



New CSFO Budget Workshop

Revenue Budget & Projections

New CSFO Training
May 2024

What is a Budget?

- A Forecast / A Projection
 - A budget is made to be amended
 - Be Wise – Use Available Data
 - Be Conservative – Be Realistic

Sources of Information

- Allocation information from ALSDE
- Local Tax Projections
 - Abstract
 - YTD and Historical Collections
 - ADM (Share of County-Wide)
- Bond Documents/Official Statements

Topics for Discussion

- Requirements per Code of Alabama
- Revenue Projections
 - State Revenues
 - Federal Revenues
 - Local Revenues
- Factors Affecting Revenues

School Fiscal Accountability Act: Section 16-13A Code of Alabama

“A local BOE shall develop a plan to establish and maintain a minimum reserve fund equal to one months operating expenses.”

Requirements for Budget Hearings

Section 16-13-140 Code of Alabama

(As amended by Act 97-624)

- ▶ Each board shall –
 - Hold at least two open public hearings
 - Hearing held during a scheduled board meeting
 - At a time and place convenient for the public
 - The board shall publicize the date and time of each hearing in the local media

Requirements for Budget Hearing - Continued

- ▶ Recommend the proposed budget be available 24 to 48 hours prior to meeting
- ▶ Each board shall seek input from the public concerning the budget and allocation of resources
- ▶ After at least two public hearings, the board will develop a final budget and have copies available to the public

Requirements for Public Hearing - Continued

- Notice of each hearing posted at:
 - Local Board Office
 - County Courthouse
 - Main Municipal Building
 - Each Local School
 - Website

Budget Hearings

- Provide your board and public with as much information as possible about the financial condition of your district
- Your community needs to understand the financial picture facing their school district.
- They also need to know the financial consequences in maintaining adequate financial position

Budget Hearings

- Communication is the key to good community support
- No surprises
- Transparency and Accountability
- How did we get to where we are?

Alabama Secretary of State Website

<http://www.sos.alabama.gov>



Alabama Secretary of State

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Legislative Acts

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Please use the options below to search our legislative acts. Records with basic information begin in 1987. Complete copies begin in 1999. All acts from 1819 to 1901 can be found [here](#).

Act:

 -

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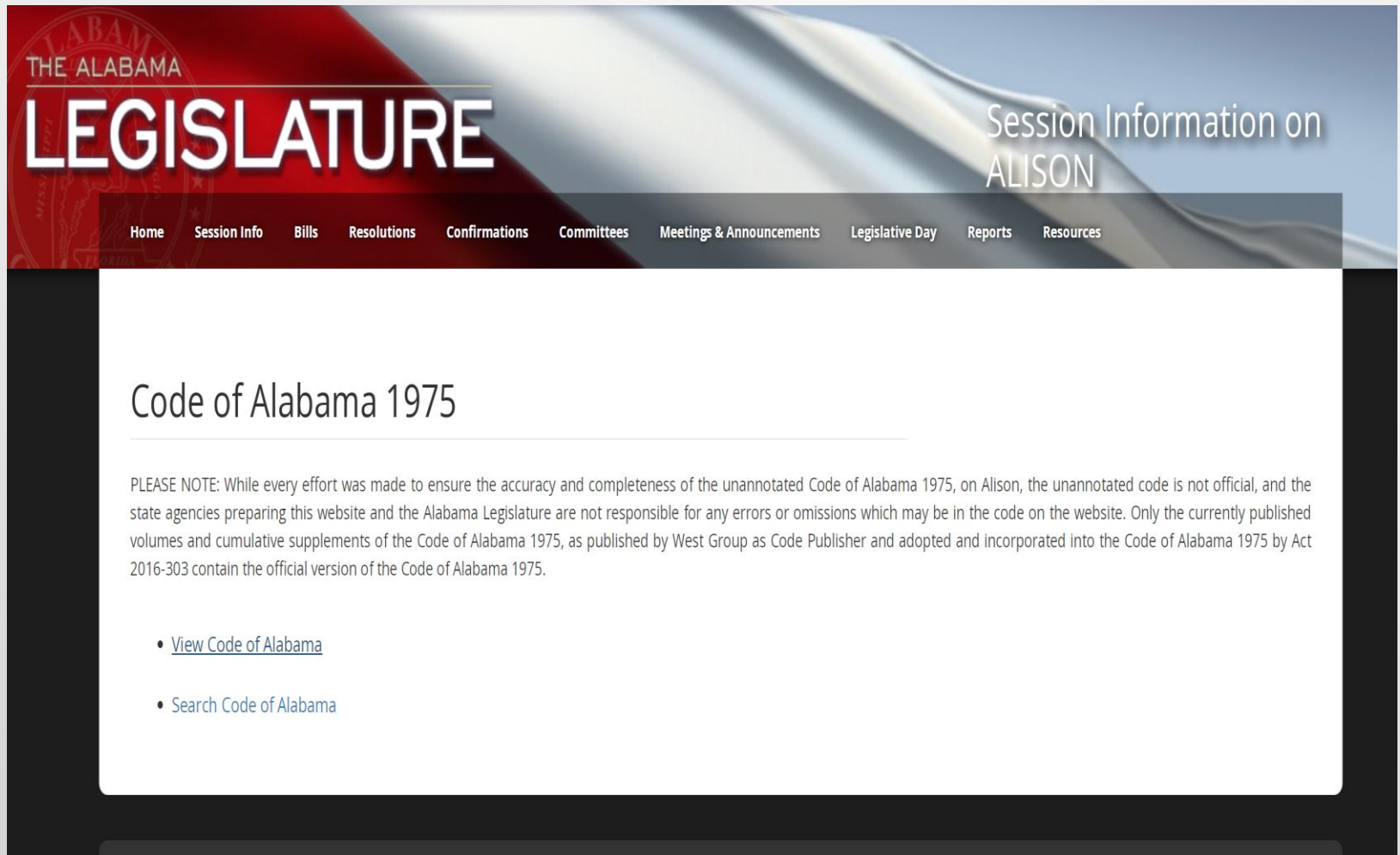
[Code of Alabama Constitution \(1901\)](#)
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<http://alisondb.legislature.state.al.us/acas/ACASLoginie.asp>



