099.95	147,078	\$ 70.04	42	1.022282	2	\$ 148.76	\$ 297.52	\$ 70.04	\$ 227.48	\$ 488,341	150,358	638,698	\$ 304.15
Colbert County	017	2,695.50	400,984	\$ 148.76	1	1.022282	2	\$ 148.76	\$ 297.52	\$ 148.76	\$ 148.76	\$ 409,917	409,917	819,835	\$ 304.15
Conecuh County	018	1,590.95	110,858	\$ 69.68	44	1.022282	2	\$ 148.76	\$ 297.52	\$ 69.68	\$ 227.84	\$ 370,559	113,328	483,886	\$ 304.15
Cosa County	019	1,147.45	159,936	\$ 139.38	3	1.022282	2	\$ 148.76	\$ 297.52	\$ 139.38	\$ 158.14	\$ 185,501	163,495	348,996	\$ 304.15
Covington County	020	3,093.70	226,344	\$ 73.16	38	1.022282	2	\$ 148.76	\$ 297.52	\$ 73.16	\$ 224.36	\$ 709,569	231,378	940,947	\$ 304.15
Crenshaw County	021	2,188.15	127,801	\$ 58.41	64	1.022282	2	\$ 148.76	\$ 297.52	\$ 58.41	\$ 239.11	\$ 534,867	130,658	665,524	\$ 304.15
Cullman County	022	9,549.50	557,548	\$ 58.39	65	1.022282	2	\$ 148.76	\$ 297.52	\$ 58.39	\$ 239.13	\$ 2,334,454	570,020	2,904,474	\$ 304.15
Dale County	023	3,052.70	153,111	\$ 50.16	86	1.022282	2	\$ 148.76	\$ 297.52	\$ 50.16	\$ 247.36	\$ 771,941	156,535	928,477	\$ 304.15
Dallas County	024	3,695.65	194,675	\$ 52.68	80	1.022282	2	\$ 148.76	\$ 297.52	\$ 52.68	\$ 244.84	\$ 925,005	199,025	1,124,030	\$ 304.15
Dekalb County	025	8,688.90	342,768	\$ 39.45	113	1.022282	2	\$ 148.76	\$ 297.52	\$ 39.45	\$ 258.07	\$ 2,292,308	350,415	2,642,723	\$ 304.15
Elmore County	026	11,487.30	887,167	\$ 77.23	35	1.022282	2	\$ 148.76	\$ 297.52	\$ 77.23	\$ 220.29	\$ 2,586,923	906,932	3,493,855	\$ 304.15
Escambia County	027	4,605.55	319,363	\$ 69.34	46	1.022282	2	\$ 148.76	\$ 297.52	\$ 69.34	\$ 228.18	\$ 1,074,310	326,465	1,400,775	\$ 304.15
Etowah County	028	9,132.35	453,666	\$ 49.68	89	1.022282	2	\$ 148.76	\$ 297.52	\$ 49.68	\$ 247.84	\$ 2,313,794	463,804	2,777,598	\$ 304.15
Fayette County	029	2,379.20	129,169	\$ 54.29	76	1.022282	2	\$ 148.76	\$ 297.52	\$ 54.29	\$ 243.23	\$ 591,587	132,045	723,632	\$ 304.15
Franklin County	030	3,148.85	156,788	\$ 49.79	88	1.022282	2	\$ 148.76	\$ 297.52	\$ 49.79	\$ 247.73	\$ 797,446	160,275	957,721	\$ 304.15
Geneva County	031	2,718.50	125,158	\$ 46.04	97	1.022282	2	\$ 148.76	\$ 297.52	\$ 46.04	\$ 251.48	\$ 698,881	127,949	826,830	\$ 304.15
Greene County	032	1,224.50	129,330	\$ 105.62	14	1.022282	2	\$ 148.76	\$ 297.52	\$ 105.62	\$ 191.90	\$ 240,217	132,213	372,431	\$ 304.15
Hale County	033	2,785.45	121,497	\$ 43.62	102	1.022282	2	\$ 148.76	\$ 297.52	\$ 43.62	\$ 253.90	\$ 722,984	124,209	847,193	\$ 304.15
Henry County	034	2,723.85	151,372	\$ 55.57	72	1.022282	2	\$ 148.76	\$ 297.52	\$ 55.57	\$ 241.95	\$ 673,720	154,737	828,457	\$ 304.15
Houston County	035	6,413.45	499,488	\$ 77.88	34	1.022282	2	\$ 148.76	\$ 297.52	\$ 77.88	\$ 219.64	\$ 1,440,038	510,609	1,950,647	\$ 304.15
Jackson County	036	5,697.00	288,834	\$ 50.70	85	1.022282	2	\$ 148.76	\$ 297.52	\$ 50.70	\$ 246.82	\$ 1,437,465	295,274	1,732,739	\$ 304.15
Jefferson County	037	36,159.40	2,562,500	\$ 70.87	41	1.022282	2	\$ 148.76	\$ 297.52	\$ 70.87	\$ 226.65	\$ 8,378,141	2,619,717	10,997,858	\$ 304.15
Lamar County	038	2,371.95	115,216	\$ 48.57	94	1.022282	2	\$ 148.76	\$ 297.52	\$ 48.57	\$ 248.95	\$ 603,654	117,773	721,427	\$ 304.15
Lauderdale County	039	8,607.35	420,433	\$ 48.85	93	1.022282	2	\$ 148.76	\$ 297.52	\$ 48.85	\$ 248.67	\$ 2,188,082	429,838	2,617,920	\$ 304.15
Lawrence County	040	5,066.35	260,465	\$ 51.41	82	1.022282	2	\$ 148.76	\$ 297.52	\$ 51.41	\$ 246.11	\$ 1,274,662	266,265	1,540,927	\$ 304.15
Lee County	041	9,787.30	527,537	\$ 53.90	77	1.022282	2	\$ 148.76	\$ 297.52	\$ 53.90	\$ 243.62	\$ 2,437,511	539,290	2,976,801	\$ 304.15
Limestone County	042	9,008.80	381,235	\$ 42.32	105	1.022282	2	\$ 148.76	\$ 297.52	\$ 42.32	\$ 255.20	\$ 2,350,273	389,747	2,740,021	\$ 304.15
Lowndes County	043	1,754.45	109,448	\$ 62.38	56	1.022282	2	\$ 148.76	\$ 297.52	\$ 62.38	\$ 235.14	\$ 421,734	111,881	533,615	\$ 304.15
Macon County	044	2,381.15	134,723	\$ 56.58	70	1.022282	2	\$ 148.76	\$ 297.52	\$ 56.58	\$ 240.94	\$ 586,498	137,727	724,225	\$ 304.15
Madison County	045	19,341.85	985,879	\$ 50.97	84	1.022282	2	\$ 148.76	\$ 297.52	\$ 50.97	\$ 246.55	\$ 4,874,990	1,007,821	5,882,811	\$ 304.15
Marango County	046	1,263.40	150,436	\$ 119.07	10	1.022282	2	\$ 148.76	\$ 297.52	\$ 119.07	\$ 178.45	\$ 230,477	153,785	384,262	\$ 304.15
Marion County	047	3,442.70	183,698	\$ 53.36	78	1.022282	2	\$ 148.76	\$ 297.52	\$ 53.36	\$ 244.16	\$ 859,299	187,996	1,047,295	\$ 304.15
Marshall County	048	5,616.45	157,725	\$ 28.08	131	1.022282	2	\$ 148.76	\$ 297.52	\$ 28.08	\$ 269.44	\$ 1,547,016	161,224	1,708,240	\$ 304.15
Mobile County	049	58,113.55	5,142,981	\$ 88.50	27	1.022282	2	\$ 148.76	\$ 297.52	\$ 88.50	\$ 209.02	\$ 12,417,551	5,257,647	17,675,198	\$ 304.15
Monroe County	050	3,669.75	306,497	\$ 83.52	28	1.022282	2	\$ 148.76	\$ 297.52	\$ 83.52	\$ 214.00	\$ 802,825	313,327	1,116,152	\$ 304.15
Montgomery County	051	31,306.50	2,509,374	\$ 80.16	32	1.022282	2	\$ 148.76	\$ 297.52	\$ 80.16	\$ 217.36	\$ 6,956,405	2,565,446	9,521,851	\$ 304.15
Morgan County	052	7,727.00	780,444	\$ 101.00	17	1.022282	2	\$ 148.76	\$ 297.52	\$ 101.00	\$ 196.52	\$ 1,552,345	797,816	2,350,162	\$ 304.15
Perry County	053	1,698.70	81,024	\$ 47.70	95	1.022282	2	\$ 148.76	\$ 297.52	\$ 47.70	\$ 249.82	\$ 433,825	82,833	516,658	\$ 304.15
Pickens County	054	2,733.60	145,224	\$ 53.13	79	1.022282	2	\$ 148.76	\$ 297.52	\$ 53.13	\$ 244.39	\$ 682,950	148,472	831,423	\$ 304.15
Pike County	055	2,249.60	129,323	\$ 57.49	68	1.022282	2	\$ 148.76	\$ 297.52	\$ 57.49	\$ 240.03	\$ 552,003	132,211	684,214	\$ 304.15
Randolph County	056	2,248.80	211,073	\$ 93.86	20	1.022282	2	\$ 148.76	\$ 297.52	\$ 93.86	\$ 203.66	\$ 468,196	215,775	683,971	\$ 304.15
Russell County	057	3,535.60	185,384	\$ 52.43	81	1.022282	2	\$ 148.76	\$ 297.52	\$ 52.43	\$ 245.09	\$ 885,848	189,502	1,075,350	\$ 304.15
St Clair County	058	8,824.85	521,765	\$ 59.12	63	1.022282	2	\$ 148.76	\$ 297.52	\$ 59.12	\$ 238.40	\$ 2,150,722	533,350	2,684,072	\$ 304.15
Shelby County	059	28,745.35	2,293,345	\$ 79.78	33	1.022282	2	\$ 148.76	\$ 297.52	\$ 79.78	\$ 217.74	\$ 6,398,476	2,344,403	8,742,879	\$ 304.15
Sumter County	060	1,876.45	103,298	\$ 55.05	74	1.022282	2	\$ 148.76	\$ 297.52	\$ 55.05	\$ 242.47	\$ 465,121	105,600	570,721	\$ 304.15
Talladega County	061	7,561.40	684,955	\$ 90.59	23	1.022282	2	\$ 148.76	\$ 297.52	\$ 90.59	\$ 206.93	\$ 1,599,545	700,250	2,299,795	\$ 304.15
Tallapoosa County	062	2,982.00	413,313	\$ 138.60	4	1.022282	2	\$ 148.76	\$ 297.52	\$ 138.60	\$ 158.92	\$ 484,459	422,514	906,973	\$ 304.15
Tuscaloosa County	063	17,770.50	1,170,448	\$ 65.86	51	1.022282	2	\$ 148.76	\$ 297.52	\$ 65.86	\$ 231.66	\$ 4,208,443	1,196,443	5,404,886	\$ 304.15
Walker County	064	7,881.10	478,777	\$ 60.75	61	1.022282	2	\$ 148.76	\$ 297.52	\$ 60.75	\$ 236.77	\$ 1,907,586	489,445	2,397,031	\$ 304.15
Washington County	065	3,210.90	329,625	\$ 102.66	16	1.022282	2	\$ 148.76	\$ 297.52	\$ 102.66	\$ 194.86	\$ 639,617	338,976	978,593	\$ 304.15
Wilcox County	066	1,835.80	128,366	\$ 69.92	43	1.022282	2	\$ 148.76	\$ 297.52	\$ 69.92	\$ 227.60	\$ 427,138	131,219	558,357	\$ 304.15
Winston County	067	2,618.80	259,506	\$ 99.09	19	1.022282	2	\$ 148.76	\$ 297.52	\$ 9					

Appendix 7-17

Capital Purchase Allocation from the Public School Fund for City School Systems for FY 2013-14

