

**Expert Report of Professor Michael Bell - *Lynch v. Alabama***

I hereby provide this expert report which I have prepared for this case at the request of counsel for Defendants.

Qualifications: An updated copy of my CV is attached to this report.

Compensation: I am being compensated at a rate of \$100/hour for my work in this case.

Previous Testimony as an Expert: None

Data relied on in forming my opinions: Plaintiffs' complaint in this action, expert report and deposition testimony of Daniel Sullivan and Susan Hamill, 2007 tax abstract book from the Alabama Department of Revenue, FY 2008 and 2009 enrollment data and spending data from the Alabama Department of Education, Census QuickFacts for Alabama Counties, and various other sources cited in my expert report.

Signed this the 31st day of July, 2009,

*s/ Michael Bell*

Michael Bell

## *Overview*

The purpose of my analysis in this case was to determine whether or not the property tax restrictions contained in the Alabama Constitution have a discriminatory impact on African-Americans in Alabama. The results of my analysis demonstrate clearly that they do not.

- First, I measured the per capita property tax capacity of blacks and whites because it is the most direct method available for determining their ability to raise revenues. The results of this analysis show a virtually identical tax capacity for blacks and whites. Thus, Alabama's property tax limitations do not have a racially disparate impact with respect to tax capacity.
- Second, I analyzed property tax revenues per capita. This analysis takes into account not only the available tax base, but also the tax rates implemented by the citizens of each tax jurisdiction. The data document that statewide, African-American citizens in Alabama have an average school tax revenue of \$206.22 per capita, while white citizens in Alabama have an average school tax revenue of \$193.11 per capita. Thus, in terms of school tax revenues per capita, African-Americans in Alabama have a 6.8% advantage over whites. Once again, there is no indication that African-Americans are being disproportionately impacted by the property tax restrictions.
- Third, I analyzed whether or not there is any racial disparity in terms of K-12 public education funding. Again, the results were virtually identical between black students and white students. Thus, African-American students in Alabama are not being disproportionately impacted by Alabama's property tax limitations as measured by school spending.
- Finally, I examined the effects of Alabama's property tax limitations on Sumter and Lawrence counties. Lawrence County, a predominately white county, has substantially less taxable property wealth per capita and generates significantly less school tax revenues per capita than Sumter County, a predominately African-American county. This is consistent with the general conclusion that there is no adverse relationship relative to African-Americans between tax capacity or tax revenues and the percent of the population that is African-American across counties and school districts in Alabama.

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## ***Introduction***

### Purpose

The purpose of my analysis in this case was to determine whether or not the property tax restrictions contained in the Alabama Constitution have a discriminatory effect on African-Americans in Alabama in terms of their ability to raise revenue for government services and in terms of K-12 public school funding levels. This report summarizes the methodology and results of my analysis. I was also asked to review the expert reports of Dan Sullivan and Susan Pace Hamill, and I have attached my review of their reports as an appendix.

### Framework for Analysis

#### 1. The Focus of My Analysis

The plaintiffs in their complaint and in their expert reports claim that blacks have less of an ability to raise revenues for government services than whites. They also claim that black K-12 public school students are disproportionately impacted by the constitutional limits in the Alabama property tax. There are three measures most relevant to assessing whether these claims are true. First, measuring the property tax capacity of blacks and whites is the most direct method available for determining citizens' abilities to raise revenues. For this reason, I have examined the property tax base at the county level and the school district level. I used net taxable assessed values per capita as an estimate for the tax base because they reflect the final outcome of the property valuation, assessment and exemption methods mandated by the Alabama Constitution.

Second, property tax revenue per capita is another measure to determine whether or not the challenged tax provisions have a disparate impact on blacks' ability to raise revenues in Alabama. This analysis takes into account not only the available tax base, but also the tax rates implemented by the citizens of each tax jurisdiction.

Third, state and local per pupil expenditures for black K-12 public school students compared to white students will show whether there is any racial disparity in terms of K-12 public education funding.<sup>1</sup>

2. To be meaningful in making conclusions about any potential disparate impact on African-Americans, comparisons between districts must take into account the size of those districts.

Alabama is divided into 67 counties and more than 130 school districts. Estimated 2008 county populations ranged from 659,503 in Jefferson County to 9,172 in Greene County.<sup>2</sup> School district size ranged from over 64,000 in Mobile County to less than 500 in the city of Linden.<sup>3</sup> The racial composition of counties (from 81.8% black in Macon County to 0.8% black in Winston County) and districts (from 99.8% black in Greene County to 0.1% black in the city

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<sup>1</sup> Federal funding for K-12 public school is excluded from this analysis.

<sup>2</sup> <http://quickfacts.census.gov/qfd/index.html>.

<sup>3</sup> See Appendix Table 3.

of Arab) vary even more widely. Therefore, for any statewide comparison between districts to be meaningful in a disparate impact analysis, the districts' size and racial composition must be taken into account. Failure to do so (e.g. giving equal weight to all counties or districts) would likely cause significant distortions in the results.

3. The entire distribution of African-Americans and whites in Alabama must be examined.

To determine whether or not Alabama's property tax system has a discriminatory effect on African-Americans as compared to whites, one must consider the effects on the entire distribution of African-Americans<sup>4</sup> and whites across Alabama. Tax laws invariably affect some subsets of the population differently than others, and it would be easy to cherry-pick small subsets of the state's population to create the appearance of a disparate impact. While a comparison of certain subsets of the black and/or white population may be useful in certain circumstances, it would be unjustifiable to conclude that solely because there is evidence that some blacks (or whites) are impacted, black Alabamians as a whole (or whites as a whole) are therefore disproportionately impacted. The key here is to determine whether or not there is a systematic, disproportionate impact<sup>5</sup> on the basis of race. It would be impossible to do so without considering the effects on all African-Americans and whites.

## **Summary of Findings**

### ***I. Tax Capacity***

I first determined whether or not Alabama's constitutional property tax restrictions result in a lower property tax base for blacks than whites. The property tax base represents the amount of taxable property to which a local government can apply any given millage rate. A lower tax base directly reduces a local government's ability to raise revenues for government services. The results of my analysis at both the county level and the school district level show clearly that there is no disparate impact on the basis of race.