The screenshot shows the Alabama Legislature website. The header features the text "THE ALABAMA LEGISLATURE" in large white letters on a red background. To the right, it says "Session Information on ALISON". A navigation menu includes links for Home, Session Info, Bills, Resolutions, Confirmations, Committees, Meetings & Announcements, Legislative Day, Reports, and Resources. The main content area is titled "Code of Alabama 1975" and contains a disclaimer: "PLEASE NOTE: While every effort was made to ensure the accuracy and completeness of the unannotated Code of Alabama 1975, on Alison, the unannotated code is not official, and the state agencies preparing this website and the Alabama Legislature are not responsible for any errors or omissions which may be in the code on the website. Only the currently published volumes and cumulative supplements of the Code of Alabama 1975, as published by West Group as Code Publisher and adopted and incorporated into the Code of Alabama 1975 by Act 2016-303 contain the official version of the Code of Alabama 1975." Below the disclaimer are two links: "View Code of Alabama" and "Search Code of Alabama".

Code of Alabama 1975

PLEASE NOTE: While every effort was made to ensure the accuracy and completeness of the unannotated Code of Alabama 1975, on Alison, the unannotated code is not official, and the state agencies preparing this website and the Alabama Legislature are not responsible for any errors or omissions which may be in the code on the website. Only the currently published volumes and cumulative supplements of the Code of Alabama 1975, as published by West Group as Code Publisher and adopted and incorporated into the Code of Alabama 1975 by Act 2016-303 contain the official version of the Code of Alabama 1975.

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Code Of Alabama

Regular Session 2013	History	Sponsors	Fiscal Notes	Amds/Subs	View	Help
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Session

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Constitution

The Code of Alabama 1975

CORPORATIONS.

[Title 12](#) COURTS.

[Title 13A](#) CRIMINAL CODE.

[Title 14](#) CRIMINAL CORRECTIONAL AND DETENTION FACILITIES.

[Title 15](#) CRIMINAL PROCEDURE.

[Title 16](#) EDUCATION.

[Title 17](#) ELECTIONS.

[Title 18](#) EMINENT DOMAIN.

[Title 19](#) FIDUCIARIES AND TRUSTS.

[Title 20](#) FOOD, DRUGS AND COSMETICS.

[Title 21](#) HANDICAPPED PERSONS.

[Title 22](#) HEALTH, MENTAL HEALTH, AND ENVIRONMENTAL

[Chapter 6B](#) EDUCATION ACCOUNTABILITY PLAN.

[Chapter 7](#) ALABAMA EDUCATIONAL TELEVISION COMMISSION.

[Chapter 7A](#) ALABAMA EDUCATIONAL TELEVISION FOUNDATION AUTHORITY.

[Chapter 8](#) COUNTY BOARDS OF EDUCATION.