System Desc	System Number	FY 2013 System ADM	System Yield Per Mill	Yield Per Mill Per ADM	Rank	Z	K	M	KM	Y	KM-Y	FY 2014 STATE PSF	FY 2014 LOCAL MATCH	FY 2014 TOTAL	TOTAL PER ADM
Albertville City	101	4,348.40	191,150	\$ 43.96	98	1.022282	2	\$ 148.76	\$ 297.52	\$ 43.96	\$ 253.56	\$ 1,127,148	195,415	1,322,563	\$ 304.15
Alexander City	102	3,170.50	228,336	\$ 72.02	39	1.022282	2	\$ 148.76	\$ 297.52	\$ 72.02	\$ 225.50	\$ 730,878	233,427	964,305	\$ 304.15
Andalusia City	104	1,756.00	115,965	\$ 66.04	50	1.022282	2	\$ 148.76	\$ 297.52	\$ 66.04	\$ 231.48	\$ 415,536	118,550	534,086	\$ 304.15
Anniston City	105	2,026.90	258,546	\$ 127.56	5	1.022282	2	\$ 148.76	\$ 297.52	\$ 127.56	\$ 169.96	\$ 352,168	264,312	616,480	\$ 304.15
Arab City	106	2,514.55	100,000	\$ 39.77	112	1.022282	2	\$ 148.76	\$ 297.52	\$ 39.77	\$ 257.75	\$ 662,567	102,232	764,799	\$ 304.15
Athens City	107	3,179.75	237,729	\$ 74.76	37	1.022282	2	\$ 148.76	\$ 297.52	\$ 74.76	\$ 222.76	\$ 724,104	243,015	967,119	\$ 304.15
Attalla City	109	1,876.45	42,888	\$ 22.86	133	1.022282	2	\$ 148.76	\$ 297.52	\$ 22.86	\$ 274.66	\$ 526,870	43,851	570,721	\$ 304.15
Auburn City	110	7,367.55	764,517	\$ 103.77	15	1.022282	2	\$ 148.76	\$ 297.52	\$ 103.77	\$ 193.75	\$ 1,459,270	781,566	2,240,835	\$ 304.15
Bessemer City	113	4,093.65	291,268	\$ 71.15	40	1.022282	2	\$ 148.76	\$ 297.52	\$ 71.15	\$ 226.37	\$ 947,328	297,753	1,245,081	\$ 304.15
Birmingham City	114	24,877.40	2,710,511	\$ 108.95	12	1.022282	2	\$ 148.76	\$ 297.52	\$ 108.95	\$ 188.57	\$ 4,795,659	2,770,786	7,566,445	\$ 304.15
Boaz City	115	2,135.85	85,802	\$ 40.17	109	1.022282	2	\$ 148.76	\$ 297.52	\$ 40.17	\$ 257.35	\$ 561,909	87,709	649,617	\$ 304.15
Brewton City	116	1,156.25	66,650	\$ 57.64	67	1.022282	2	\$ 148.76	\$ 297.52	\$ 57.64	\$ 239.88	\$ 283,541	68,131	351,673	\$ 304.15
Chickasaw City	121	872.45	43,576	\$ 49.95	87	1.022282	2	\$ 148.76	\$ 297.52	\$ 49.95	\$ 247.57	\$ 220,805	44,550	265,355	\$ 304.15
Cullman City	125	3,096.95	309,677	\$ 99.99	18	1.022282	2	\$ 148.76	\$ 297.52	\$ 99.99	\$ 197.53	\$ 625,371	316,564	941,935	\$ 304.15
Daleville City	126	1,185.15	50,710	\$ 42.79	104	1.022282	2	\$ 148.76	\$ 297.52	\$ 42.79	\$ 254.73	\$ 308,620	51,843	360,463	\$ 304.15
Decatur City	127	8,311.75	638,344	\$ 76.80	36	1.022282	2	\$ 148.76	\$ 297.52	\$ 76.80	\$ 220.72	\$ 1,875,447	652,566	2,528,013	\$ 304.15
Demopolis City	128	2,286.60	76,549	\$ 33.48	122	1.022282	2	\$ 148.76	\$ 297.52	\$ 33.48	\$ 264.04	\$ 617,207	78,261	695,468	\$ 304.15
Dothan City	130	9,336.95	829,079	\$ 88.80	26	1.022282	2	\$ 148.76	\$ 297.52	\$ 88.80	\$ 208.72	\$ 1,992,232	847,596	2,839,827	\$ 304.15
Elba City	131	733.15	27,208	\$ 37.11	117	1.022282	2	\$ 148.76	\$ 297.52	\$ 37.11	\$ 260.41	\$ 195,174	27,813	222,987	\$ 304.15
Enterprise City	132	6,549.20	273,080	\$ 41.70	107	1.022282	2	\$ 148.76	\$ 297.52	\$ 41.70	\$ 255.82	\$ 1,712,748	279,187	1,991,935	\$ 304.15
Eufaula City	133	2,688.90	116,896	\$ 43.47	103	1.022282	2	\$ 148.76	\$ 297.52	\$ 43.47	\$ 254.05	\$ 698,336	119,491	817,827	\$ 304.15
Fairfield City	137	1,755.95	70,242	\$ 40.00	110	1.022282	2	\$ 148.76	\$ 297.52	\$ 40.00	\$ 257.52	\$ 462,268	71,803	534,071	\$ 304.15
Florence City	141	4,330.60	385,994	\$ 89.13	25	1.022282	2	\$ 148.76	\$ 297.52	\$ 89.13	\$ 208.39	\$ 922,562	394,587	1,317,149	\$ 304.15
Fort Payne City	143	3,010.20	166,919	\$ 55.45	73	1.022282	2	\$ 148.76	\$ 297.52	\$ 55.45	\$ 242.07	\$ 744,916	170,635	915,550	\$ 304.15
Gadsden City	144	5,486.50	380,181	\$ 69.29	47	1.022282	2	\$ 148.76	\$ 297.52	\$ 69.29	\$ 228.23	\$ 1,280,085	388,630	1,668,715	\$ 304.15
Geneva City	146	1,278.20	37,017	\$ 28.96	129	1.022282	2	\$ 148.76	\$ 297.52	\$ 28.96	\$ 268.56	\$ 350,922	37,841	388,764	\$ 304.15
Guntersville City	154	1,969.35	131,317	\$ 66.68	49	1.022282	2	\$ 148.76	\$ 297.52	\$ 66.68	\$ 230.84	\$ 464,734	134,242	598,977	\$ 304.15
Haleyville City	155	1,676.70	37,766	\$ 22.52	134	1.022282	2	\$ 148.76	\$ 297.52	\$ 22.52	\$ 275.00	\$ 471,367	38,601	509,967	\$ 304.15
Hartselle City	156	3,100.80	105,026	\$ 33.87	121	1.022282	2	\$ 148.76	\$ 297.52	\$ 33.87	\$ 263.65	\$ 835,742	107,364	943,106	\$ 304.15
Homewood City	157	3,661.15	538,097	\$ 146.97	2	1.022282	2	\$ 148.76	\$ 297.52	\$ 146.97	\$ 150.55	\$ 563,468	550,069	1,113,536	\$ 304.15
Hoover City	158	13,688.75	1,447,020	\$ 105.71	13	1.022282	2	\$ 148.76	\$ 297.52	\$ 105.71	\$ 191.81	\$ 2,684,144	1,479,281	4,163,424	\$ 304.15
Huntsville City	159	22,831.40	2,046,163	\$ 89.62	24	1.022282	2	\$ 148.76	\$ 297.52	\$ 89.62	\$ 207.90	\$ 4,852,413	2,091,742	6,944,155	\$ 304.15
Jacksonville City	162	1,522.05	87,497	\$ 57.49	68	1.022282	2	\$ 148.76	\$ 297.52	\$ 57.49	\$ 240.03	\$ 373,478	89,452	462,931	\$ 304.15
Jasper City	163	2,690.00	168,397	\$ 62.60	55	1.022282	2	\$ 148.76	\$ 297.52	\$ 62.60	\$ 234.92	\$ 646,016	172,146	818,162	\$ 304.15
Lanett City	165	845.05	41,466	\$ 49.07	91	1.022282	2	\$ 148.76	\$ 297.52	\$ 49.07	\$ 248.45	\$ 214,631	42,391	257,021	\$ 304.15
Leeds City	167	1,780.65	121,813	\$ 68.41	48	1.022282	2	\$ 148.76	\$ 297.52	\$ 68.41	\$ 229.11	\$ 417,055	124,529	541,584	\$ 304.15
Linden City	168	500.60	14,057	\$ 28.08	131	1.022282	2	\$ 148.76	\$ 297.52	\$ 28.08	\$ 269.44	\$ 137,887	14,370	152,257	\$ 304.15
Madison City	169	9,334.35	569,626	\$ 61.02	59	1.022282	2	\$ 148.76	\$ 297.52	\$ 61.02	\$ 236.50	\$ 2,256,763	582,273	2,839,036	\$ 304.15
Midfield City	171	1,224.40	37,186	\$ 30.37	128	1.022282	2	\$ 148.76	\$ 297.52	\$ 30.37	\$ 267.15	\$ 334,387	38,014	372,400	\$ 304.15
Mountain Brook City	175	4,467.15	554,119	\$ 124.04	9	1.022282	2	\$ 148.76	\$ 297.52	\$ 124.04	\$ 173.48	\$ 792,229	566,452	1,358,681	\$ 304.15
Muscle Shoals City	176	2,827.05	164,195	\$ 58.08	66	1.022282	2	\$ 148.76	\$ 297.52	\$ 58.08	\$ 239.44	\$ 691,992	167,854	859,845	\$ 304.15
Oneonta City	178	1,470.60	71,922	\$ 48.91	92	1.022282	2	\$ 148.76	\$ 297.52	\$ 48.91	\$ 248.61	\$ 373,752	73,530	447,282	\$ 304.15
Opelika City	179	4,330.15	358,779	\$ 82.86	29	1.022282	2	\$ 148.76	\$ 297.52	\$ 82.86	\$ 214.66	\$ 950,221	366,791	1,317,012	\$ 304.15
Opp City	180	1,324.70	46,741	\$ 35.28	120	1.022282	2	\$ 148.76	\$ 297.52	\$ 35.28	\$ 262.24	\$ 355,130	47,777	402,907	\$ 304.15
Oxford City	181	4,105.55	265,292	\$ 64.62	53	1.022282	2	\$ 148.76	\$ 297.52	\$ 64.62	\$ 232.90	\$ 977,488	271,212	1,248,700	\$ 304.15
Ozark City	182	2,281.90	100,032	\$ 43.84	100	1.022282	2	\$ 148.76	\$ 297.52	\$ 43.84	\$ 253.68	\$ 591,771	102,268	694,038	\$ 304.15
Pell City	183	4,088.00	253,122	\$ 61.92	57	1.022282	2	\$ 148.76	\$ 297.52	\$ 61.92	\$ 235.60	\$ 984,593	258,769	1,243,363	\$ 304.15
Phenix City	184	6,862.00	242,584	\$ 35.35	119	1.022282	2	\$ 148.76	\$ 297.52	\$ 35.35	\$ 262.17	\$ 1,839,096	247,977	2,087,073	\$ 304.15
Piedmont City	185	1,195.40	44,781	\$ 37.46	116	1.022282	2	\$ 148.76	\$ 297.52	\$ 37.46	\$ 260.06	\$ 317,803	45,777	363,580	\$ 304.15
Saraland City	187	2,515.60	150,211	\$ 59.71	62	1.022282	2	\$ 148.76	\$ 297.52	\$ 59.71	\$ 237.81	\$ 611,565	153,553	765,118	\$ 304.15
Roanoke City	188	1,525.55	46,976	\$ 30.79	126	1.022282	2	\$ 148.76	\$ 297.52	\$ 30.79	\$ 266.73	\$ 415,977	48,018	463,995	\$ 304.15
Russellville City	189	2,462.65	70,387	\$ 28.58	130	1.022282	2	\$ 148.76	\$ 297.52	\$ 28.58	\$ 268.94	\$ 677,063	71,951	749,013	\$ 304.15
Scottsboro City	190	2,626.15	146,533	\$ 55.80	71	1.022282	2	\$ 148.76	\$ 297.52	\$ 55.80	\$ 241.72	\$ 648,937	149,804	798,742	\$ 304.15
Selma City	191	3,742.95	132,939	\$ 35.52	118	1.022282	2	\$ 148.76	\$ 297.52	\$ 35.52	\$ 262.00	\$ 1,002,504	135,912	1,138,416	\$ 304.15
Sheffield City	192	1,077.85	47,354	\$ 43.93	99	1.022282	2	\$ 148.76	\$ 297.52	\$ 43.93	\$ 253.59	\$ 279,422	48,405	327,827	\$ 304.15
Sylacauga City	193	2,377.50	121,311	\$ 51.02	83	1.022282	2	\$ 148.76	\$ 297.52	\$ 51.02	\$ 246.50	\$ 599,112	124,003	723,115	\$ 304.15
Talladega City	194	2,350.30	90,954	\$ 38.70	114	1.022282	2	\$ 148.76	\$ 297.52	\$ 38.70	\$ 258.82	\$ 621,859	92,983	714,842	\$ 304.15
Tallassee City	195	1,883.65	57,587	\$ 30.57	127	1.022282	2	\$ 148.76	\$ 297.52	\$ 30.57	\$ 266.95	\$ 514,045	58,866	572,911	\$ 304.15
Satsuma City	196	1,462.95	47,517	\$ 32.48	123	1.022282	2	\$ 148.76	\$ 297.52	\$ 32.48	\$ 265.04	\$ 396,380	48,575	444,955	\$ 304.15
Tarrant City	197	1,096.00	68,670	\$ 62.66	54	1.022282	2	\$ 148.76	\$ 297.52	\$ 62.66	\$ 234.86	\$ 263,142	70,206	333,348	\$ 304.15
Thomasville City	198	1,477.65	45,860	\$ 31.04	124	1.022282	2	\$ 148.76	\$ 297.52	\$ 31.04	\$ 266.48	\$ 402,538	46,888	449,426	\$ 304.15
Troy City	199	2,099.65	170,045	\$ 80.99	31	1.022282	2	\$ 148.76	\$ 297.52	\$ 80.99	\$ 216.53	\$ 464,767	173,840	638,607	\$ 304.15
Tuscaloosa City	200	9,869.00	1,225,828	\$ 124.21	8	1.022282	2	\$ 148.76	\$ 297.52	\$ 124.21	\$ 173.31	\$ 1,748,507	1,253,142	3,001,650	\$ 304.15
Tuscumbia City	201	1,481.95	55,759	\$ 37.63	115	1.022282	2	\$ 148.76	\$ 297.52	\$ 37.63	\$ 259.89	\$ 393,726	57,008	450,734	\$ 304.15
Vestavia Hills City	202	6,594.40	599,362	\$ 90.89	22	1.022282	2	\$ 148.76	\$ 297.52	\$ 90.89	\$ 206.63	\$ 1,392,962	612,720	2,005,682	\$ 304.15
Winfield City	204	1,267.75	39,152	\$ 30.88	125	1.022282	2	\$ 148.76	\$ 297.52	\$ 30.88	\$ 266.64	\$ 345,565	40,020	385,585	\$ 304.15
Trussville City	205	4,232.60	350,178	\$ 82.73	30	1.022282	2	\$ 148.76	\$ 297.52	\$ 82.73	\$ 214.79	\$ 929,377	357,965	1,287,342	\$ 304.15
Total		739													