#### **A. County-Level Analysis**

Of Alabama's 67 counties, 11 have a majority African-American population, ranging from 81.8 percent in Macon County to 51.6 percent in Marengo County. In twelve counties, African-Americans constitute less than 10 percent of the population, ranging from 0.8 percent in Winston County to 9.2 percent in St. Clair County.<sup>6</sup>

Appendix Table 1 presents data on the property tax base by county sorted by the percent of a county's population that is African-American.<sup>7</sup> The data were provided by the Alabama

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<sup>4</sup> For the purposes of this report, the terms "African-American" and "black" have the same meaning.

<sup>5</sup> For the purposes of this report, the terms "disparate" and "disproportionate" have the same meaning.

<sup>6</sup> See Appendix Table 1.

<sup>7</sup> As discussed earlier, net taxable assessed value is the measure that represents the property tax base. This net number includes all classes of property and reflects all of the restrictions and mandates in the Constitution with regard to how each class of property should be valued and assessed for tax purposes and how those restrictions play out across counties given the composition of their property tax base. These numbers are also net of applicable

Department of Revenue (“DOR”).<sup>8</sup> The first step in exploring whether Alabama’s property tax limitations discriminate against blacks in Alabama is to look at the variation in the per capita property tax base across counties. This reflects the ability of each county to raise property tax revenues to meet the needs of its population. The hypothesis put forward in the Sullivan and Hamill reports is that African-Americans systematically reside in counties with lower property tax bases when compared to the property tax bases available to whites in Alabama. The results of my analysis reject this hypothesis.

Statewide, the average per capita property tax base for county government services is \$9,667; the median value is \$8,838.<sup>9</sup> The average per capita property tax base for public schools is \$10,579 statewide; the median value is \$9,807.<sup>10</sup> For the 11 counties with the highest percentage of African-American residents, the average county tax base per capita is \$8,949, or 92.6 percent of the statewide average; for the 11 counties with the smallest share of African-Americans the average total county net taxable assessed value per capita is \$8,493, or 87.9 percent of the statewide average.<sup>11</sup> In other words, contrary to the plaintiffs’ hypothesis, the most heavily white counties actually have lower average property tax bases per capita than the predominantly black counties.

Of the 11 predominately African-American counties in Alabama, four (Greene, Marengo, Montgomery and Wilcox counties) have a per capita county tax base higher than the state average; three (Greene, Marengo and Montgomery counties) have a per capita school tax base higher than the state average. Of the 12 counties where African-Americans account for less than 10 percent of the county’s population, two (Cherokee and Winston counties) have county and school per capita tax bases higher than the state averages.

Excluding Montgomery County from the list of predominately African-American counties because it is the only urban county in that group and it has a much larger property tax

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homestead and other exemptions. These numbers are the final outcome of the valuation process and represent the property tax base in each county.

<sup>8</sup> DOR provided an Excel file titled Abstract Book 2007, which reports 2007 assessments that form the basis for FY 2008 revenues. The file contains 26 worksheets. Each worksheet has information about various elements of assessed value by county. Worksheet P23 includes a summary table that lists total net taxable assessed value (real, personal and vehicles) by county broken down for state, county, schools and municipal taxable values.

<sup>9</sup> To make comparisons across counties I divide county and school total net taxable assessed values by the estimated 2008 population in each county from Census QuickFacts. The fourth column in Appendix Table 1 lists the population of each county. Dividing the county’s population into county net taxable assessed value and the schools total net taxable assessed values produces per capita county and school net taxable assessed values for each county. I then look at variations in per capita total net taxable assessed values across counties. For example, county total net taxable assessed values per capita range from \$5,594 in Macon County to \$29,217 in Baldwin County. Similarly, school total net taxable assessed values per capita vary from \$6,099 in Macon County to \$29,890 in Baldwin County.

<sup>10</sup> The property tax base for public education services is larger than the base for county government services because fewer exemptions are allowed in the property tax base for schools.

<sup>11</sup> The data in Appendix Table 1 is sorted by the share of a county’s population that is African-American. To compute the average county total net assessed taxable base per capita for the 11 predominantly African-American counties and the 11 counties where African-Americans are the smallest share of the county’s population relative to the statewide average, I simply add up the county total net taxable assessed values per capita for the African-American counties and divide by 11 and do the same for the 11 counties with the smallest share of African-Americans.

base, the remaining 10 predominately African-American counties account for 9.6 percent of the state's African-American population.<sup>12</sup> The experience of these African-Americans cannot be projected on or extrapolated to the other 90.4 percent of the state's African-American citizens, just as the experience of whites in the counties with the lowest percentage of African-American residents cannot be projected on or extrapolated to all other whites in Alabama. To determine whether or not African-Americans in Alabama are disproportionately impacted by the property tax limitations in the Alabama Constitution, one must look at these limitations' effects on all African-Americans and all whites in the state.

To do this, I compared the per capita school property tax base for African-Americans and for whites across counties statewide, using a weighted average to account for the size differences between counties.<sup>13</sup> The results show no disparate impact between African-American citizens and white citizens in Alabama in terms of their per capita property tax base for schools across counties. Instead, the results are virtually identical between the two groups: \$12,098 per capita for black citizens, \$12,154 per capita for white citizens.

To further explore the possibility of any potential racially disparate impact, I measured the strength of the relationship between the per capita property tax base and the percentage of the county's population that is African-American.<sup>14</sup> The results show a correlation coefficient<sup>15</sup> of

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<sup>12</sup> Even including Montgomery, the majority-black counties account for less than 10% of the state's total population, and less than 20% of its African-American population.

<sup>13</sup> I start with the school total net taxable assessed value per county provided by the Department of Revenue (column 2 in Appendix Table 1). I then:

1. divided that total school net taxable assessed value by the population of each county (column 6 in Table 1) to generate a per capita school total net taxable assessed value for each county (Column 6 in Table 1).
2. multiplied the percent black and percent white numbers from the Census QuickFacts by the population of each county to determine how many African-Americans and whites there were in each county.
3. multiplied the number of African-Americans and the number of whites in each county by the per capita school total net taxable assessed value for the county to determine the school tax base available for African-Americans and whites in each county,
4. summed the total tax base for African-Americans and for whites across all counties and divided by the African-American and white populations in Alabama to calculate an average per capita school total net taxable assessed value for African-Americans and whites across the state.