[Chapter 9](#) COUNTY SUPERINTENDENTS OF EDUCATION.

[Chapter 10](#) BOARDS OF SCHOOL TRUSTEES.

[Chapter 11](#) CITY BOARDS OF EDUCATION.

[Chapter 12](#) CITY SUPERINTENDENTS OF SCHOOLS.

[Chapter 13](#) SCHOOL FINANCES GENERALLY.

[Chapter 13A](#) SCHOOL FISCAL ACCOUNTABILITY.

[Chapter 13B](#) COMPETITIVE BIDDING FOR CERTAIN CONTRACTS OF COUNTY AND CITY BOARDS OF EDUCATION.

Chapter 14 ALABAMA PUBLIC SCHOOL CORPORATION. REPEALED.

[Chapter 15](#) ALABAMA EDUCATION AUTHORITY.

[Chapter 16](#) ALABAMA PUBLIC SCHOOL AND COLLEGE AUTHORITY.

[Chapter 16A](#) BASE REALIGNMENT AND CLOSURE DISTRIBUTIONS.

[Chapter 17](#) EDUCATIONAL BUILDING AUTHORITIES.

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State Revenues

What is the Foundation Program?

In the early 1990's, Alabama's previous funding formula (commonly known as the Minimum Program) for public schools was challenged in court in what became known as the "Equity-Funding law suit." In response to this suit the Legislature adopted a new funding formula in 1995 known as the Foundation Program to begin operation in FY 1995-96.

The intent of the Foundation Program was to provide an equitable, basic funding stream for public K-12 schools throughout the state. The equity came through mandated 10-mill equivalence in local property tax which the local school system had to commit to the Foundation Program. In theory, a poorer school system operating only with funds provided through the Foundation Program would have the essential elements to offer a "solid foundational program."

The legislation also established a minimum-program framework for the K-12 funding budget. The Foundation Program provides to each school system the following:

- ✓ A minimum number of teachers (called units)
- ✓ A principal, assistant principals, librarians, and counselors according to school population (called instructional support units)
- ✓ Operations money known as Other Current Expense (OCE)
- ✓ Basic financial support for classrooms: textbooks; technology; professional development; library enhancement; and, classroom materials and supplies

Major Sources of Revenue for Education Trust Fund



- State income tax
- State sales tax – 4% basic rate



- State utility tax (levied by the State on the gross sales of electricity, water, gas, telegraph and telephone services)
- State use tax – 4% basic rate

ETF allocation is distributed monthly – in 12 equal payments – to local school systems.



What Funds the Education Trust Fund (ETF)

Report ID: AFIN-AR-004B

Run Date: 10/10/2023

STATE OF ALABAMA

Education Trust Fund - Summary Comparison of Net Receipts

Fiscal Year Summary to Date 9/30/2023



Source of Fund	Prior Year Gross Receipts Month to Date	Current Year Gross Receipts MTD	Amount of Change	Percent of Change	Prior Year Gross Receipts YTD	Current Year Gross Receipts YTD	Amount of Change	Percent of Change
ABC Board	\$1,549,424.65	\$1,826,529.50	\$277,104.85	17.88%	\$22,347,817.88	\$22,597,380.60	\$249,562.72	1.12%
Courts Cost	\$5,200.00	\$5,152.50	\$-47.50	-0.91%	\$59,439.00	\$52,484.50	\$-6,954.50	-11.70%
Hydroelectric	\$575,508.83	\$557,069.86	\$-18,438.97	-3.20%	\$575,508.83	\$557,069.86	\$-18,438.97	-3.20%
Miscellaneous	\$1,874.92	\$3,016.08	\$1,141.16	60.86%	\$7,312.85	\$280,047.00	\$272,734.15	3,729.52%
Mobile Telecommunications Tax	\$731,584.11	\$699,805.54	\$-31,778.57	-4.34%	\$7,876,760.50	\$8,089,745.55	\$212,985.05	2.70%
Privilege Licenses	\$1,013.69	\$8,585.86	\$7,572.17	746.99%	\$113,521.43	\$113,768.71	\$247.28	0.22%
Simplified Sellers Use Tax	\$7,041,412.88	\$8,148,078.02	\$1,106,665.14	15.72%	\$77,625,559.35	\$92,232,438.58	\$14,606,879.23	18.82%
Transfers and Reversions	\$426,179.20	\$23,109.52	\$-403,069.68	-94.58%	\$1,814,985.48	\$1,572,999.02	\$-241,986.46	-13.33%
Unclassified	\$0.00	\$1,001.78	\$1,001.78	100.00%	\$0.00	\$43,233.64	\$43,233.64	100.00%
Use Tax	\$19,310,522.26	\$21,646,594.21	\$2,336,071.95	12.10%	\$224,561,279.79	\$240,194,522.66	\$15,633,242.87	6.96%
Use Tax - Remote	\$1,485,832.23	\$1,493,415.35	\$7,583.12	0.51%	\$15,838,365.19	\$18,567,403.34	\$2,729,038.15	17.23%
Utility Tax	\$39,990,676.06	\$39,825,986.62	\$-164,689.44	-0.41%	\$406,487,071.40	\$421,950,642.95	\$15,463,571.55	3.80%
Income Tax	\$836,839,584.56	\$819,597,522.86	\$-17,242,061.70	-2.06%	\$7,182,568,353.93	\$7,032,093,931.22	\$-150,474,422.71	-2.09%
Sales Tax	\$229,003,100.30	\$241,387,918.19	\$12,384,817.89	5.41%	\$2,479,655,622.87	\$2,592,614,516.90	\$112,958,894.03	4.56%
Total for Source of Fund	\$1,136,961,913.69	\$1,135,223,785.89	\$-1,738,127.80	-0.15%	\$10,419,531,598.50	#####	\$11,428,586.03	0.11%