Appendix 7-18

Unrestricted Local Tax Revenues per ADM for County School Systems for FY 2013-14

N	System Number	System Description	FY 2013 System ADM	FY 2014 Foundation Program Local Match 10.00000 Mills	FY 2014 Local Capital Purchase Local Match 1.02282 Mills	Total Local Match 11.02282 Mills	FY 2014 Budgeted Local Tax-Based Revenues	FY 2014 Unrestricted Local Taxation	FY 2014 Unrestricted Local Taxation Per ADM	Rank
1	001	Autauga County	9,698.60	\$ 5,892,740	605,158.00	\$ 6,497,898	\$ 12,052,702	\$ 5,554,804	\$ 572.74	114
2	002	Baldwin County	28,996.50	\$ 36,890,870	3,766,857.00	\$ 40,657,727	\$ 114,662,483	\$ 74,004,756	\$ 2,552.20	14
3	003	Barbour County	988.70	\$ 1,101,890	112,258.00	\$ 1,214,148	\$ 1,793,148	\$ 579,000	\$ 585.62	112
4	004	Bibb County	3,551.50	\$ 1,418,440	145,312.00	\$ 1,563,752	\$ 3,661,140	\$ 2,097,388	\$ 590.56	111
5	005	Blount County	8,343.55	\$ 3,440,040	349,917.00	\$ 3,789,957	\$ 6,165,040	\$ 2,375,083	\$ 284.66	133
6	006	Bullock County	1,492.70	\$ 820,470	83,978.00	\$ 904,448	\$ 1,723,448	\$ 819,000	\$ 548.67	118
7	007	Butler County	3,149.65	\$ 2,044,760	209,414.00	\$ 2,254,174	\$ 4,636,760	\$ 2,382,586	\$ 756.46	97
8	008	Calhoun County	9,203.85	\$ 3,890,750	395,411.00	\$ 4,286,161	\$ 13,455,000	\$ 9,168,839	\$ 996.20	86
9	009	Chambers County	3,818.75	\$ 2,659,030	273,432.00	\$ 2,932,462	\$ 5,740,488	\$ 2,808,026	\$ 735.33	99
10	010	Cherokee County	4,073.60	\$ 2,510,350	258,345.00	\$ 2,768,695	\$ 7,386,350	\$ 4,617,655	\$ 1,133.56	68
11	011	Chilton County	7,597.25	\$ 3,733,190	380,787.00	\$ 4,113,977	\$ 7,708,977	\$ 3,595,000	\$ 473.20	123
12	012	Choctaw County	1,702.70	\$ 2,138,730	219,451.00	\$ 2,358,181	\$ 4,429,853	\$ 2,071,672	\$ 1,216.70	56
13	013	Clarke County	3,152.10	\$ 2,945,420	299,856.00	\$ 3,245,276	\$ 4,275,776	\$ 1,030,500	\$ 326.92	130
14	014	Clay County	2,051.50	\$ 958,990	98,628.00	\$ 1,057,618	\$ 1,795,118	\$ 737,500	\$ 359.49	129
15	015	Cleburne County	2,617.20	\$ 1,145,140	117,793.00	\$ 1,262,933	\$ 2,525,040	\$ 1,262,107	\$ 482.24	122
16	016	Coffee County	2,099.95	\$ 1,470,780	150,362.00	\$ 1,621,142	\$ 3,250,642	\$ 1,629,500	\$ 775.97	96
17	017	Colbert County	2,695.50	\$ 4,009,840	410,824.00	\$ 4,420,664	\$ 7,133,185	\$ 2,712,521	\$ 1,006.31	83
18	018	Conecuh County	1,590.95	\$ 1,108,580	113,916.00	\$ 1,222,496	\$ 4,773,449	\$ 3,550,953	\$ 2,231.97	18
19	019	Coosa County	1,147.45	\$ 1,599,360	163,147.00	\$ 1,762,507	\$ 2,187,714	\$ 425,207	\$ 370.57	128
20	020	Covington County	3,093.70	\$ 2,263,440	231,010.00	\$ 2,494,450	\$ 4,566,950	\$ 2,072,500	\$ 669.91	104
21	021	Crenshaw County	2,188.15	\$ 1,278,010	129,818.00	\$ 1,407,828	\$ 2,581,428	\$ 1,173,600	\$ 536.34	119
22	022	Cullman County	9,549.50	\$ 5,575,480	566,550.00	\$ 6,142,030	\$ 15,399,396	\$ 9,257,366	\$ 969.41	87
23	023	Dale County	3,052.70	\$ 1,531,110	156,129.00	\$ 1,687,239	\$ 4,325,125	\$ 2,637,886	\$ 864.12	91
24	024	Dallas County	3,695.65	\$ 1,946,750	200,353.00	\$ 2,147,103	\$ 4,603,448	\$ 2,456,345	\$ 664.66	105
25	025	Dekalb County	8,688.90	\$ 3,427,680	346,624.00	\$ 3,774,304	\$ 8,958,004	\$ 5,183,700	\$ 596.59	110
26	026	Elmore County	11,487.30	\$ 8,871,670	904,771.00	\$ 9,776,441	\$ 16,974,910	\$ 7,198,469	\$ 626.65	108
27	027	Escambia County	4,605.55	\$ 3,193,630	325,058.00	\$ 3,518,688	\$ 8,818,626	\$ 5,299,938	\$ 1,150.77	65
28	028	Etowah County	9,132.35	\$ 4,536,660	467,070.00	\$ 5,003,730	\$ 10,016,877	\$ 5,013,147	\$ 548.94	117
29	029	Fayette County	2,379.20	\$ 1,291,690	131,418.00	\$ 1,423,108	\$ 2,739,058	\$ 1,315,950	\$ 553.11	116
30	030	Franklin County	3,148.85	\$ 1,567,880	161,047.00	\$ 1,728,927	\$ 5,010,027	\$ 3,281,100	\$ 1,042.00	80
31	031	Geneva County	2,718.50	\$ 1,251,580	127,914.00	\$ 1,379,494	\$ 2,051,580	\$ 672,086	\$ 247.23	134
32	032	Greene County	1,224.50	\$ 1,293,300	132,768.00	\$ 1,426,068	\$ 2,904,300	\$ 1,478,232	\$ 1,207.21	57
33	033	Hale County	2,785.45	\$ 1,214,970	125,365.00	\$ 1,340,335	\$ 3,329,800	\$ 1,989,465	\$ 714.23	100
34	034	Henry County	2,723.85	\$ 1,513,720	156,027.00	\$ 1,669,747	\$ 3,026,747	\$ 1,357,000	\$ 498.19	120
35	035	Houston County	6,413.45	\$ 4,994,880	511,701.00	\$ 5,506,581	\$ 10,069,581	\$ 4,563,000	\$ 711.47	101
36	036	Jackson County	5,697.00	\$ 2,888,340	297,198.00	\$ 3,185,538	\$ 10,811,838	\$ 7,626,300	\$ 1,338.65	47
37	037	Jefferson County	36,159.40	\$ 25,625,000	2,626,089.00	\$ 28,251,089	\$ 82,996,075	\$ 54,744,986	\$ 1,513.99	38
38	038	Lamar County	2,371.95	\$ 1,152,160	118,886.00	\$ 1,271,046	\$ 2,212,660	\$ 941,614	\$ 396.98	126
39	039	Lauderdale County	8,607.35	\$ 4,204,330	431,415.00	\$ 4,635,745	\$ 13,667,000	\$ 9,031,255	\$ 1,049.25	78
40	040	Lawrence County	5,066.35	\$ 2,604,650	264,299.00	\$ 2,868,949	\$ 8,701,790	\$ 5,832,841	\$ 1,151.29	64
41	041	Lee County	9,787.30	\$ 5,275,370	540,613.00	\$ 5,815,983	\$ 21,984,550	\$ 16,168,567	\$ 1,651.99	30
42	042	Limestone County	9,008.80	\$ 3,812,350	387,031.00	\$ 4,199,381	\$ 17,018,350	\$ 12,818,969	\$ 1,422.94	43
43	043	Lowndes County	1,754.45	\$ 1,094,480	111,266.00	\$ 1,205,746	\$ 3,500,666	\$ 2,294,920	\$ 1,308.06	49
44	044	Macon County	2,381.15	\$ 1,347,230	138,833.00	\$ 1,486,063	\$ 4,349,980	\$ 2,863,917	\$ 1,202.75	59
45	045	Madison County	19,341.85	\$ 9,858,790	1,009,016.00	\$ 10,867,806	\$ 42,143,790	\$ 31,275,984	\$ 1,617.01	33
46	046	Marengo County	1,263.40	\$ 1,504,360	153,786.00	\$ 1,658,146	\$ 2,062,060	\$ 403,914	\$ 319.70	132
47	047	Marion County	3,442.70	\$ 1,836,980	186,640.00	\$ 2,023,620	\$ 3,383,381	\$ 1,359,761	\$ 394.97	127
48	048	Marshall County	5,616.45	\$ 1,577,250	160,861.00	\$ 1,738,111	\$ 8,117,136	\$ 6,379,025	\$ 1,135.78	67
49	049	Mobile County	58,113.55	\$ 51,429,810	5,231,063.00	\$ 56,660,873	\$ 138,181,356	\$ 81,520,483	\$ 1,402.78	44
50	050	Monroe County	3,669.75	\$ 3,064,970	315,316.00	\$ 3,380,286	\$ 5,150,708	\$ 1,770,422	\$ 482.44	121
51	051	Montgomery County	31,306.50	\$ 25,093,740	2,561,854.00	\$ 27,655,594	\$ 61,253,684	\$ 33,598,090	\$ 1,073.20	75
52	052	Morgan County	7,727.00	\$ 7,804,440	798,293.00	\$ 8,602,733	\$ 22,603,900	\$ 14,001,167	\$ 1,811.98	24
53	053	Perry County	1,698.70	\$ 810,240	83,404.00	\$ 893,644	\$ 2,070,340	\$ 1,176,696	\$ 692.70	102
54	054	Pickens County	2,733.60	\$ 1,452,240	148,197.00	\$ 1,600,437	\$ 2,492,695	\$ 892,258	\$ 326.40	131
55	055	Pike County	2,249.60	\$ 1,293,230	131,163.00	\$ 1,424,393	\$ 4,625,510	\$ 3,201,117	\$ 1,422.97	42
56	056	Randolph County	2,248.80	\$ 2,110,730	216,226.00	\$ 2,326,956	\$ 3,362,456	\$ 1,035,500	\$ 460.47	124
57	057	Russell County	3,535.60	\$ 1,853,840	188,060.00	\$ 2,041,900	\$ 5,825,400	\$ 3,783,500	\$ 1,070.12	76
58	058	St Clair County	8,824.85	\$ 5,217,650	532,585.00	\$ 5,750,235	\$ 11,821,468	\$ 6,071,233	\$ 687.97	103
59	059	Shelby County	28,745.35	\$ 22,933,450	2,352,271.00	\$ 25,285,721	\$ 74,712,599	\$ 49,426,878	\$ 1,719.47	27
60	060	Sumter County	1,876.45	\$ 1,032,980	105,567.00	\$ 1,138,547	\$ 3,290,834	\$ 2,152,287	\$ 1,147.00	66
61	061	Talladega County	7,561.40	\$ 6,849,550	703,839.00	\$ 7,553,389	\$ 17,351,382	\$ 9,797,993	\$ 1,295.79	51
62	062	Tallapoosa County	2,982.00	\$ 4,133,130	423,987.00	\$ 4,557,117	\$ 7,112,384	\$ 2,555,267	\$ 856.90	92
63	063	Tuscaloosa County	17,770.50	\$ 11,704,480	1,199,702.00	\$ 12,904,182	\$ 44,145,440	\$ 31,241,258	\$ 1,758.04	25
64	064	Walker County	7,881.10	\$ 4,787,770	491,752.00	\$ 5,279,522	\$ 16,127,500	\$ 10,847,978	\$ 1,376.45	45
65	065	Washington County	3,210.90	\$ 3,296,250	338,294.00	\$ 3,634,544	\$ 5,027,756	\$ 1,393,212	\$ 433.90	125
66	066	Wilcox County	1,835.80	\$ 1,283,660	131,448.00	\$ 1,415,108	\$ 3,436,760	\$ 2,021,652	\$ 1,101.24	71
67	067	Winston County	2,618.80	\$ 2,595,060	265,196.00	\$ 2,860,256	\$ 4,325,506	\$ 1,465,250	\$ 559.51	115