<sup>14</sup> Applying the functions embedded in the Excel program to the data in Appendix Table 1, I calculated correlation coefficients between per capita county total net taxable assessed values (column 5) and the percent of a county's population that is African-American (column 8), as well as between school total net taxable assessed values per capita (column 6) and the percent of a county's population that is African-American (column 8). For per capita county total net taxable assessed values the correlation coefficient was -0.066; for per capita school total net taxable assessed values the correlation coefficient was -0.071.

<sup>15</sup> A correlation coefficient is the standard unit of measurement for describing the relationship between two sets of numbers. It can be calculated by using a Microsoft Excel function. A correlation coefficient of 1.0 means that two sets of numbers are perfectly correlated – a high number in one column is associated with a high number in the other column and the exact ranking is the same in both columns (i.e. the highest in one column is the highest in the other column, etc). If the rankings are altered a bit, the correlation coefficient becomes less than one. The closer the correlation coefficient is to 1.0 the stronger the correlation between two sets of numbers. A zero correlation coefficient means that there is no relationship between the two sets of numbers; they are essentially random sets of numbers. Economists and statisticians generally consider a correlation coefficient greater than 0.5 to indicate a significant relationship between two sets of numbers; the closer the correlation coefficient is to 1.0, the stronger the relationship.

virtually zero, indicating no systematic relationship between the share of a county's population that is African-American and that county's per capita assessed property wealth for county or school purposes.

An alternative approach to exploring this issue is to sort the counties by per capita tax base from low to high values and look at the characteristics of the low and high wealth counties.

For the 20 percent of counties<sup>16</sup> that have the lowest per capita property tax base for county government services, African-Americans accounted for an average of 30.6 percent of the population; for the 20 percent of counties with the highest per capita county net taxable assessed values, African-Americans account for an average of 29.8 percent of the population. In other words, the wealthiest and poorest counties have roughly equal racial compositions.

Looking at these data another way, the 20 percent of counties in the state with the lowest county taxable base per capita include 8.2 percent of the state's entire African-American population. The 20 percent of counties in the state with the highest county taxable base per capita include 40.6 percent of the state's entire African-American population. In other words, there are almost 5 times as many African-Americans in the 13 wealthiest counties as there are in the 13 poorest counties in Alabama.<sup>17</sup>

The analysis discussed in this section shows clearly that Alabama's property tax limitations do not have a racially disparate impact.

## **B. School District-Level Analysis**

The analysis in the preceding section was based on values for the property tax base per capita across all 67 counties in Alabama. This is a measure of the capacity of each county to raise revenues to fund the delivery of general county services (for the county property tax base) and public education (for the school property tax base). This measure of tax capacity demonstrates that African-Americans in Alabama are not systematically disadvantaged by Alabama's property tax limitations. However, the analysis in the previous section is limited to data aggregated at the county level such that all taxable property was included in a county's tax base, regardless of whether it lies in a particular school district, a particular city or in an unincorporated area.

In this section, I describe my findings using a school district-level analysis – one that separates the property tax base into 131 school districts. I did this to account for the possibility that while a county-level analysis might show no racially disparate impact, the racial

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<sup>16</sup> There are 13 counties in each group (20% of 67 counties).

<sup>17</sup> The numbers for the school property tax base show similar results. For the 20 percent of the counties with the lowest school property tax base, African-Americans account, on average, for 31.6 percent of the population; for the 20 percent of the counties with the highest school property tax base per capita, African-Americans account, on average, for 31.4 percent of the population. Cutting the data another way, we see that the 20 percent of counties with the lowest school property tax base per capita include 6.5 percent of the state's total African-American population, while the 20 percent of the counties with the highest school property tax base per capita include 43.4 percent of the state's entire African-American population.

composition of individual school districts might vary widely enough in a systematic way to indicate the existence of a disparate impact at the school district level.

My school district-level analysis confirms that African-Americans are not disproportionately impacted by Alabama's property tax limitations as measured by tax capacity. In fact, the average property tax base per capita for blacks is actually about 6% higher than the average property tax base per capita for whites in Alabama.

Table 2 provides data on the tax capacity of school districts on a per student basis, as measured by the tax yield per mill per student based on several sets of data.<sup>18</sup> In other words, this shows how much tax revenue each school district can raise per student by imposing one additional mill to the tax rate. The per mill yield per student ranges from \$21.00 in Attalla City to \$181.05 in Baldwin County. The median value is \$52.79.

The data in Table 2 is sorted by the percent of students in a school district that are African-American. African-American students account for 99.6 percent of the students in Greene County, but just 0.2 percent of students in the city of Mountain Brook. Looking at the 25 percent of school districts (33 districts) with the greatest share of African-American students, African-Americans constitute 81.6 percent of students in those districts; they constitute only 4.4 percent of students in the 25 percent of school districts with the lowest percentage of African-American students. The average yield per mill per student for the 25 percent of the districts with the greatest share of African-American students, based on the DOR estimates of the per pupil tax base in each school district, is \$59.53; the comparable number for the 25 percent of school districts with the lowest share of African-American students is \$56.45. The correlation coefficient between the share of a school district's students that are African-American and the yield per mill per student, based on DOR estimates, is 0.022, indicating the lack of any systematic relationship.<sup>19</sup>