What Funds the Education Trust Fund (ETF)

Report ID: AFIN-AR-004C

Run Date: 10/10/23

STATE OF ALABAMA

Education Trust Fund - Summary Comparison of Net Receipts

Fiscal Year to Date 9/30/2023



INCOME TAX CALCULATION				
Source of Fund	Prior Year Gross Receipts YTD	Current Year Gross Receipts YTD	Amount of Change	Percent of Change
Individual Income Tax Receipts	\$6,808,362,133.45	\$6,823,266,320.32	\$14,904,186.87	0.22%
Corporate Income Tax Receipts	\$1,299,354,755.05	\$1,398,806,708.70	\$99,451,953.65	7.65%
Less:				
Individual Income Tax Refunds	\$-715,968,867.68	\$-887,717,061.79	\$-171,748,194.11	23.99%
Corporate Tax Refunds	\$-101,581,408.12	\$-188,011,648.89	\$-86,430,240.77	85.08%
Revenue Dept Cost of Collections	\$44,035,642.00	\$44,035,642.00	\$0.00	0.00%
Property Tax Relief	\$63,541,833.77	\$70,196,452.12	\$6,654,618.35	10.47%
Political Party Check-Offs	\$20,783.00	\$18,293.00	\$-2,490.00	-11.98%
Net				
Total for Source of Fund	\$7,182,568,353.93	\$7,032,093,931.22	\$-150,474,422.71	-2.09%

SALES TAX CALCULATION				
Source of Fund	Prior Year Gross Receipts YTD	Current Year Gross Receipts YTD	Amount of Change	Percent of Change
Sales Tax Receipts	\$3,117,283,559.53	\$3,239,406,094.28	\$122,122,534.75	3.92%
Less:				
Rev Adm Sales	\$119,023,517.00	\$108,165,953.00	\$-10,857,564.00	-9.12%
County Payments	\$378,000.00	\$378,000.00	\$0.00	0.00%
DHR - SNAP Administrative	\$131,936,141.00	\$124,062,971.00	\$-7,873,170.00	-5.97%
PSCA Debt Service	\$200,440,592.29	\$200,527,928.72	\$87,336.43	0.04%
Sales Tax on Autos - to GF	\$142,706,314.81	\$149,420,202.18	\$6,713,887.37	4.70%
Conservation	\$7,000,000.00	\$7,329,000.00	\$329,000.00	4.70%
State Parks Bonds - to GF	\$28,670,092.56	\$28,178,023.48	\$-492,069.08	-1.72%
AAA Tax Credits	\$163,106.00	\$153,047.00	\$-10,059.00	-6.17%
Historical Tax Credit	\$5,862,494.00	\$23,712,036.00	\$17,849,542.00	304.47%
Railroad Tax Credit	\$1,447,679.00	\$4,864,416.00	\$3,416,737.00	236.01%
Net				
Total for Source of Fund	\$2,479,655,622.87	\$2,592,614,516.90	\$112,958,894.03	4.56%