Appendix 7-19

Unrestricted Local Tax Revenues per ADM for City School Systems for FY 2013-14

N	System Number	System Description	FY 2013 System ADM	FY 2014 Foundation Program Local Match 10.00000 Mills	FY 2014 Local Capital Purchase Local Match 1.02282 Mills	Total Local Match 11.02282 Mills	FY 2014 Budgeted Local Tax-Based Revenues	FY 2014 Unrestricted Local Taxation	FY 2014 Unrestricted Local Taxation Per ADM	Rank
68	101	Albertville City	4,348.40	\$ 1,911,500	195,710.00	\$ 2,107,210	\$ 4,638,853	\$ 2,531,643	\$ 582.20	113
69	102	Alexander City	3,170.50	\$ 2,283,360	233,502.00	\$ 2,516,862	\$ 5,067,495	\$ 2,550,633	\$ 804.49	95
70	104	Andalusia City	1,756.00	\$ 1,159,650	118,549.00	\$ 1,278,199	\$ 2,959,799	\$ 1,681,600	\$ 957.63	88
71	105	Annonston City	2,026.90	\$ 2,585,460	265,382.00	\$ 2,850,842	\$ 5,968,342	\$ 3,117,500	\$ 1,538.06	35
72	106	Arab City	2,514.55	\$ 1,000,000	102,885.00	\$ 1,102,885	\$ 3,609,835	\$ 2,506,950	\$ 996.98	85
73	107	Athens City	3,179.75	\$ 2,377,290	243,941.00	\$ 2,621,231	\$ 11,954,401	\$ 9,333,170	\$ 2,935.19	10
74	109	Attalla City	1,876.45	\$ 428,880	44,146.00	\$ 473,026	\$ 1,685,580	\$ 1,212,554	\$ 646.20	106
75	110	Auburn City	7,367.55	\$ 7,645,170	783,766.00	\$ 8,428,936	\$ 33,806,885	\$ 25,377,949	\$ 3,444.56	7
76	113	Bessemer City	4,093.65	\$ 2,912,680	297,303.00	\$ 3,209,983	\$ 9,071,830	\$ 5,861,847	\$ 1,431.94	39
77	114	Birmingham City	24,877.40	\$ 27,105,110	2,773,712.00	\$ 29,878,822	\$ 76,990,081	\$ 47,111,259	\$ 1,893.74	22
78	115	Boaz City	2,135.85	\$ 858,020	87,390.00	\$ 945,410	\$ 4,629,681	\$ 3,684,271	\$ 1,724.97	26
79	116	Brewton City	1,156.25	\$ 666,500	68,598.00	\$ 735,098	\$ 3,608,438	\$ 2,873,340	\$ 2,485.05	16
80	121	Chickasaw City	872.45	\$ 435,760	44,621.00	\$ 480,381	\$ 1,352,506	\$ 872,125	\$ 999.63	84
81	125	Cullman City	3,096.95	\$ 3,096,770	316,785.00	\$ 3,413,555	\$ 8,517,370	\$ 5,103,815	\$ 1,648.01	31
82	126	Daleville City	1,185.15	\$ 507,100	52,128.00	\$ 559,228	\$ 1,856,700	\$ 1,297,472	\$ 1,094.77	73
83	127	Decatur City	8,311.75	\$ 6,383,440	654,656.00	\$ 7,038,096	\$ 35,016,200	\$ 27,978,104	\$ 3,366.09	8
84	128	Demopolis City	2,286.60	\$ 765,490	77,185.00	\$ 842,675	\$ 2,781,461	\$ 1,938,786	\$ 847.89	94
85	130	Dothan City	9,336.95	\$ 8,290,790	850,012.00	\$ 9,140,802	\$ 18,613,286	\$ 9,472,484	\$ 1,014.52	82
86	131	Elba City	733.15	\$ 272,080	27,748.00	\$ 299,828	\$ 1,107,128	\$ 807,300	\$ 1,101.14	72
87	132	Enterprise City	6,549.20	\$ 2,730,800	281,363.00	\$ 3,012,163	\$ 10,880,600	\$ 7,868,437	\$ 1,201.43	60
88	133	Eufaula City	2,688.90	\$ 1,168,960	118,270.00	\$ 1,287,230	\$ 4,616,766	\$ 3,329,536	\$ 1,238.25	54
89	137	Fairfield City	1,755.95	\$ 702,420	71,846.00	\$ 774,266	\$ 3,045,766	\$ 2,271,500	\$ 1,293.60	52
90	141	Florence City	4,330.60	\$ 3,859,940	394,247.00	\$ 4,254,187	\$ 16,809,637	\$ 12,555,450	\$ 2,899.24	11
91	143	Fort Payne City	3,010.20	\$ 1,669,190	169,351.00	\$ 1,838,541	\$ 5,052,490	\$ 3,213,949	\$ 1,067.69	77
92	144	Gadsden City	5,486.50	\$ 3,801,810	387,235.00	\$ 4,189,045	\$ 9,787,430	\$ 5,598,385	\$ 1,020.39	81
93	146	Geneva City	1,278.20	\$ 370,170	37,916.00	\$ 408,086	\$ 1,590,086	\$ 1,182,000	\$ 924.74	89
94	154	Guntersville City	1,969.35	\$ 1,313,170	134,967.00	\$ 1,448,137	\$ 4,681,620	\$ 3,233,483	\$ 1,641.90	32
95	155	Haleyville City	1,676.70	\$ 377,660	39,447.00	\$ 417,107	\$ 2,980,307	\$ 2,563,200	\$ 1,528.72	37
96	156	Hartselle City	3,100.80	\$ 1,050,260	107,841.00	\$ 1,158,101	\$ 9,454,814	\$ 8,296,713	\$ 2,675.67	12
97	157	Homewood City	3,661.15	\$ 5,380,970	550,509.00	\$ 5,931,479	\$ 24,896,062	\$ 18,964,583	\$ 5,179.95	1
98	158	Hoover City	13,688.75	\$ 14,470,200	1,484,224.00	\$ 15,954,424	\$ 64,369,404	\$ 48,414,980	\$ 3,536.84	6
99	159	Huntsville City	22,831.40	\$ 20,461,630	2,101,865.00	\$ 22,563,495	\$ 94,330,600	\$ 71,767,105	\$ 3,143.35	9
100	162	Jacksonville City	1,522.05	\$ 874,970	88,743.00	\$ 963,713	\$ 2,938,513	\$ 1,974,800	\$ 1,297.46	50
101	163	Jasper City	2,690.00	\$ 1,683,970	173,350.00	\$ 1,857,320	\$ 7,549,370	\$ 5,692,050	\$ 2,116.00	19
102	165	Lanett City	845.05	\$ 414,660	42,355.00	\$ 457,015	\$ 1,179,860	\$ 722,845	\$ 855.39	93
103	167	Leeds City	1,780.65	\$ 1,218,130	123,856.00	\$ 1,341,986	\$ 3,876,105	\$ 2,534,119	\$ 1,423.14	41
104	168	Linden City	500.60	\$ 140,570	14,338.00	\$ 154,908	\$ 593,708	\$ 438,800	\$ 876.55	90
105	169	Madison City	9,334.35	\$ 5,696,260	582,430.00	\$ 6,278,690	\$ 29,811,915	\$ 23,533,225	\$ 2,521.14	15
106	171	Midfield City	1,224.40	\$ 371,860	37,573.00	\$ 409,433	\$ 1,774,593	\$ 1,365,160	\$ 1,114.96	69
107	175	Mountain Brook City	4,467.15	\$ 5,541,190	566,607.00	\$ 6,107,797	\$ 27,997,496	\$ 21,889,699	\$ 4,900.15	3
108	176	Muscle Shoals City	2,827.05	\$ 1,641,950	167,722.00	\$ 1,809,672	\$ 7,169,988	\$ 5,360,316	\$ 1,896.08	21
109	178	Oneonta City	1,470.60	\$ 719,220	73,709.00	\$ 792,929	\$ 1,718,729	\$ 925,800	\$ 629.54	107
110	179	Opelika City	4,330.15	\$ 3,587,790	367,630.00	\$ 3,955,420	\$ 14,329,755	\$ 10,374,335	\$ 2,395.84	17
111	180	Opp City	1,324.70	\$ 467,410	47,426.00	\$ 514,836	\$ 2,096,510	\$ 1,581,674	\$ 1,193.99	61
112	181	Oxford City	4,105.55	\$ 2,652,920	272,970.00	\$ 2,925,890	\$ 13,837,240	\$ 10,911,350	\$ 2,657.71	13
113	182	Ozark City	2,281.90	\$ 1,000,320	102,702.00	\$ 1,103,022	\$ 4,368,425	\$ 3,265,403	\$ 1,431.00	40
114	183	Pell City	4,088.00	\$ 2,531,220	259,258.00	\$ 2,790,478	\$ 7,651,200	\$ 4,860,722	\$ 1,189.02	62
115	184	Phenix City	6,862.00	\$ 2,425,840	245,668.00	\$ 2,671,508	\$ 12,089,508	\$ 9,418,000	\$ 1,372.49	46
116	185	Piedmont City	1,195.40	\$ 447,810	45,242.00	\$ 493,052	\$ 1,794,302	\$ 1,301,250	\$ 1,088.55	74
117	187	Saraland City	2,515.60	\$ 1,502,110	154,391.00	\$ 1,656,501	\$ 6,262,487	\$ 4,605,986	\$ 1,830.97	23
118	188	Roanoke City	1,525.55	\$ 469,760	48,375.00	\$ 518,135	\$ 1,661,950	\$ 1,143,815	\$ 749.77	98
119	189	Russellville City	2,462.65	\$ 703,870	73,052.00	\$ 776,922	\$ 4,742,922	\$ 3,966,000	\$ 1,610.46	34
120	190	Scottsboro City	2,626.15	\$ 1,465,330	150,431.00	\$ 1,615,761	\$ 6,029,131	\$ 4,413,370	\$ 1,680.55	29
121	191	Selma City	3,742.95	\$ 1,329,390	137,831.00	\$ 1,467,221	\$ 3,747,390	\$ 2,280,169	\$ 609.19	109
122	192	Sheffield City	1,077.85	\$ 473,540	48,511.00	\$ 522,051	\$ 2,657,051	\$ 2,135,000	\$ 1,980.80	20
123	193	Sylacauga City	2,377.50	\$ 1,213,110	124,028.00	\$ 1,337,138	\$ 3,963,002	\$ 2,625,864	\$ 1,104.46	70
124	194	Talladega City	2,350.30	\$ 909,540	93,760.00	\$ 1,003,300	\$ 3,727,425	\$ 2,724,125	\$ 1,159.05	63
125	195	Tallassee City	1,883.65	\$ 575,870	59,730.00	\$ 635,600	\$ 2,904,500	\$ 2,268,900	\$ 1,204.52	58
126	196	Satsuma City	1,462.95	\$ 475,170	47,886.00	\$ 523,056	\$ 2,475,930	\$ 1,952,874	\$ 1,334.89	48
127	197	Tarrant City	1,096.00	\$ 686,700	70,629.00	\$ 757,329	\$ 2,432,945	\$ 1,675,616	\$ 1,528.85	36
128	198	Thomasville City	1,477.65	\$ 458,600	46,856.00	\$ 505,456	\$ 2,342,050	\$ 1,836,594	\$ 1,242.92	53
129	199	Troy City	2,099.65	\$ 1,700,450	173,965.00	\$ 1,874,415	\$ 4,460,600	\$ 2,586,185	\$ 1,231.72	55
130	200	Tuscaloosa City	9,869.00	\$ 12,258,280	1,251,770.00	\$ 13,510,050	\$ 50,312,858	\$ 36,802,808	\$ 3,729.13	5
131	201	Tuscumbia City	1,481.95	\$ 557,590	57,603.00	\$ 615,193	\$ 3,141,129	\$ 2,525,936	\$ 1,704.47	28
132	202	Vestavia Hills City	6,594.40	\$ 5,993,620	613,828.00	\$ 6,607,448	\$ 31,615,074	\$ 25,007,626	\$ 3,792.25	4
133	204	Winfield City	1,267.75	\$ 391,520	40,200.00	\$ 431,720	\$ 1,755,222	\$ 1,323,502	\$ 1,043.98	79
134	205	Trussville City	4,232.60	\$ 3,501,780	359,348.00	\$ 3,861,128	\$ 25,783,293	\$ 21,922,165	\$ 5,179.36	2
		Total	739,295.70	\$ 541,184,880	\$ 55,353,492	\$ 596,538,372	\$ 1,755,122,755	\$ 1,158,584,383	\$ 1,567.15	n/a