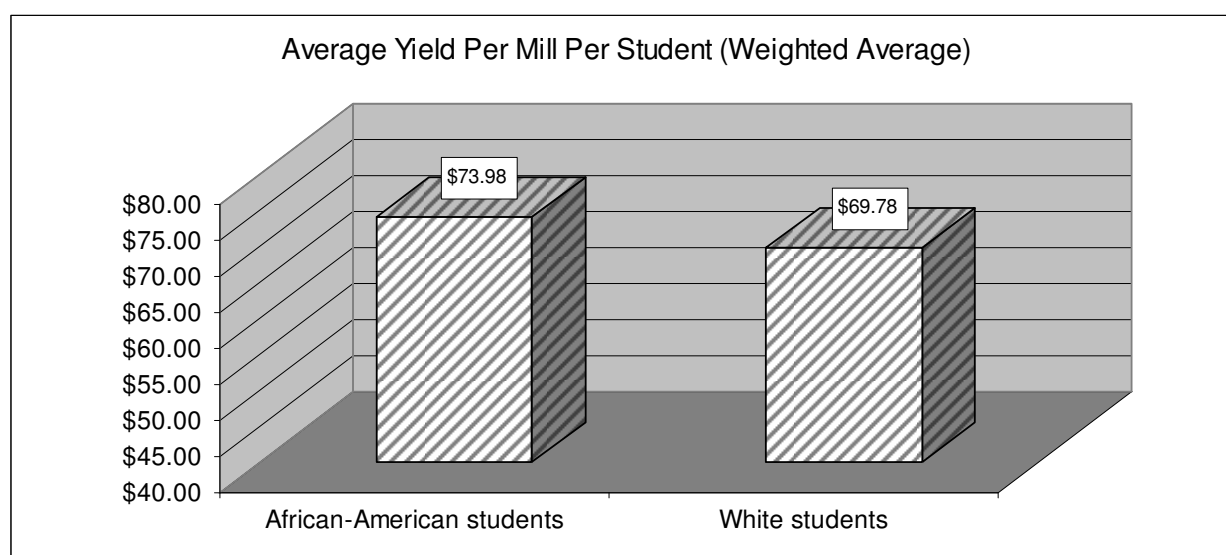
I then sorted that data based on the yield per mill per pupil based on the DOR estimates. Of the 25 percent of the school districts (33 districts) with the lowest yield per mill per pupil, seven are predominately African-American; for the 25 percent of counties with the highest yield per mill per pupil, 11 are predominately African-American. The 25 percent of the school districts with the lowest yield per mill per pupil account for 8.1 percent of the state's African-American student population, while the 25 percent of the school districts with the highest yield per mill per pupil account for 42.4 percent of the state's African-American student population.

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<sup>18</sup> Column 2 in the table includes estimates from the Department of Revenue on the net assessed value of real and personal property per student by school district. Dividing that number by 1,000 produces an estimate of the yield per mill per student by school district. This is reported in column 3 of Table 2.

<sup>19</sup> Plaintiffs' expert Dan Sullivan relied on yield per mill per pupil data supplied by Dr. Ira Harvey. The State Department of Education also maintains estimates of the yield per pupil per mill by school district. Calculating the correlation between the percent of African-Americans in the student population and the yield per mill per pupil values in Dr. Harvey's data and in the State Department of Education's data resulted in correlation coefficients of 0.022 and 0.024, respectively. Thus, regardless of which estimates of the yield per mill per pupil are used, the result is the same – there is no systematic relationship between the percent of students that are African-American and the yield per mill per student.

Finally, I calculated a statewide average of yield per mill per pupil for African-Americans and whites. This is a weighted average that weights the estimated yield per mill per pupil for each school district by the number of African-American and white students in that district. Statewide, the estimated yield per mill per African-American pupil is \$73.98; statewide the average for yield per mill per white pupil is \$69.78. In other words, the statewide average yield per mill per African-American pupil is 6.0 percent greater than it is for white students statewide.<sup>20</sup>



These results do not support the contention that African-Americans are disproportionately impacted by the current property tax system in Alabama. To the contrary, when looking at the estimated yield per mill per student African-American students are better off statewide than whites regardless of what measure of estimated yield is used.

## ***II. Tax Revenues***

The preceding section summarized the findings from my analysis of the respective tax capacities of white Alabamians and black Alabamians. Regardless of whether county-level data or school district-level data are used, it is clear that Alabama's property tax limitations do not have a racially discriminatory effect on blacks from a tax capacity perspective. Still, the plaintiffs argued in their complaint and in their expert reports that certain procedural hurdles in the Alabama constitution have a racially disproportionate impact on black citizens' ability to raise tax rates sufficient to generate revenues potentially available from their property tax base. To address this concern, I analyzed property tax revenues generated in Fiscal Year 2008 from the school property tax base in every county in Alabama.

<sup>20</sup> The same calculations were made using the estimated yield per mill per student provided by Ira Harvey and that provided by the State Department of Education. Statewide, the estimated yield per mill per African-American student was 5.2 percent greater than the statewide figure for whites using the Harvey data and 3.4 percent greater using the data from the State Department of Education. Whatever measure of yield per mill per pupil is used results in a statewide average yield higher for African-Americans than for whites.

Once again, my analysis clearly indicates that Alabama's property tax limitations do not have a racially disparate impact. Appendix Table 3 shows net school tax revenues per capita for all Alabama counties.<sup>21</sup> Bibb County had the lowest net school taxes per capita (\$51.09); while Shelby County had the highest (\$451.13). Overall, statewide net school taxes per capita were \$196.96.

Following the same approach used in the tax capacity analysis, I examined the 20% of counties in Alabama with the lowest and highest net school taxes per capita. Of the 13 counties with the lowest net school taxes per capita, two are predominately African-American – Hale (58% African-American) and Montgomery (53.4% African-American). Of the 13 counties with the highest net school taxes per capita, one is predominately African-American – Macon (81.8% African-American).

Next, I examined the racial composition of those counties with the highest and lowest net school taxes per capita. For the 13 counties with the lowest net school taxes per capita, African-Americans, on average, account for 20.6 percent of the population in these counties. These counties account for 14.6 percent of the African-American population statewide. At the other end of the spectrum, African-Americans, on average, account for 32.3 percent of the population in the 13 counties with the highest net school tax revenues per capita; and the African-Americans in these 13 counties account for 50.8 percent of African-Americans statewide. In other words, African-Americans are statistically underrepresented in the low-revenue counties and are overrepresented in the high-revenue counties. In fact, more than half of all African-Americans in Alabama live in the 13 counties with the highest net school tax revenues per capita. This comparison between the top 20% and the bottom 20% certainly does not indicate the existence of any racially discriminatory effect in terms of school property tax revenues.