Income/Sales Tax Summary				
Source of Fund	Prior Year Gross Receipts YTD	Current Year Gross Receipts YTD	Amount of Change	Percent of Change
Income Tax	\$7,182,568,353.93	\$7,032,093,931.22	\$-150,474,422.71	-2.09%
Sales Tax	\$2,479,655,622.87	\$2,592,614,516.90	\$112,958,894.03	4.56%
Total for Source of Fund	\$9,662,223,976.80	\$9,624,708,448.12	\$-37,515,528.68	-0.39%

State Revenue Variables



State Department of Education
 FY2024 State Totals
 FY 2024 - Enacted

Variables

<i>Grade Divisors</i>		<i>Instructional Support</i>	
Gr K	14.25	Teacher Materials	\$569.15
Gr 1	14.25	Technology	\$500.00
Gr 2	14.25	Library Enhancements	\$157.72
Gr 3	14.25	Professional Development	\$100.00
Gr 4	20.06	Textbooks	\$75.00
Gr 5	20.06	Common Purchase	\$0.00
Gr 6	20.06	Transportation	
Gr 7	19.70	Fleet Renewal	\$7,581
Gr 8	19.70	Trans Leave Rate	\$50
Gr 9	17.95	Trans Adjustment1	-\$86,216,726
Gr 10	17.95	Trans Adjustment2	-\$14,153,297
Gr 11	17.95	Trans Adjustment3	\$20,000,000
Gr 12	17.95	Local Match	
Fringe Benefits		Foundation Program	10.00
Peehip	\$800	PSF	\$215,000,000
TRS Tier 1	12.59%	PSF Adjustment	\$0
TRS Tier 2	11.57%	Elementary Principal	
FICA	6.20%	Elementary Principal	.31
Medicare	1.45%	Middle Principal	.35
Unemployment Comp	0.1250%	Secondary Principal	.45
Sick Days	5	Unit Principal	.45
Personal Days	2	Elementary Asst Principal	.10
Amended Leave Rate		Middle Asst Principal	.10
Certified Leave Rate	\$120	Secondary Asst Principal	.10
OCE		Unit Asst Principal	0.1
OCE TRS Rate	12.19%	Elementary Counselor	.10
Oce Adjustment1	\$66,453,939	Middle Counselor	.00
Oce Adjustment2	\$15,000,036	Secondary Counselor	.03
Other		Unit Counselor	.03
Contract Days FP	187	Career Tech Counselor	.03
Contract Days Support	182	Career Tech Director	.45
Contract Days Transportation	182		
Pay Raise % Support	0.02		
Pay Raise % Transportation	0.02		
(Foundation) <3	0.02		
<6	0.02		
<9	0.02		
<12	0.02		
<15	0.02		
<18	0.02		
<21	0.02		
<24	0.02		
<27	0.02		
27 +	0.02		

Allocation Sheet – State Revenues



State Department of Education
 FY2024 Foundation Program
 FY 2024 - Enacted

159 Huntsville City	FY 2024		FY 2023		Change
System ADM	22,561.45		23,013.15		-451.70
Foundation Program Units					
Teachers	1,313.69		1,331.34		-17.65
Principals	43.00		43.00		0.00
Assistant Principals	21.00		22.00		-1.00
Counselors	40.50		41.50		-1.00
Librarians	42.50		43.00		-0.50
Career Tech Directors	3.00		3.00		0.00
Career Tech Counselors	0.00		0.00		0.00
Total Units	1,463.69		1,483.84		-20.15
Foundation Program (State and Local Funds)					
Salaries	85,765,281		83,953,807		1,811,474
Fringe Benefits	32,293,621		32,163,174		130,447
Other Current Expense (\$23,068 /unit)	33,764,613	(\$21,175 /unit)	32,620,312		1,144,301
Classroom Instructional Support					
Student Materials (\$569.15/unit)	833,057	(\$900/unit)	1,335,456		-502,399
Technology (\$500/unit)	731,845	(\$500/unit)	741,920		-10,075
Library Enhancement (\$157.72/unit)	230,853	(\$157.72/unit)	234,031		-3,178
Professional Development (\$100/unit)	146,369	(\$100/unit)	148,384		-2,015
Textbooks (\$75/adm)	1,692,115	(\$75/adm)	1,725,989		-33,874
Student Growth	0		199,307		-199,307
Total Foundation Program	155,457,754		153,122,380		2,335,374
State Funds					
Foundation Program ETF	121,272,704		122,111,990		-839,286
School Nurses Program	1,774,141		1,316,081		458,060
Salaries - 1% per Act 97-238	0		0		0
Technology Coordinator	68,327		66,840		1,487
Transportation					
Transportation Operations	6,746,998		7,390,778		-643,780
Fleet Renewal (\$7,581 /bus)	0	(\$7,581 /bus)	0		0
Current Units	0		0		0
Capital Purchase	6,126,535		6,395,387		-268,852
At Risk	582,917		581,520		1,397
Career Tech O and M	237,894		236,540		1,354
Total State Funds	136,809,516		138,099,136		-1,289,620
Local Funds					
Foundation Program (10 Mills)	34,185,050	(10 Mills)	31,010,390		3,174,660
Capital Purchase (0.501013 Mills)	1,718,143	(0.525333 Mills)	1,632,093		86,050
Total Local Funds	35,903,193		32,642,483		3,260,710
<i>Monthly Allocation - (Foundation Program - ETF, School Nurse, High Hopes, 1% Salaries, Tech Coord, Transportation, At-Risk, and Pre-school)</i>					
11 months	10,870,423		10,955,600		-85,177
12th month	10,870,434		10,955,609		-85,175