Appendix 7-20
Orange Beach Elementary School:
Baldwin County SAFE Report
School Summary Reported as of February 19, 2014

School: Orange Beach Elem Sch			
Agribusiness: 0		Home Ec Department: 0	
Auditorium: 0		Indoor Rifle Range: 0	
Band/Choral Dept:0		Large Instructional Area: 0	
Cafeteria: 1		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: 19	
Football Stadium (on site): 0		Science Lab: 0	
General Administrative Area: 1		Small Classroom: 4	
Gymnasium: 0		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: 47666			
Facility Acreage: 13	Student Capacity: 550	Instructional Portables: 0	Substandard Permanent Classrooms: 0

Appendix 7-21
Baldwin County SAFE Report
Building Detail Reported as of February 14, 2014
Building Number 0100

School: Orange Beach Elem Sch		Building Number: 0100	
Building Name:			
Building Status: Active		Building Use: Elem. School	
Construction Type: Masonry/Concrete		Roof Type: Pitched	
Heat Source: Hot Water Boiler		Fuel Type: Natural Gas	
Sewage type: Municipal		Construction Date: 1997	
Square Footage: 47666		Stories: 1	
Handicapped Accessible: Y		Percent Air Conditioning: 100	
Overall Building Condition: Good		Fire Alarm: Y	
Agribusiness: 0		Home Ec Department: 0	
Auditorium: 0		Indoor Rifle Range: 0	
Band/Choral Dept: 0		Large Instructional Area: 0	
Cafeteria: 1		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: 19	
Football Stadium (on site): 0		Science Lab: 0	
General Administrative Area: 1		Small Classroom: 4	
Gymnasium: 0		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			

Appendix 7-22
Orange Beach Elementary School:
Baldwin County SAFE Report
Building Assessment Detail Reported as of February 19, 2014

School: Orange Beach Elem Sch		Building Number: 0100	
Building Name:			
Category: Roof	Condition: Good		
Category: Roof	Condition: Good		
Category: Fascia and Soffits	Condition: Good		
Category: Canopies and Covered Walks	Condition: Good		
Category: Exterior Walls	Condition: Good		
Category: Exterior Windows	Condition: Good		
Category: Exterior Doors and Frames	Condition: Good		
Category: Exterior Door Hardware	Condition: Good		
Category: Interior Walls and Base	Condition: Good		
Category: Interior Doors and Frames	Condition: Good		
Category: Interior Door Hardware	Condition: Good		
Category: Floor Finishes	Condition: Moderate	Percent Severe: 0	
	Problem: Broken Tiles		
	Problem: Loose		
Category: Ceilings	Condition: Good		
Category: Interior Lighting	Condition: Good		
Category: Toilets/Fixtures	Condition: Good		
Category: Cabinetry/Shelving	Condition: Good		
Category: Fixed Seating/Bleachers	Condition: Good		
Category: Lockers	Condition: Good		
Category: Kitchen Equipment	Condition: Good		
Category: Plumbing System	Condition: Good		
Category: Electrical System	Condition: Good		
Category: Heating and Air Conditioning System	Condition: Moderate	Percent Severe: 0	
	Problem: Broken		

Appendix 7-23
Orange Beach Elementary School: 002-0095 (Grades K-6)
Attachment to Exhibit P-II for FY 2013-14 Budget

NAME OF SCHOOL OR COST CENTER: <u>Orange Beach Elementary - 0095</u>																																																																																																															
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)									458.25																																																																																																						
Earned Units																																																																																																															
Teachers									27.19																																																																																																						
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																																																																																																						
Total Units									29.69																																																																																																						
Salaries									\$1,423,313																																																																																																						
Fringe Benefits									\$544,186																																																																																																						
Other Current Expense									\$0																																																																																																						
Classroom Instructional Support																																																																																																															
Student Materials									\$8,907																																																																																																						
Technology									\$0																																																																																																						
Library Enhancement									\$0																																																																																																						
Professional Development									\$0																																																																																																						
Common Purchases									\$0																																																																																																						
Textbooks									\$14,366																																																																																																						
Total Foundation Program									\$1,990,772																																																																																																						
II. PROJECTED ENROLLMENT BY SCHOOL									0																																																																																																						
(To be completed by LEA)																																																																																																															
III. PROJECTED EMPLOYEES BY SCHOOL/COST CENTER																																																																																																															
(To be completed by LEA)																																																																																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="3">Type</th> <th colspan="5">Number By</th> <th colspan="4">Source of Funds</th> <th rowspan="3">Total Employees</th> </tr> <tr> <th colspan="5">**Level of Degree</th> <th rowspan="2">State Earned</th> <th rowspan="2">Other State</th> <th rowspan="2">Federal</th> <th rowspan="2">Local</th> </tr> <tr> <th>BS</th> <th>MS</th> <th>6Y</th> <th>DO</th> <th>ND</th> </tr> <tr> <td>Teachers</td> <td>11.00</td> <td>22.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>27.36</td> <td>0.84</td> <td>1.00</td> <td>4.16</td> <td>33.36</td> </tr> <tr> <td>Librarians</td> <td>0.00</td> <td>1.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>1.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>1.00</td> </tr> <tr> <td>Counselors</td> <td>0.00</td> <td>1.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.50</td> <td>0.00</td> <td>0.00</td> <td>0.50</td> <td>1.00</td> </tr> <tr> <td>Administrators</td> <td>0.00</td> <td>1.00</td> <td>1.00</td> <td>0.00</td> <td>0.00</td> <td>1.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>1.00</td> </tr> <tr> <td>Certified Support Personnel</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Non. Cert. Supp. Personnel</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>6.00</td> <td>3.00</td> <td>5.03</td> <td>4.00</td> <td>18.03</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>35.86</td> <td>3.84</td> <td>6.03</td> <td>8.66</td> <td>54.39</td> </tr> </table>										Type	Number By					Source of Funds				Total Employees	**Level of Degree					State Earned	Other State	Federal	Local	BS	MS	6Y	DO	ND	Teachers	11.00	22.00	0.00	0.00	0.00	27.36	0.84	1.00	4.16	33.36	Librarians	0.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00	Counselors	0.00	1.00	0.00	0.00	0.00	0.50	0.00	0.00	0.50	1.00	Administrators	0.00	1.00	1.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00	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						6.00	3.00	5.03	4.00	18.03	Total						35.86	3.84	6.03	8.66	54.39
Type	Number By					Source of Funds					Total Employees																																																																																																				
	**Level of Degree					State Earned	Other State	Federal	Local																																																																																																						
	BS	MS	6Y	DO	ND																																																																																																										
Teachers	11.00	22.00	0.00	0.00	0.00	27.36	0.84	1.00	4.16	33.36																																																																																																					
Librarians	0.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00																																																																																																					
Counselors	0.00	1.00	0.00	0.00	0.00	0.50	0.00	0.00	0.50	1.00																																																																																																					
Administrators	0.00	1.00	1.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00																																																																																																					
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						6.00	3.00	5.03	4.00	18.03																																																																																																					
Total						35.86	3.84	6.03	8.66	54.39																																																																																																					
IV. LOCAL SCHOOL FUNDS BUDGETED																																																																																																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">PUBLIC</td> <td style="width: 50%; text-align: center;">NON-PUBLIC</td> </tr> <tr> <td style="text-align: right;">\$ 238,818.00</td> <td style="text-align: right;">\$ 6,050.00</td> </tr> </table>										PUBLIC	NON-PUBLIC	\$ 238,818.00	\$ 6,050.00																																																																																																		
PUBLIC	NON-PUBLIC																																																																																																														
\$ 238,818.00	\$ 6,050.00																																																																																																														
<div style="text-align: right;">\$ 244,868.00</div>																																																																																																															
<p>* 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.</p>																																																																																																															
<p>** BS - Bachelor of Science MS - Master of Science 6Y - 6-Year DO - Doctorate ND - Bachelor of ScienceNon-Degree</p>																																																																																																															

Appendix 7-24

Gulf Shores Elementary School: 002-0087 (Grades K-6)