I then analyzed the effects on the entire distribution of blacks and whites using a weighted average analysis for each group.<sup>22</sup> Following this approach, statewide, African-

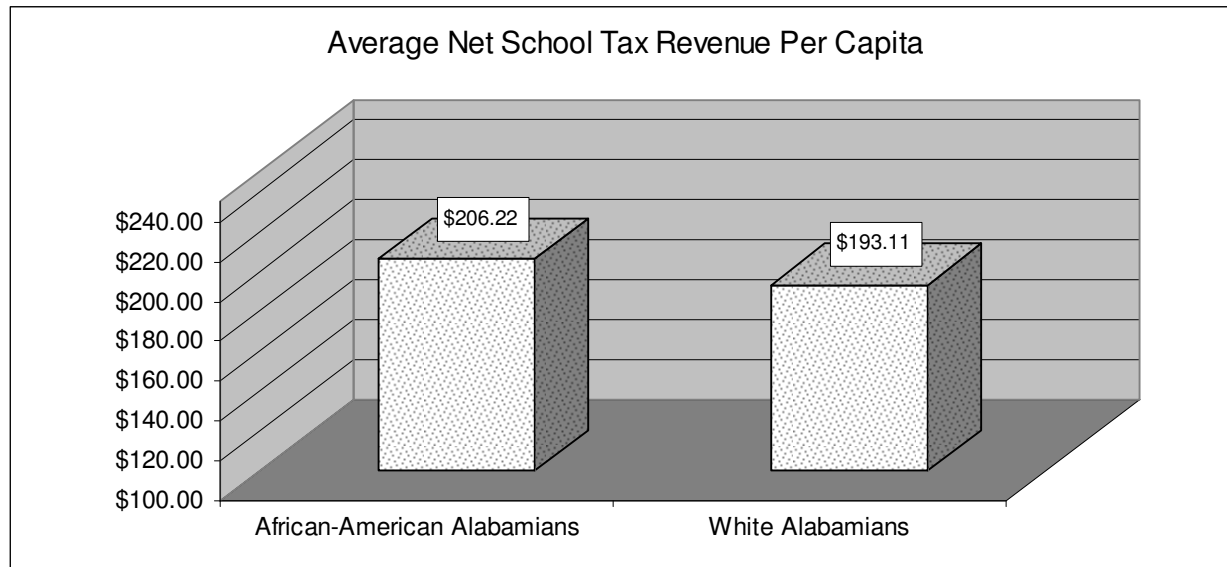
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<sup>21</sup>The data used in the previous analysis was provided by the Alabama Department of Revenue in a file called Abstract Book 2007. Specifically, the data used above came from worksheet P23 which includes information on the total net taxable assessed value by county. Worksheet P26 in the file includes information on net taxes by county. Appendix Table 3 reports data on net school tax revenues (“taxes” means tax revenues herein) by county (column 2). Using the information on each county’s population and the percent of each county’s population that is African-American, I calculated net school taxes per capita for all 67 counties in Alabama (column 6). I then sorted the data in the table by net school taxes per capita.

<sup>22</sup> To look more closely at the situation of predominately African-American vis-à-vis white counties in Alabama, I used the formula embedded in the Excel program to calculate the average net school tax revenue for African-American and white citizens in Alabama. I start with the net school tax revenue per county provided by the Department of Revenue. I then:

- 1: divided that total net school tax revenues for each county by the population of each county to generate a per capita net school tax revenue for each county.
- 2: multiplied the percent African-American and percent white numbers from the Census QuickFacts by the population of each county to determine how many African-Americans and whites there were in each county.
- 3: multiplied the number of African-Americans and the number of whites in each county by the per capita net school tax revenue for the county to determine net school tax revenues for African-Americans and whites in each county.
- 4: summed the total taxes for African-Americans and for whites across all counties and divided by the African-American and white populations in Alabama to calculate an average per capita net school tax revenue for African-Americans and whites statewide.

American citizens in Alabama have an average school tax revenue of \$206.22 per capita, while white citizens in Alabama have an average school tax revenue of \$193.11 per capita. Thus, in terms of school tax revenues per capita, African-Americans in Alabama have a 6.8% advantage over whites. Once again, there is no indication that African-Americans are being disproportionately impacted by the current system. Rather, they benefit from it.



Sorting the data in Appendix Table 3 by the percent of the population that is African-American, there were 11 majority African-American counties and 12 counties with less than a 10 percent African-American population. For the 11 majority African-American counties, net school tax revenue per capita averages \$123.36; for the 12 counties where African-Americans account for less than 10 percent of the county population, the average net school tax revenue per capita is \$110.48.

Finally, I computed the correlation coefficient between the percent of a county's population that is African-American and net school tax revenues per capita. The correlation coefficient is 0.057, indicating that there is no systematic relationship between those characteristics; the relationship is essentially random.

### ***III. K-12 Public School Expenditures***

This report has already documented the lack of any racially discriminatory effects from Alabama's property tax limitations as measured by county-level tax capacity (tax base using net taxable assessed values) and by school district tax capacity (based on tax yield per mill per pupil). The immediately preceding section of this report addressed county-level tax revenues (net school tax revenues aggregated by county). I now turn to a tax outcome measure at the school district level, specifically, K-12 public school expenditures by school district.

Appendix Table 4 reports school spending levels for each school district in Alabama, sorted by the level of state and local per pupil expenditures. The spending levels range from a low of \$6,602 per student in the city of Tallassee to a high of \$11,849 per student in the city of

Mountain Brook. I then compared the bottom quartile (the 25 percent of the school districts, or a total of 33 districts, with the lowest spending levels) with the top quartile. Of the 33 lowest-spending school districts, 8 are majority African-American. The same is true of the top quartile: 8 of the 33 highest-spending districts are majority African-American. From this perspective, there is no evidence that African-Americans are being disproportionately disadvantaged when measured by state and local spending per student.

For the 33 lowest-spending school districts, African-American students represent, on average, 30.7 percent of the students in those districts; for the 33 highest-spending school districts, African-American students represent, on average, 35.8 percent of the students.