Advancement & Technology Fund

HB147

[1MR2Z3L-1.pdf \(state.al.us\)](#)

Distributed upon application to ALSDE

Target expenditure by the end of the following fiscal year

Advancement & Technology Fund

- (2) a. Any excess revenues remaining after those transferred in subdivision (1) shall be transferred to the Education Trust Fund Advancement and Technology Fund each year. Any amount of the available balance in the Education Trust Fund Advancement and Technology Fund may be available for appropriation only by and through an independent supplemental appropriation bill for the following nonrecurring expenses: **repairs or deferred maintenance of facilities for public education purposes in the state, capital outlay, for classroom instructional support as provided in Section 16-13-231(b)(2)c. and Section 16-13-231.3, for insuring facilities, for transportation as provided in Section 16-13-233, for school security measures, and for the acquisition or purchase of education technology and equipment, or both.** These funds, however, shall not be used as a pledge for the issuance or payment of debt service.

Local Revenue Sources

- Local revenue is used to supplement the Foundation Program funding
 - Additional teaching units
 - Enhance curriculum programs (Devices, Textbooks)
 - Capital improvements
 - Operations/Maintenance
 - Administrative Cost

Local Revenues

- It is essential that each Chief School Financial Officer know and understand the constitutional authority, rate and duration of all local revenues levied for the benefit of the school district
- For every source of local revenue you receive you should know:
 - the constitutional authority for levying;
 - who levies the tax
 - If there are any restrictions on the use of the tax proceeds
 - what indebtedness might be payable from the tax
 - the duration (unless tax is levied without limit as to time)

Local Revenues – Tax Study



PARCA

Public Affairs Research Council of Alabama

School Millage Rate Study Report
February 20, 2007

County: Jefferson

City: Bessemer

Mills Counted: 28

Breakdown:	Description	Authority	Last Voted	Last Levy	Last Collection
2.10	County	Sec. 269, CA 111, CA 325, CA 373	8/27/1991	10/1/2020	10/1/2021
5.40	County	CA 3, Section 1; CA 325, CA 373	8/27/1991	10/1/2020	10/1/2021
0.70	County	Act 1891 - 203, CA 325, CA 373	2/7/1891	Does not expire	
5.40	District 52	CA 3, Section 2; CA 325, CA 373	4/28/1992	10/1/2020	10/1/2021
3.00	District 52	CA 382	4/25/2000	10/1/2029	10/1/2030
2.00	District 52	CA 175	4/25/2000	10/1/2029	10/1/2030
4.70	City	CA 8 & CA 373	5/25/1982	10/1/2011	10/1/2011
4.70	City	CA 8 & CA 373	4/25/2000	10/1/2029	10/1/2029
28.00	Total				

Local Revenue Sources

- Property Taxes (ad valorem)
 - County-Wide
 - District
- Sales Tax
 - County-Wide
 - District
- City/County Appropriation
- Investment Income

Local Revenues

- **Levied**
 - **County-wide taxes** are allocated on the Foundation Program basis
 - **District taxes** are allocated within the district where they are levied and collected
 - Other- Statutory

County-Wide School Taxes



STATE OF ALABAMA
DEPARTMENT OF EDUCATION



Eric G. Mackey, Ed.D.
State Superintendent of Education

September 22, 2023

Alabama
State Board
of Education

Mr. Brian Patterson
Revenue Commissioner
100 S. Clinton Street Suite A
Athens, AL 35611

Governor Kay Ivey
President

Dear Mr. Patterson:

Jackie Zeigler
District I

The *Code of Alabama*, 1975, §16-13-31, provides that receipts from countywide taxes collected for the purpose of participating in the Foundation Program shall be distributed to local boards of education within the county, based on their total Foundation Program calculated costs. Unless I have approved an alternative distribution plan, the percentages given for each school system identified below should be used in distributing receipts from countywide taxes for the fiscal year October 1, 2023, through September 30, 2024.