Attachment to Exhibit P-II for FY 2013-14 Budget

NAME OF SCHOOL OR COST CENTER: Gulf Shores Elementary School - 0087																																																																																																											
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)										999.20																																																																																																	
Earned Units																																																																																																											
Teachers										58.90																																																																																																	
Principals										1.00																																																																																																	
Assistant Principals										1.00																																																																																																	
Counselors										1.50																																																																																																	
Librarians										1.00																																																																																																	
Vocational Ed. Director										0.00																																																																																																	
Vocational Ed. Counselors										0.00																																																																																																	
*Additional Units										0.00																																																																																																	
Total Units										63.40																																																																																																	
Salaries										\$2,946,704																																																																																																	
Fringe Benefits										\$1,144,004																																																																																																	
Other Current Expense										\$0																																																																																																	
Classroom Instructional Support																																																																																																											
Student Materials										\$19,020																																																																																																	
Technology										\$0																																																																																																	
Library Enhancement										\$0																																																																																																	
Professional Development										\$0																																																																																																	
Common Purchases										\$0																																																																																																	
Textbooks										\$31,325																																																																																																	
Total Foundation Program										\$4,141,053																																																																																																	
II. PROJECTED ENROLLMENT BY SCHOOL										0																																																																																																	
(To be completed by LEA)																																																																																																											
III. PROJECTED EMPLOYEES BY SCHOOL/COST CENTER																																																																																																											
(To be completed by LEA)																																																																																																											
<table><tr><th rowspan="2">Type</th><th colspan="5">Number By</th><th colspan="4">Source of Funds</th><th rowspan="2">Total Employees</th></tr><tr><th>BS</th><th>MS</th><th>6Y</th><th>DO</th><th>ND</th><th>State Earned</th><th>Other State</th><th>Federal</th><th>Local</th></tr><tr><td>Teachers</td><td>27.00</td><td>34.00</td><td>1.00</td><td>0.00</td><td>0.00</td><td>58.82</td><td>0.81</td><td>2.00</td><td>0.00</td><td>61.63</td></tr><tr><td>Librarians</td><td>0.00</td><td>1.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>1.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>1.00</td></tr><tr><td>Counselors</td><td>0.00</td><td>1.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>1.50</td><td>0.00</td><td>0.00</td><td>0.00</td><td>1.50</td></tr><tr><td>Administrators</td><td>0.00</td><td>2.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>2.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>2.00</td></tr><tr><td>Certified Support Personnel</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td>Non. Cert. Supp. Personnel</td><td></td><td></td><td></td><td></td><td></td><td>8.00</td><td>3.68</td><td>13.46</td><td>5.03</td><td>30.17</td></tr><tr><td>Total</td><td></td><td></td><td></td><td></td><td></td><td>71.32</td><td>4.49</td><td>15.46</td><td>5.03</td><td>96.30</td></tr></table>										Type	Number By					Source of Funds				Total Employees	BS	MS	6Y	DO	ND	State Earned	Other State	Federal	Local	Teachers	27.00	34.00	1.00	0.00	0.00	58.82	0.81	2.00	0.00	61.63	Librarians	0.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00	Counselors	0.00	1.00	0.00	0.00	0.00	1.50	0.00	0.00	0.00	1.50	Administrators	0.00	2.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	2.00	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						8.00	3.68	13.46	5.03	30.17	Total						71.32	4.49	15.46	5.03	96.30	
Type	Number By					Source of Funds					Total Employees																																																																																																
	BS	MS	6Y	DO	ND	State Earned	Other State	Federal	Local																																																																																																		
Teachers	27.00	34.00	1.00	0.00	0.00	58.82	0.81	2.00	0.00	61.63																																																																																																	
Librarians	0.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00																																																																																																	
Counselors	0.00	1.00	0.00	0.00	0.00	1.50	0.00	0.00	0.00	1.50																																																																																																	
Administrators	0.00	2.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	2.00																																																																																																	
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						8.00	3.68	13.46	5.03	30.17																																																																																																	
Total						71.32	4.49	15.46	5.03	96.30																																																																																																	
IV. LOCAL SCHOOL FUNDS BUDGETED																																																																																																											
<table><tr><td>PUBLIC</td><td>NON-PUBLIC</td></tr><tr><td>\$ 61,450.00</td><td>\$ 13,450.00</td></tr></table>										PUBLIC	NON-PUBLIC	\$ 61,450.00	\$ 13,450.00	\$ 74,900.00																																																																																													
PUBLIC	NON-PUBLIC																																																																																																										
\$ 61,450.00	\$ 13,450.00																																																																																																										
* 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 ScienceNon-Degree																																																																																																											

Attachment to Exhibit P-II for FY 2013-14 Budget

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

NAME OF SCHOOL OR COST CENTER: Gulf Shores High School - 0089																																																																																																										
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)										862.65																																																																																																
Earned Units																																																																																																										
Teachers										46.75																																																																																																
Principals										1.00																																																																																																
Assistant Principals										1.50																																																																																																
Counselors										2.00																																																																																																
Librarians										1.00																																																																																																
Vocational Ed. Director										0.00																																																																																																
Vocational Ed. Counselors										0.00																																																																																																
*Additional Units										0.00																																																																																																
Total Units										52.25																																																																																																
Salaries										\$2,524,594																																																																																																
Fringe Benefits										\$961,540																																																																																																
Other Current Expense										\$0																																																																																																
Classroom Instructional Support																																																																																																										
Student Materials										\$15,675																																																																																																
Technology										\$0																																																																																																
Library Enhancement										\$0																																																																																																
Professional Development										\$0																																																																																																
Common Purchases										\$0																																																																																																
Textbooks										\$27,044																																																																																																
Total Foundation Program										\$3,528,853																																																																																																
II. PROJECTED ENROLLMENT BY SCHOOL																																																																																																										
(To be completed by LEA)																																																																																																										
III. PROJECTED EMPLOYEES BY SCHOOL/COST CENTER																																																																																																										
(To be completed by LEA)																																																																																																										
	<table border="1"> <thead> <tr> <th rowspan="2">Type</th> <th colspan="5">Number By</th> <th colspan="4">Source of Funds</th> <th rowspan="2">Total Employees</th> </tr> <tr> <th>BS</th> <th>MS</th> <th>6Y</th> <th>DO</th> <th>ND</th> <th>State Earned</th> <th>Other State</th> <th>Federal</th> <th>Local</th> </tr> </thead> <tbody> <tr> <td>Teachers</td> <td>19.00</td> <td>29.00</td> <td>5.00</td> <td>0.00</td> <td>0.00</td> <td>46.27</td> <td>0.00</td> <td>2.06</td> <td>4.89</td> <td>53.22</td> </tr> <tr> <td>Librarians</td> <td>0.00</td> <td>1.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>1.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>1.00</td> </tr> <tr> <td>Counselors</td> <td>0.00</td> <td>3.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>2.00</td> <td>0.00</td> <td>0.00</td> <td>1.00</td> <td>3.00</td> </tr> <tr> <td>Administrators</td> <td>0.00</td> <td>2.00</td> <td>0.00</td> <td>1.00</td> <td>0.00</td> <td>2.50</td> <td>0.00</td> <td>0.00</td> <td>0.50</td> <td>3.00</td> </tr> <tr> <td>Certified Support Personnel</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Non. Cert. Supp. Personnel</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>10.82</td> <td>2.00</td> <td>6.49</td> <td>12.00</td> <td>31.31</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>62.59</td> <td>2.00</td> <td>8.55</td> <td>18.39</td> <td>91.53</td> </tr> </tbody> </table>									Type	Number By					Source of Funds				Total Employees	BS	MS	6Y	DO	ND	State Earned	Other State	Federal	Local	Teachers	19.00	29.00	5.00	0.00	0.00	46.27	0.00	2.06	4.89	53.22	Librarians	0.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00	Counselors	0.00	3.00	0.00	0.00	0.00	2.00	0.00	0.00	1.00	3.00	Administrators	0.00	2.00	0.00	1.00	0.00	2.50	0.00	0.00	0.50	3.00	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						10.82	2.00	6.49	12.00	31.31	Total						62.59	2.00	8.55	18.39	91.53
Type	Number By					Source of Funds					Total Employees																																																																																															
	BS	MS	6Y	DO	ND	State Earned	Other State	Federal	Local																																																																																																	
Teachers	19.00	29.00	5.00	0.00	0.00	46.27	0.00	2.06	4.89	53.22																																																																																																
Librarians	0.00	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00																																																																																																
Counselors	0.00	3.00	0.00	0.00	0.00	2.00	0.00	0.00	1.00	3.00																																																																																																
Administrators	0.00	2.00	0.00	1.00	0.00	2.50	0.00	0.00	0.50	3.00																																																																																																
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						10.82	2.00	6.49	12.00	31.31																																																																																																
Total						62.59	2.00	8.55	18.39	91.53																																																																																																
IV. LOCAL SCHOOL FUNDS BUDGETED																																																																																																										
						PUBLIC	NON-PUBLIC																																																																																																			
						\$ 693,746.00	\$ 217,579.00																																																																																																			
						\$ 911,325.00																																																																																																				
<p>* 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.</p>																																																																																																										
<p>** BS - Bachelor of Science MS - Master of Science 6Y - 6-Year DO - Doctorate ND - Bachelor of ScienceNon-Degree</p>																																																																																																										

APPENDIX 7-27

Letter from Dr. Wayne Teague, State Superintendent of Education, Regarding Formation of a City School System



State of Alabama
Department of Education

Gordon Persons Building
50 North Ripley Street
Montgomery, AL 36130-3901



Wayne Teague
State Superintendent of Education

May 9, 1990

"Promoting Excellence
in Alabama's Schools"

Mr. Jerry Milner, Superintendent
Chambers County Board of Education
Box 408D
LaFayette, AL 36862

Dear Mr. Milner:

On April 12, 1990 in a meeting in my office with you and Dr. McCormack, we discussed the situation surrounding negotiations between the two school boards relative to the creation of a new school system in Valley.

Pursuant to our agreement of April 12, 1990, I have received communications from both you and Valley City Schools Superintendent Dr. Thomas McCormack. I am greatly disappointed that no progress could be made in reaching an agreement. In my last letter to you, I stressed the importance of the Valley and Chamber County Boards of Education reaching an agreement rather than having these important decisions made by the state superintendent. However, in accordance with the authority granted to me in Ala. Code §16-4-8 (1975), I will outline what I have determined to be the essential resolution to this controversy.

First of all, Ala. Code §16-11-2 (1975) gives municipalities the legal authority to establish a city school system. The city of Valley has, by resolution, formed a city school system to become effective July 1, 1990. I am, therefore, directing that as of July 1, 1990, all buildings, grounds, equipment, textbooks, materials and supplies that are physically located within the municipal corporate limits of the city of Valley shall become the property of the Valley City Board of Education, contingent upon the Valley City Board of Education receiving Section 5 preclearance by the U. S. Department of Justice, assuming such preclearance is required. On July 1, 1990, the Valley City Board of Education shall assume full authority for the administration, supervision and control of the Valley City Schools. I am further directing that the Chambers County Board of Education refrain from removing any equipment or materials from the Valley schools in anticipation of the July 1 transfer date. Specifically, Chambers County shall not remove items, such as classroom desks, audiovisual equipment, computers, textbooks, records and files or other removable items.

APPENDIX 7-27 (continued)
Letter from Dr. Wayne Teague, State Superintendent of Education,
Regarding Formation of a City School System

Mr. Jerry Milner

Page 2

May 9, 1990

It is clear that the major differences in the position of the two boards center upon the students who reside outside the corporate limits of Valley who now attend or who may wish to attend Valley City Schools. The Valley City Board of Education will have full authority over the attendance of all students who legally reside within the Valley city limits. The Chambers County Board of Education will have the legal and moral obligation to furnish all students residing outside the corporate limits of Valley appropriate educational opportunities.

It is my strong recommendation that the two boards agree to allow those students who have completed the sixth grade at Huguley Elementary School and are currently enrolled in Valley schools and who have historically attended Valley schools, be allowed to continue to do so. Any students residing outside the Valley corporate limits who are currently attending Valley schools and/or reside in areas historically served by Valley should be allowed to continue in the Valley schools. However, Chambers County is not required to furnish transportation for those students into Valley and may prohibit Valley from sending buses outside the Valley city limits into Chambers County. Chambers County may not prevent those students from attending school in Valley if allowed to do so by the Valley City Board of Education and if those parents furnish their own transportation.

I fully understand and appreciate that existing terminal desegregation orders will require modification to accommodate the creation of the Valley system. Since negotiation between the parties has totally failed, I see no alternative but an adversary proceeding in federal court to finally resolve the issue of attendance zones. To further delay a decision, regardless of its vulnerability to attack, would amount to a dereliction of responsibility to the children and their education. That I will not countenance.

All personnel assigned to Valley schools and employed as of the last day of school for the 1989-90 school year will automatically be re-employed for the succeeding year in accordance with Ala. Code §16-24-12 (1975). The continuing service status of teachers in no way will be jeopardized by this change of administration from the Chambers County Board of Education to the Valley City Board of Education (Ala. Code §16-24-2[d] [1975]). Should the Chambers County Board of Education obtain judicial relief prohibiting those students residing outside the corporate limits of Valley from attending the Valley City Schools, then Chambers County shall continue the employment of a proportionate share of the personnel. The two systems must, in such case, agree on the personnel to be transferred. For example, if 500 students residing outside the corporate limits and who have attended Valley schools during the 1989-90 school year were prohibited from

APPENDIX 7-27 (continued)
Letter from Dr. Wayne Teague, State Superintendent of Education,
Regarding Formation of a City School System

Mr. Jerry Milner

Page 3

May 9, 1990

attending Valley City Schools, then Chambers County would be responsible for employment of the number of teacher units mandated for 500 students.

The transfer of buses will depend totally upon the ultimate decision regarding the students residing outside the city limits. All buses that have service areas exclusively within the Valley corporate limits shall be transferred to the Valley City Board of Education effective July 1. Chambers County shall identify these buses by make, model and motor vehicle registration number. Any decision on additional buses must await the final outcome regarding the students residing outside the city limits of Valley.