The African-American students in the bottom quartile districts represent 13 percent of all African-American K-12 public school students in the state; the African-American students in top quartile districts represent 29.7 percent of all African-American students. In other words, African-American students are more than twice as likely to attend school in a district in the top 25% of spending than they are to attend a school in the bottom 25% of spending.

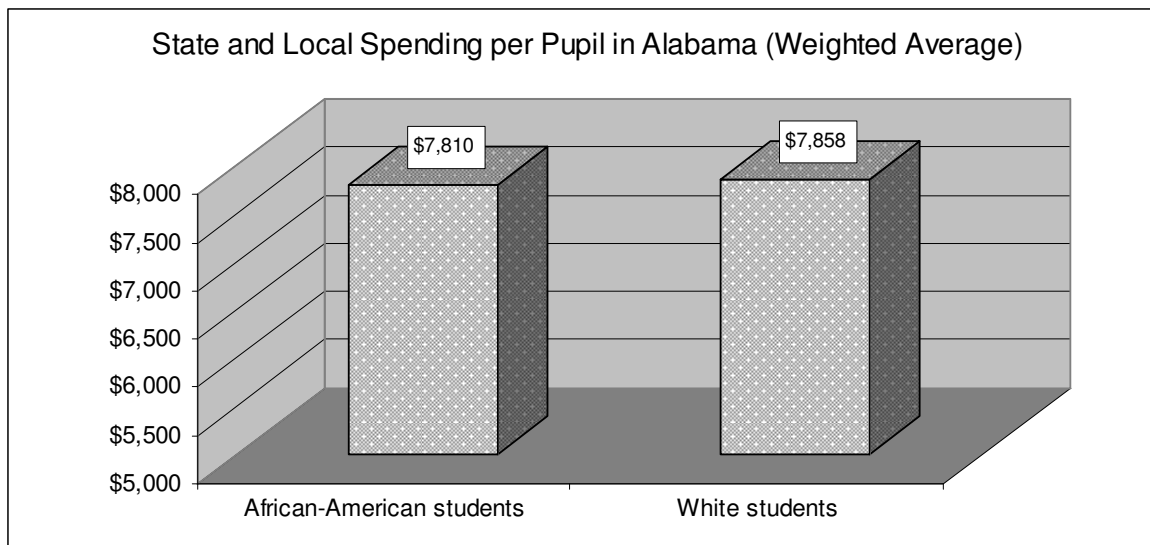
These data show clearly that when comparing the top quartile of districts with the bottom quartile, there is no evidence of African-American students being disproportionately disadvantaged by Alabama's property tax limitations in terms of state and local school spending per student.

Next, I examined the entire distribution. I did this by analyzing the weighted average state and local spending for each African-American and white student in Alabama.<sup>23</sup> The results, illustrated in the following bar graph, are virtually identical for both groups: the statewide average state and local spending per African-American K-12 student is \$7,810; the statewide average state and local spending per white student is \$7,858. The difference between these two spending levels is roughly one-half of a percentage point.<sup>24</sup>

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<sup>23</sup> The weighting is by the number of African-American and white students in each district. I first multiply the number of students (ADM) in each school district by the percent of the students that are African-American and the percent that are white to estimate the number of African-American and white students in each district. I then multiply the number of African-American and white students in each district by the average state and local spending per student in that district. This gives us an estimate of total state and local spending on African-American and white students by district. I sum those numbers across all 131 school districts and then divide by the total number of all African-American students and white students to get the weighted average spending per African-American and white student statewide.

<sup>24</sup> The spending level for blacks, \$7,810, is 0.6% less than the spending level for whites, \$7,858.



The data presented in this section do not support the conclusion that African-Americans are disproportionately disadvantaged by the manner in which property is valued, assessed and taxed according to the Alabama Constitution.

#### IV. Sumter and Lawrence Counties

Because the plaintiffs in this lawsuit reside exclusively in Sumter and Lawrence counties, I analyzed the effects of Alabama’s property tax limitations on those two counties specifically, as compared to each other and to the statewide median for Alabama counties. The following table summarizes the findings from this analysis.

Measure	Sumter County	Lawrence County	Statewide Median <sup>25</sup>
Per Capita Property Tax Base for County Services	\$9,368	\$7,167	\$8,838
Per Capita Property Tax Base for Schools <sup>26</sup>	\$10,364	\$7,968	\$9,807
Per Pupil State and Local Education Spending	\$8,224	\$7,836	\$7,582
School Tax Revenues Per Capita <sup>27</sup>	\$133.03	\$78.79	\$118.46
Percent County Population African-American	72.4%	12.3%	23.2%
Percent Student Population African-American	99.0%	15.6%	27.2%