Tracie West
District II
Vice President

FY 2023 - 2024 Percentage Distribution of Countywide School Taxes

Stephanie Bell
District III

<u>System</u>	<u>System Name</u>	<u>Percentage</u>
042	Limestone County	0.5259430
107	Athens City	0.2710644
127	Decatur City	0.0004373
159	Huntsville City	0.0141010
169	Madison City	0.1884543
	Total	1.0000000

Yvette M. Richardson, Ed.D.
District IV

Tonya S. Chestnut, Ed.D.
District V
President Pro Tem

County-Wide School Taxes



STATE OF ALABAMA
DEPARTMENT OF EDUCATION



Eric G. Mackey, Ed.D.
State Superintendent of Education

September 22, 2023

Alabama
State Board
of Education

Ms. Lynda Hall
Tax Collector
Madison County Courthouse, Room 116
Huntsville, AL 35801-4820

Governor Kay Ivey
President

Dear Ms. Hall:

Jackie Zelgler
District I

The *Code of Alabama*, 1975, §16-13-31, provides that receipts from countywide taxes collected for the purpose of participating in the Foundation Program shall be distributed to local boards of education within the county, based on their total Foundation Program calculated costs. Unless I have approved an alternative distribution plan, the percentages given for each school system identified below should be used in distributing receipts from countywide taxes for the fiscal year October 1, 2023, through September 30, 2024.

Tracie West
District II
Vice President

FY 2023 - 2024 Percentage Distribution of Countywide School Taxes

Stephanie Bell
District III

<u>System</u>	<u>System Name</u>	<u>Percentage</u>
045	Madison County	0.3960879
159	Huntsville City	0.4292485
169	Madison City	0.1746636
	Total	1.0000000

Yvette M. Richardson, Ed.D.
District IV

Tonya S. Chastnut, Ed.D.
District V

County-Wide Sample Computation

Alabama State Department of Education

County-Wide Tax Distribution Computation - FY 20

Madison County

County of Residence		
Madison County	Other	Total

ADM Distribution

1 Madison County	18,514.95	-	18,514.95
2 Huntsville City	22,714.75	337.00	23,051.75
3 Madison City	8,478.00	2,576.00	11,054.00

Madison County	Other	Total
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ADM Distribution Percentages

1 Madison County	100.0000%	0.0000%	100.0000%
2 Huntsville City	98.5381%	1.4619%	100.0000%
3 Madison City	76.6962%	23.3038%	100.0000%

Madison County	Other	Total
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Foundation Cost Distribution

1 Madison County	\$ 113,404,663	\$ -	\$ 113,404,663
2 Huntsville City	\$ 135,884,151	\$ 2,015,962	\$ 137,900,113
3 Madison City	\$ 50,878,915	\$ 15,459,333	\$ 66,338,248
	<u>\$ 300,167,729</u>	<u>\$ 17,475,295</u>	

Madison County

County-wide Tax Distribution Percentages

1 Madison County	37.78043%	38.12863%
2 Huntsville City	45.26941%	45.06696%
3 Madison City	16.95016%	16.80441%
	<u>100.00000%</u>	100.00000%

County-Wide Sample Computation

Alabama State Department of Education

County-Wide Tax Distribution Computation - FY 20

Limestone County

ADM Distribution

	County of Residence		Total
	Limestone County	Other	
1 Limestone County	8,351.85	2,043.00	10,394.85
2 Athens City	4,069.00	455.00	4,524.00
3 Decatur City	11.00	8,470.55	8,481.55
4 Huntsville City	328.00	22,723.75	23,051.75
5 Madison City	2,562.00	8,492.00	11,054.00

ADM Distribution Percentages

	Limestone County	Other	Total
1 Limestone County	80.3460%	19.6540%	100.0000%
2 Athens City	89.9425%	10.0575%	100.0000%
3 Decatur City	0.1297%	99.8703%	100.0000%
4 Huntsville City	1.4229%	98.5771%	100.0000%
5 Madison City	23.1771%	76.8229%	100.0000%