Not later than June 1, 1990, the Valley City Board of Education and the Chambers County Board of Education are hereby directed to submit a plan which details the schools the children will attend as well as the teachers who will teach the children. This plan should be in sufficient detail to allow me to be sure that the education of all children is adequately provided for.

Be it right or wrong, good or bad, the Valley school system has a right, under state law, to exist. I have no authority to decide otherwise. Whether the Valley system, in whatever form, will exist as a matter of federal law is beyond my control; however, I have the responsibility to see that the children in this state receive an education and I will not allow recalcitrance to result in confusion, delay and, ultimately, a denial of educational opportunity.

Sincerely,



Wayne Teague
State Superintendent of Education

/nr

cc: State Board Members
Chambers County Local Board Members

Appendix 7-28

Student Transportation Equipment Serving the Orange Beach Elementary School for FY 2013-14

Count	Bus Identification Number	School Served	Year Placed In Service	Chassis Type	Body Type	VIN
1	9715	Orange Beach Elementary	1997	International	Type C Bus	1HVBBAAN2VH449380
2	03-22	Orange Beach Elementary	2003	International	Type C Bus	4DRBRABN13B958873
3	05-35	Orange Beach Elementary	2005	International	Type C Bus	4DRBUAFN15A985881
4	05-38	Orange Beach Elementary	2005	International	Type C Bus	4DRBUAFN75A985884

Appendix 7-29

Schedule of Debt Service for Budgeted for Orange Beach Elementary School for FY 2013-14 Until Maturity

BCBOE Capital Outlay School Warrants, Series 2007, \$150,000,000 Principal Amount				Orange Beach Elementary 2008 Classroom Wing 1.3% of Warrant Issue		
Fiscal Year Ending 9/30	Repayment Pledge: One Percent Sales Tax			Principal	Interest	Total
	Principal	Interest	Total			
2014	\$ 3,190,000	\$ 6,570,983	\$ 9,760,983	\$ 41,470	\$ 85,423	\$ 126,893
2015	\$ 3,350,000	\$ 6,435,408	\$ 9,785,408	\$ 43,550	\$ 83,660	\$ 127,210
2016	\$ 3,515,000	\$ 6,284,658	\$ 9,799,658	\$ 45,695	\$ 81,701	\$ 127,396
2017	\$ 3,690,000	\$ 6,108,908	\$ 9,798,908	\$ 47,970	\$ 79,416	\$ 127,386
2018	\$ 3,875,000	\$ 5,924,408	\$ 9,799,408	\$ 50,375	\$ 77,017	\$ 127,392
2019	\$ 4,040,000	\$ 5,730,658	\$ 9,770,658	\$ 52,520	\$ 74,499	\$ 127,019
2020	\$ 4,220,000	\$ 5,528,658	\$ 9,748,658	\$ 54,860	\$ 71,873	\$ 126,733
2021	\$ 4,405,000	\$ 5,317,658	\$ 9,722,658	\$ 57,265	\$ 69,130	\$ 126,395
2022	\$ 4,600,000	\$ 5,097,408	\$ 9,697,408	\$ 59,800	\$ 66,266	\$ 126,066
2023	\$ 4,810,000	\$ 4,878,908	\$ 9,688,908	\$ 62,530	\$ 63,426	\$ 125,956
2024	\$ 5,050,000	\$ 4,650,433	\$ 9,700,433	\$ 65,650	\$ 60,456	\$ 126,106
2025	\$ 5,300,000	\$ 4,410,558	\$ 9,710,558	\$ 68,900	\$ 57,337	\$ 126,237
2026	\$ 5,565,000	\$ 4,156,158	\$ 9,721,158	\$ 72,345	\$ 54,030	\$ 126,375
2027	\$ 5,845,000	\$ 3,889,038	\$ 9,734,038	\$ 75,985	\$ 50,557	\$ 126,542
2028	\$ 6,135,000	\$ 3,596,788	\$ 9,731,788	\$ 79,755	\$ 46,758	\$ 126,513
2029	\$ 6,445,000	\$ 3,290,038	\$ 9,735,038	\$ 83,785	\$ 42,770	\$ 126,555
2030	\$ 6,765,000	\$ 2,967,788	\$ 9,732,788	\$ 87,945	\$ 38,581	\$ 126,526
2031	\$ 7,105,000	\$ 2,629,538	\$ 9,734,538	\$ 92,365	\$ 34,184	\$ 126,549
2032	\$ 7,460,000	\$ 2,292,050	\$ 9,752,050	\$ 96,980	\$ 29,797	\$ 126,777
2033	\$ 7,830,000	\$ 1,937,700	\$ 9,767,700	\$ 101,790	\$ 25,190	\$ 126,980
2034	\$ 8,205,000	\$ 1,585,350	\$ 9,790,350	\$ 106,665	\$ 20,610	\$ 127,275
2035	\$ 8,595,000	\$ 1,216,125	\$ 9,811,125	\$ 111,735	\$ 15,810	\$ 127,545
2036	\$ 9,000,000	\$ 829,350	\$ 9,829,350	\$ 117,000	\$ 10,782	\$ 127,782
2037	\$ 9,430,000	\$ 424,350	\$ 9,854,350	\$ 122,590	\$ 5,517	\$ 128,107
TOTAL	\$ 138,425,000	\$ 95,752,919	\$ 234,177,919	\$ 1,799,525	\$ 1,244,788	\$ 3,044,313

Appendix 7-30

Schedule of Debt Service Budgeted for the Baldwin County School System as of September 30, 2013, Until Maturity

Baldwin County
Board of Education

SUMMARY LONG-TERM DEBT WORKPAPERS SCHEDULE OF DEBT PRINCIPAL AND INTEREST REQUIREMENTS TO MATURITY As of September 30, 2013

Fiscal Year Ending September 30	Warrants Payable		Certificates of Participation- Principal	Capital Lease		Notes Payable		Total Principal and Interest Requirements to Maturity
	Principal	Interest		Principal	Interest	Principal	Interest	
2013	\$ 5,877,842	\$ 8,945,229		\$ 753,509	\$ 99,520	\$ 34,782	\$ 5,865	\$ 15,716,748
2014	\$ 6,337,600	\$ 9,140,235		\$ 561,098	\$ 68,570	\$ 35,071	\$ 1,921	\$ 16,144,495
2015	\$ 6,623,745	\$ 8,876,485		\$ 585,517	\$ 44,151	\$ 63,478	\$ 1,146	\$ 16,194,522
2016	\$ 6,901,826	\$ 8,610,567		\$ 610,998	\$ 18,670	\$ 5,351	\$ 345	\$ 16,147,756
2017	\$ 7,197,832	\$ 8,308,285		\$ 104,388	\$ 557	\$ -	\$ -	\$ 15,611,062
2018	\$ 7,544,240	\$ 7,965,780						\$ 15,510,020
2019	\$ 7,843,159	\$ 7,606,654						\$ 15,449,812
2020	\$ 8,246,295	\$ 7,212,506						\$ 15,458,802
2021	\$ 8,608,517	\$ 6,819,951	\$ 1,000,000					\$ 16,428,468
2022	\$ 8,805,434	\$ 6,409,959						\$ 15,215,393
2023	\$ 7,760,424	\$ 6,015,562						\$ 13,775,987
2024	\$ 8,147,586	\$ 5,643,938						\$ 13,791,524
2025	\$ 8,035,000	\$ 5,266,424						\$ 13,301,424
2026	\$ 14,209,000	\$ 4,851,873						\$ 19,060,873
2027	\$ 8,860,000	\$ 4,244,807						\$ 13,104,807
2028	\$ 9,300,000	\$ 3,801,807						\$ 13,101,807
2029	\$ 9,710,000	\$ 3,396,151						\$ 13,106,151
2030	\$ 6,765,000	\$ 2,967,788						\$ 9,732,788
2031	\$ 7,105,000	\$ 2,629,538						\$ 9,734,538
2032	\$ 7,460,000	\$ 2,292,050						\$ 9,752,050
2033	\$ 7,830,000	\$ 1,937,700						\$ 9,767,700
2034	\$ 8,205,000	\$ 1,585,350						\$ 9,790,350
2035	\$ 8,595,000	\$ 1,216,125						\$ 9,811,125
2036	\$ 9,000,000	\$ 829,350						\$ 9,829,350
2037	\$ 9,430,000	\$ 424,350						\$ 9,854,350
Totals	\$ 204,398,499	\$ 126,998,463	\$ 1,000,000	\$ 2,615,510	\$ 231,469	\$ 138,682	\$ 9,277	\$ 335,391,901

Appendix 7-31

Statute Creating the 1995 Foundation Program Code of Alabama, 1975, Section 16-13-231

Section 16-13-231

Purposes and plan of apportionment.

(a) In addition to all other appropriations and apportionments of public school money now provided by law and made available for public schools there shall be apportioned and paid to local boards of education from the Foundation Program Fund, the amounts to be determined as hereinafter provided and in accordance with regulations of the State Board of Education. This Foundation Program Fund shall be used principally:

(1) To aid in providing at least a 180 full instructional day minimum school term, or the hourly equivalent thereof, except as otherwise provided in paragraph c. of subdivision (1) of subsection (b); and,

(2) To assist in the promotion of educational opportunity for all children in the public schools.

(b) The following requirements and procedures, supplemented when necessary by regulations of the State Board of Education, shall govern the apportionment of the fund:

(1) REQUIREMENTS FOR PARTICIPATING IN FUND. In order for a local board of education to share in the apportionment of the Foundation Program Fund and to receive the maximum benefits therefrom, the board shall meet the following conditions:

a. The appropriate local governing body must insure that the local board of education within its jurisdiction is receiving an amount of local tax receipts equivalent to ten mills of school tax as computed from the most current assessed valuation of property which comprises the school tax district or districts of the local board of education. The State Superintendent of Education shall determine compliance with this provision of the law in accordance with rules or procedures adopted by the State Board of Education. In determining compliance for a county board of education, tax revenues provided to the county board of education from the county, from whatever tax source derived, shall be considered. In determining compliance for a city board of education, tax revenues provided to the city board of education by the county and the city, from whatever tax source derived, shall be considered.

b. In the expenditure of all funds available for the Foundation Program as herein defined, the local board of education shall as nearly as practicable provide the same length of term in all schools.

c.1. Except as otherwise provided in this paragraph, the local board of education shall provide a school term of at least 180 full instructional days, or the hourly equivalent thereof, beginning with school year 2012-2013 and ending with the last day of the third month of the 2013-2014 school year, or such part of that school term as can be maintained by using funds available and as defined by regulations of the State Board of Education. The local academic school calendar shall be annually established by the local board of education, within the parameters of

subparagraph 3. In case the local board of education fails to operate any schools the minimum 180 full instructional day term, or the hourly equivalent thereof, or the minimum term as defined by the State Board of Education, the Foundation Program allowances of the local board of education shall be computed only for the actual period the schools are in session that school year.

2. In extreme circumstances involving natural occurrences, health-related occurrences, or other extenuating circumstances that result in the cancellation of an instructional day, a local board of education may submit a plan for the approval of the State Superintendent of Education to replace cancelled instructional days by adjusting the school calendar to extend the hours of actual teaching time on specified instructional days. At any time the Governor declares a state of emergency for any part of the state, any affected school system that is closed as a result and loses student days or employee days, or both, may appeal to the State Superintendent of Education for relief in fulfilling the local school calendar with respect to student days or employee days, or both, with no loss of income to employees.

3. Beginning with the 2012-2013 school year and ending with the last day of the third month of the 2013-2014 school year, a local board of education, in providing the minimum required number of instructional days or hours, shall have greater flexibility in establishing the school calendar by adjusting the days or extending the hours of actual teaching or instructional time provided on specified instructional days for the schools under the jurisdiction of the local board. The academic school calendar, established by the local board of education, shall include the minimum required number of instructional days or hours, with the first day of instruction for students no earlier than the Monday two calendar weeks before Labor Day, unless August 31 is a Monday, then on Monday, August 17, and the last day of instruction for students shall be no later than the Friday immediately before Memorial Day.

d. The local board of education shall expend funds for teachers' salaries in accordance with a salary schedule adopted by the local board of education and approved by the State Superintendent of Education. The salary schedule shall be at least 100 percent of those salary amounts specified in the State Minimum Salary Schedule by cell.

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.

e. The local board of education shall submit to the State Superintendent of Education, under the regulations of the State Board of Education, the following:

1. A proposed building program which sets out in detail the location of all present and proposed buildings; which indicates proposed educational centers and grades to be taught at these centers and which provides schools for all children of the local board of education.