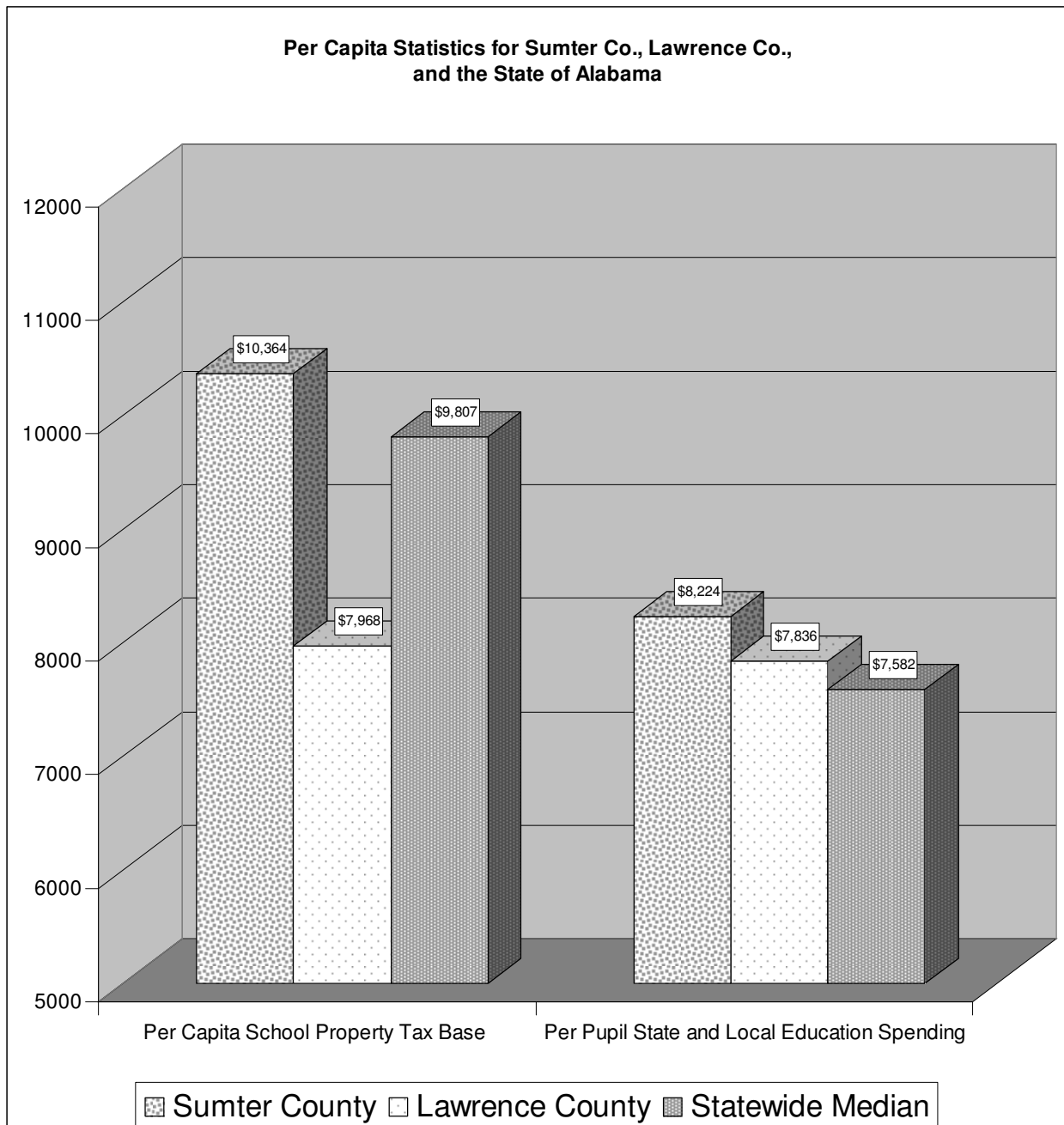
<sup>25</sup> The median represents the middle of the distribution. In the case of county-level analysis, since there are 67 counties in Alabama, the county that ranks 34<sup>th</sup> represents the median. In the case of school districts, the district that ranks 66<sup>th</sup> of 131 represents the median.

<sup>26</sup> Aggregated by county

<sup>27</sup> Aggregated by county

Sumter County is 72.4 percent African-American and has a per capita property tax base of \$9,368 for the county tax base and \$10,364 for the school tax base. These property tax base values rank Sumter County 27<sup>th</sup> and 26<sup>th</sup>, respectively, among the 67 counties in the state. Lawrence County is 12.3 percent African-American and has per capita a property tax base of \$7,167 for the county tax base and \$7,968 for the school tax base. These tax base values rank Lawrence County 59<sup>th</sup> and 55<sup>th</sup>, respectively, among the 67 counties in the state.

Total state and local education spending per pupil is \$8,224 in Sumter County, which ranks 27<sup>th</sup> among the 131 school districts in the state; in Lawrence County, per pupil state and local education spending is \$7,836, which ranks 50<sup>th</sup> among school districts in Alabama.



Looking at school tax revenues per capita aggregated at the county level, Sumter County generates \$133.03 per person, which ranks 25<sup>th</sup> among the 67 counties, while Lawrence County generates \$78.79 per person, which ranks 59<sup>th</sup> among the 67 counties.

Clearly, Lawrence County, the predominately white county, has substantially less taxable property wealth per capita and generates significantly less school tax revenues per capita than Sumter County, the predominately African-American county. This is consistent with the general conclusion that there is no adverse relationship relative to African-Americans between tax capacity or tax revenues and the percent of the population that is African-American across counties and school districts in Alabama.

### **Conclusion**

The data contained in Tables 1-4 as explained in this report demonstrate clearly that the property tax limitations contained in the Alabama Constitution have no discriminatory effect on African-Americans. The property tax is a tax on wealth. Any disparities that exist across counties, school districts, or individuals reflect differences in wealth, not race.