Foundation Cost Distribution

	Limestone County	Other	Total
1 Limestone County	\$ 53,641,475	\$ 13,121,618	\$ 66,763,093
2 Athens City	\$ 24,271,939	\$ 2,714,123	\$ 26,986,062
3 Decatur City	\$ 68,308	\$ 52,598,170	\$ 52,666,478
4 Huntsville City	\$ 1,962,181	\$ 135,937,932	\$ 137,900,113
5 Madison City	\$ 15,375,282	\$ 50,962,966	\$ 66,338,248
	<u>\$ 95,319,185</u>	<u>\$ 255,334,809</u>	

County-wide Tax Distribution Percentages

	Limestone County	
1 Limestone County	56.27563%	58.77923%
2 Athens City	25.46386%	25.03704%
3 Decatur City	0.07166%	0.08292%
4 Huntsville City	2.05854%	2.07845%
5 Madison City	16.13031%	14.02236%
	<u>100.00000%</u>	100.00000%

Local Revenue – Millage Rates

- Property Taxes- ad valorem taxes
 - Property-real and personal including motor vehicles
 - **Millage Rates**-A mill is equal to $\frac{1}{10}$ of one cent; one mill is equal to ten cents on each \$100 of assessed value of taxable property or \$1 for every \$1000 of assessed value

*** Local Revenues ***

Ad Valorem Taxes

ad valorem – Latin, according to the value of







A term used to describe (or measure) a tax levied on the value of property; a "mill" is equal to 1/10 of one cent; one mill is equal to ten cents on each \$100 of assessed value of taxable property. A single-family owner-occupied home with a fair market value of \$100,000 has an assessed value of \$10,000 and, per mill, will produce \$10 of tax revenue per year.

1/10 of



Four Classes of Property

As set out in the Constitution of Alabama in 1901

Class	Type of Property	Assessment Ratio (in terms of fair Market value)
Class I	Utilities 	30 %
Class II	“All property not otherwise classified.” Generally: business, commercial 	20%
Class III 	Agricultural, forest and single-family owner-occupied residential property	10%
Class IV	Private motor vehicles 	15%

Property Taxes

- Example—If your district has 27 mills of ad valorem taxes for schools, a **single family home** (Class III) with a FMV of \$100,000 would generate \$270 per year in property taxes for schools
 - Example—
 - $100,000 \text{ FMV} = \$10,000 \text{ AV}$
 - $\$10,000 \times .027 = \270
- Same property (Class II) commercial would generate \$540
 - $\$100,000 \text{ FMV @ } 20\% = 20,000$
 - $\$20,000 \times .027 = \540

Local Revenue – Sales Tax

- Sales Tax- based on gross sales or receipt of businesses
 - A “one cent sales tax” means one cent per \$ of gross sales
 - 40-12-4 of Code of Alabama authorizes County Commissions to levy sales tax for public school purpose
 - Allocated on basis of Foundation Program
 - Local law/agreement may also authorize levy with a different distribution formula
- Sales Tax-District
 - Levied by municipality- can be levied at discretion of City Council
 - Local Act- Taxing District

Other Local Taxes/Revenues

- Established by Local Act
 - Business/Occupational Tax
 - Gasoline Tax
 - Alcoholic Beverage Tax
 - Tobacco Tax
 - Amusement Tax
- TVA in Lieu Taxes
- County Commission/City Council Appropriations
 - Restricted/Unrestricted
- Investment Income

Local Revenue

- Verify that the distribution of local taxes is according to their authorization
 - City/County/State/Private
 - County Revenue Department
 - Investigate variances
 - Calculate per mill equivalent on c/w and districts taxes

Local Revenue Projections

- Be conservative in estimations
- Have a basis for projections
 - Tax Assessor/Revenue Commissioner for property taxes
 - Copy of abstract
 - Know the assessed valuation for your district
 - Largest taxpayers

Local Revenue Projections

- Sales Tax
 - Monitor current collections & amend when necessary
 - Historical averages
- Contact local officials
 - Talk with other governmental entities in your county/city
- Stay on top of economic conditions that impact your district
 - SDE, SSA, AASB, Legislative Fiscal Office and local agencies
 - Federal Changes

Federal Revenues

- Allocations received at different times
 - Make sure you are using the most current
- Understand what drives the amount of allocation
 - Special Education – Students Identified
 - Title Programs & USDA – Free/Reduced numbers (20 day report)
- Understand the TIMING of revenues
 - ESSER and ARP funds have multi-year spending timelines
 - Deadline quickly approaching 9-30-2024
- Indirect Cost – Revenue source for General Fund



Questions?

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