2. Except for those city boards of education not maintaining a transportation system, a proposed transportation program showing the proposed routing of buses and the condition of all roads to be used for transportation.

3. A proposed professional development program which sets out in detail the professional development needs of employees of the local board of education.
 4. A proposed technology program which sets out in detail the proposed expenditures of technology funds.
 5. A proposed program for the provision of services to students with disabilities and gifted students in compliance with applicable state and federal laws.
 6. A proposed program for the provision of vocational educational services in compliance with applicable state and federal laws.
 7. A proposed program for the provision of educational services to at-risk students in compliance with applicable state and federal laws. The proposed program for at-risk students shall include the provision that all funds allocated shall be spent for at-risk students.
- f. The local board of education shall meet such other standards as may be set up by the State Board of Education to promote improved educational opportunity and provide better schools.

(2) DETERMINING COST OF FOUNDATION PROGRAM. In determining the cost of the Foundation Program, the Legislature, based on the recommendation of the State Board of Education, shall proceed to find the following allowable costs for each local board of education: Teachers' salaries, fringe benefits, classroom instructional support, and other current expense. The rate per employee set by the Legislature for teachers' retirement and employees' health insurance shall be in effect for the entire fiscal year and shall not be increased by the Teachers' Retirement System or the Public Education Employees' Health Insurance Board, except by further action of the Legislature.

a. The Foundation Program allowance for salaries of teachers shall be determined as follows: The number of teacher units allowed in Section 16-13-232 for each local board of education shall be multiplied by the amount or amounts per teacher unit, which amounts shall be based on the average salaries for each major classification required by the operation of the State Minimum Salary Schedule established by the Legislature in the Education Trust Fund appropriation bill and adopted by the State Board of Education. In recommending to the Governor and the Legislature the State Minimum Salary Schedule the State Board of Education shall give due consideration to degree level, certification, and public education experience. Any teacher, including, but not limited to, a vocational education teacher, currently under contract in excess of 187 days shall not have the term or salary of his or her contract reduced as a result of this article.

b. The Foundation Program allowance for fringe benefits shall be determined by multiplying a uniform percentage times the amount of teachers' salaries allowed in paragraph a. above or by multiplying a fixed rate depending on the type of fringe benefit. The fringe benefits allowances shall include amounts for the employer's contribution for teachers' retirement, health insurance, Social Security, Medicare, unemployment compensation, personal leave, and sick leave. The fringe benefits allowance may include allowances for other fringe benefits as may be approved by the State Legislature. The State Legislature shall seek the input and advice of appropriate agencies and individuals in setting allowances. The Teachers' Retirement System and the Public Education Employees' Health Insurance Board shall recommend to the Legislature, on or

before the first legislative day of each regular session of the Legislature, the rate for the following fiscal year. The Legislature shall set the rate in the annual appropriation bill.

c. The Foundation Program allowance for classroom instructional support shall be determined by multiplying a uniform amount times the number of teacher units allowed in Section 16-13-232. The uniform amount shall include allowances for library enhancement, classroom materials and supplies, professional development, and technology. The library enhancement appropriation shall be for K-12 Public School Library/Media Centers and is an absolute appropriation. Other expenditures may include book binding, repair, CD Roms, computer software, computer equipment, cataloging, audio-visual materials, newspapers, magazines, recordings, and video tapes. The uniform amount may include allowances for other classroom instructional support as may be approved by the State Board of Education. The Foundation Program allowance for classroom instructional support shall also include an allowance for textbooks which shall be determined on a per pupil basis. The number of pupils shall be determined by the number of pupils in average daily membership during the first 20 scholastic days after Labor Day of the preceding school year. The State Board of Education shall recommend to the Governor the amount for each cost factor included in classroom instructional support on or before December 1 of the current fiscal year for the ensuing fiscal year.

d. The Foundation Program allowance for other current expense shall be determined by multiplying a uniform amount by the number of earned units. The uniform amount shall be recommended by the State Board of Education to the Governor on or before December 1 of the current fiscal year for the ensuing fiscal year.

e. The State Board of Education may cause, from time to time, a study of allowances for teachers' salaries, fringe benefits, classroom instructional support, and other current expense of local boards of education to be conducted and, based on the results of the study, may propose any necessary changes to the Governor and Legislature.

f. The total cost of the Foundation Program for any local board of education shall be the total allowed for teachers' salaries, for fringe benefits, for classroom instructional support, and for other current expense. The allowances herein to the local boards of education shall be expended subject to all applicable laws, rules, and regulations; however, the total funds calculated in the total cost of the Foundation Program for teachers' salaries shall be expended for salaries within the instructional program.

(3) DETERMINING FUNDS AVAILABLE TO PROVIDE FOUNDATION PROGRAM. a. The funds available to meet the cost of the Foundation Program shall be appropriated by the Legislature taking into consideration an amount of local effort required on the part of each local board of education. The required local effort charged against each local board of education for its share of the cost of the Foundation Program shall be as follows:

1. For the 1995-96 fiscal year, the equivalent of five mills of local school tax district ad valorem tax as reported pursuant to subsection (b)(1)a.

2. For the 1996-97 fiscal year, the equivalent of seven and one-half mills of local school tax district ad valorem tax as reported pursuant to subsection (b)(1)a.

3. For the 1997-98 fiscal year, the equivalent of ten mills of local school tax district ad valorem tax as reported pursuant to subsection (b)(1)a.

4. For each fiscal year thereafter, the equivalent of ten mills of local school tax district ad valorem tax as reported pursuant to subsection (b)(1)a.

b. After calculating the total cost of the Foundation Program for each local board of education, the state allocation from the Education Trust Fund is calculated by subtracting the local effort required by this section from the total cost. Although the cost of the Foundation Program is calculated for each school, the one sum allocation for each local board of education shall flow monthly to the local board of education. The state funds for the Foundation Program shall be allotted by the State Board of Education consistent with State Board of Education rules and regulations.

(c) No local board of education may reduce the amount in any cell of any employee salary schedule, or otherwise reduce the compensation of any employee, based upon the amendments to this section made by Act 2012-482 or upon any future modification to its calendar or schedule pursuant to the amendments to this section made by Act 2012-482. Salary appropriations in all future Education Trust Fund budgets shall be based upon the number of contract days allocated by the Legislature, or the hourly equivalent thereof.

(Acts 1995, No. 95-314, p. 634, §2; Act 2000-757, p. 1724, §1; Act 2006-251, p. 454, §1; Act 2011-235, p. 423, §1; Act 2012-482, p. 1332, §§2, 3.)

Appendix 7-32
City of Orange Beach Financial and In-Kind Support
of Orange Beach Elementary School Site

Description of Activity	Purpose	Date	Amount	Subtotal	Additional Information
Land Donated for Orange Beach Elementary School					
City donates land to BCBE for OBES site	Establish new school	10/1/1994	\$ 142,350.00		
City donates land to BCBE for OBES site final	Establish new school	1/1/1995	\$ 7,000.00		
			Subtotal	\$ 149,350.00	
Sea, Sand & Stars					
City funded OBES SeaSandStars supplies	asset	9/4/2007	\$ 47,273.83		ck#59357 9-19-07
City funded OBES SeaSandStars equipment	asset	9/1/2007	\$ 54,013.20		OBES Invoice 9-19-07
City funded OBES SeaSandStars supplies	asset	10/1/2007	\$ 3,328.04		OBES Invoice 10-24-07
City funded OBES SeaSandStars equipment	asset	12/1/2007	\$ 6,865.41		OBES Invoice 12-7-07
City funded OBES SeaSandStars supplies	asset	10/1/2007	\$ 810.20		OBES Invoice 10-1-07
City funded OBES SeaSandStars supplies	asset	10/1/2007	\$ 8,385.09		GCOP
City funded OBES SeaSandStars supplies	asset	10/1/2007	\$ 2,881.96		GCOP
City funded OBES SeaSandStars supplies	asset	10/1/2007	\$ 1,069.54		Classroom Direct
City funded OBES SeaSandStars supplies	asset	10/1/2007	\$ 4,791.43		GCOP - furniture
City funded OBES SeaSandStars supplies	asset	10/1/2007	\$ 117.33		Amazon - Movies
City funded OBES SeaSandStars supplies	asset	10/1/2007	\$ 1,045.92		Office Depot
City funded OBES SeaSandStars supplies	asset	10/1/2007	\$ 243.43		Lowes
City provided OBES SeaSandStars Construction	asset	11/1/2007	\$ 2,076,727.00		Brett Robinson construction of SSS for City
			Subtotal	\$ 2,207,552.38	
Operations and Support of Orange Beach Elementary School, 2000 through 2012					
City funded OBES Summer School	curriculum	5/1/2000	\$ 2,000.00		
City funded OBES	asset	2/1/2001	\$ 1,500.00		
City funded OBES embankment improvements	site	2/1/2001	\$ 5,000.00		
City funded OBES	asset	4/1/2001	\$ 3,810.00		
City funded OBES Radios In House communications	asset	8/1/2001	\$ 1,128.00		counselor salary
City funded OBES "Crisis Tutoring" program	curriculum	9/1/2001	\$ 15,750.00		equipment
City funded OBES "Crisis Tutoring" program	asset	9/1/2001	\$ 21,300.00		school nurse partial
City funded OBES	asset	10/1/2001	\$ 1,128.12		counselor partial salary
City funded OBES partial salary school nurse	curriculum	11/1/2001	\$ 19,127.54		science lab salary equmt
City funded OBES	asset	4/1/2002	\$ 500.00		ck#5765 5-16-07
City funded OBES	asset	7/1/2002	\$ 3,000.00		
City funded OBES partial salary counselor	curriculum	9/1/2002	\$ 19,593.00		
City funded OBES	curriculum	12/1/2002	\$ 11,500.00		
City funded OBES Science Building salary lab eqpmt	asset	9/1/2003	\$ 63,274.88		
City funded OBES	asset	9/1/2003	\$ 5,418.00		
City funded OBES	curriculum	12/1/2003	\$ 12,500.00		
City funded OBES	asset	3/1/2004	\$ 4,140.00		
City funded OBES Computer Lab /teacher supplies	asset	3/1/2005	\$ 100,000.00		
City funded OBES	asset	1/1/2006	\$ 25,000.00		
City funded OBES	asset	5/1/2006	\$ 2,835.00		
City funded OBES Playground Equipment	asset	5/1/2007	\$ 25,000.00		
City funded OBES	asset	4/1/2008	\$ 400.00		
City funded OBES	asset	6/1/2009	\$ 400.00		
City funded OBES Security/Safety Enhancements	asset	12/1/2012	\$ 3,650.00		DVR/Camera replacement Coastal Security
			Subtotal	\$ 347,954.54	
Operations and Support of Orange Beach Elementary School in 2013					
City funded OBES Security/Safety Enhancements	asset	2/1/2013	\$ 5,669.04		Camera/Panic Buttons/Alarm Coastal Sec.
City funded OBES Security/Safety Enhancements	asset	3/1/2013	\$ 895.53		Final School Alarm Coastal Security
City funded OBES Security/Safety Enhancements	asset	1/1/2013	\$ 599.00		monitoring computer for security CBI
City funded OBES Security/Safety Enhancements	asset	8/1/2013	\$ 4,650.00		Security Mesh - Distinctive Products Pmt1
City funded OBES Security/Safety Enhancements	asset	11/1/2013	\$ 4,000.00		Security Mesh - Distinctive Products Pmt2
City funded OBES Security/Safety Enhancements	asset	11/1/2013	\$ 1,275.00		Security Mesh - Distinctive Products Pmt3
			Subtotal	\$ 17,088.57	
Operations and Support of Orange Beach Elementary School in 2014					
City funded OBES Security/Safety Enhancements	asset	3/1/2014	\$ 4,266.00		Front Door Lock System - Hunter Security
City provides OBES Fire Officer In School	personnel	3/1/2014	\$ 53,000.00		OBPD Officer In School Partial Sal / Benefits
City provides OBES Police Officer In School	personnel	3/1/2014	\$ 12,917.00		OBFD Officer Fire Safety Partial Sal/Benefits
City provided OBES Annual Security Monitoring	asset	3/1/2014	\$ 6,000.00		Annual Coastal Security Monitoring Cams
City funded OBES Rec equipmt tables chairs	asset	2/1/2014	\$ 1,500.00		
			Subtotal	\$ 77,683.00	
GRAND TOTAL				\$ 2,799,628.49	
Compiled March 18 2014, City of Orange Beach					