Appendix Table 1 - Property Tax Base sorted by Percent Black

County	County Total Net Taxable Assessed Value	School Total Net Taxable Assessed Value	Population*	County Net Taxable Assessed Value Per Capita	School Net Taxable Assessed Value Per Capita	% White	% Black
Macon	\$ 124,689,380	\$ 135,946,520	22290	\$ 5,594	\$ 6,099	15.8%	81.8%
Greene	\$ 117,896,272	\$ 122,235,832	9172	\$ 12,854	\$ 13,327	20.6%	78.8%
Sumter	\$ 124,278,232	\$ 137,488,332	13266	\$ 9,368	\$ 10,364	26.8%	72.4%
Wilcox	\$ 128,291,880	\$ 128,291,880	12803	\$ 10,020	\$ 10,020	27.3%	72.2%
Bullock	\$ 80,548,000	\$ 83,389,860	10796	\$ 7,461	\$ 7,724	28.6%	70.1%
Lowndes	\$ 105,805,720	\$ 111,835,140	12644	\$ 8,368	\$ 8,845	29.0%	70.1%
Perry	\$ 81,214,600	\$ 82,089,380	10643	\$ 7,631	\$ 7,713	30.1%	69.0%
Dallas	\$ 320,677,010	\$ 349,042,390	42867	\$ 7,481	\$ 8,142	31.6%	67.2%
Hale	\$ 120,643,170	\$ 134,392,870	18145	\$ 6,649	\$ 7,407	41.2%	58.0%
Montgomery	\$ 2,685,589,200	\$ 3,036,168,580	224810	\$ 11,946	\$ 13,505	43.9%	53.4%
Marengo	\$ 233,086,460	\$ 241,148,040	21055	\$ 11,070	\$ 11,453	47.4%	51.6%
Barbour	\$ 227,149,390	\$ 241,387,410	29309	\$ 7,750	\$ 8,236	51.3%	47.1%
Clarke	\$ 266,778,960	\$ 328,362,040	26304	\$ 10,142	\$ 12,483	55.2%	43.9%
Conecuh	\$ 109,241,620	\$ 127,904,740	13066	\$ 8,361	\$ 9,789	55.3%	43.6%
Choctaw	\$ 174,278,590	\$ 202,779,010	14055	\$ 12,400	\$ 14,428	56.0%	43.2%
Pickens	\$ 140,247,611	\$ 150,097,271	19524	\$ 7,183	\$ 7,688	56.4%	42.5%
Russell	\$ 395,278,020	\$ 427,758,520	50504	\$ 7,827	\$ 8,470	55.9%	41.9%
Butler	\$ 185,995,474	\$ 207,101,594	20090	\$ 9,258	\$ 10,309	57.0%	41.9%
Jefferson	\$ 8,653,419,342	\$ 9,289,872,706	659503	\$ 13,121	\$ 14,086	56.3%	41.2%
Monroe	\$ 195,861,720	\$ 221,186,740	22553	\$ 8,685	\$ 9,807	56.9%	40.9%
Chambers	\$ 272,623,350	\$ 313,885,450	34424	\$ 7,920	\$ 9,118	60.8%	38.2%
Pike	\$ 272,890,110	\$ 304,858,050	30381	\$ 8,982	\$ 10,034	60.2%	36.7%
Mobile	\$ 4,215,092,340	\$ 4,614,742,840	406309	\$ 10,374	\$ 11,358	62.0%	34.5%
Escambia	\$ 333,936,705	\$ 368,767,645	37490	\$ 8,907	\$ 9,836	63.5%	31.9%
Talladega	\$ 786,439,238	\$ 1,084,316,998	80279	\$ 9,796	\$ 13,507	66.8%	31.8%
Coosa	\$ 134,244,860	\$ 142,494,280	10814	\$ 12,414	\$ 13,177	67.5%	31.4%
Henry	\$ 153,356,255	\$ 161,378,515	16591	\$ 9,243	\$ 9,727	67.9%	30.9%
Tuscaloosa	\$ 1,865,084,920	\$ 2,162,456,680	179448	\$ 10,393	\$ 12,051	66.8%	30.8%
Tallapoosa	\$ 568,206,600	\$ 592,485,460	40773	\$ 13,936	\$ 14,531	72.6%	26.2%
Washington	\$ 295,774,120	\$ 342,705,360	17204	\$ 17,192	\$ 19,920	65.4%	26.0%
Houston	\$ 1,284,517,680	\$ 1,341,682,180	98488	\$ 13,042	\$ 13,623	72.3%	25.7%

Crenshaw	\$ 105,101,000	\$ 141,520,880	13754	\$ 7,641	\$ 10,289	73.1%	25.6%
Madison	\$ 3,440,476,160	\$ 3,828,818,120	319510	\$ 10,768	\$ 11,983	71.2%	24.2%
Lee	\$ 1,430,917,420	\$ 1,553,855,960	133010	\$ 10,758	\$ 11,682	73.8%	23.2%
Bibb	\$ 158,486,170	\$ 154,042,210	21629	\$ 7,327	\$ 7,122	76.9%	22.2%
Randolph	\$ 279,752,650	\$ 297,004,070	22620	\$ 12,367	\$ 13,130	76.5%	22.1%
Elmore	\$ 930,092,050	\$ 971,615,550	78106	\$ 11,908	\$ 12,440	75.9%	22.0%
Dale	\$ 337,968,271	\$ 361,558,180	48292	\$ 6,998	\$ 7,487	74.9%	21.1%
Calhoun	\$ 1,002,440,739	\$ 1,053,596,739	113419	\$ 8,838	\$ 9,289	78.0%	19.8%
Coffee	\$ 377,343,351	\$ 406,126,971	47753	\$ 7,902	\$ 8,505	77.8%	18.3%
Autauga	\$ 638,150,172	\$ 666,544,912	50364	\$ 12,671	\$ 13,235	79.9%	18.0%
Colbert	\$ 446,426,100	\$ 536,274,160	54663	\$ 8,167	\$ 9,811	81.9%	16.5%
Clay	\$ 103,858,890	\$ 109,884,330	13809	\$ 7,521	\$ 7,957	83.1%	15.3%
Etowah	\$ 817,808,525	\$ 919,420,005	103303	\$ 7,917	\$ 8,900	83.3%	14.9%
Limestone	\$ 637,019,840	\$ 701,683,140	76135	\$ 8,367	\$ 9,216	84.6%	13.3%
Covington	\$ 381,767,570	\$ 407,455,200	36856	\$ 10,358	\$ 11,055	85.4%	12.9%
Fayette	\$ 136,674,280	\$ 145,094,420	17691	\$ 7,726	\$ 8,202	86.6%	12.4%
Lawrence	\$ 244,876,386	\$ 272,231,926	34166	\$ 7,167	\$ 7,968	79.3%	12.3%
Lamar	\$ 119,736,573	\$ 133,340,780	14295	\$ 8,376	\$ 9,328	87.2%	12.0%
Morgan	\$ 1,200,467,710	\$ 1,562,522,530	115959	\$ 10,353	\$ 13,475	85.5%	11.9%
Chilton	\$ 358,726,960	\$ 398,629,860	42444	\$ 8,452	\$ 9,392	87.6%	11.0%
Geneva	\$ 155,312,880	\$ 171,293,580	25882	\$ 6,001	\$ 6,618	87.5%	10.8%
Lauderdale	\$ 688,186,570	\$ 755,496,310	89128	\$ 7,721	\$ 8,477	88.2%	10.1%
Shelby	\$ 2,835,209,460	\$ 2,992,587,220	187784	\$ 15,098	\$ 15,936	87.4%	10.1%
Baldwin	\$ 5,096,510,618	\$ 5,213,987,638	174439	\$ 29,217	\$ 29,890	88.1%	10.0%
St Clair	\$ 742,661,216	\$ 798,229,696	79837	\$ 9,302	\$ 9,998	89.2%	9.2%
Walker	\$ 611,815,130	\$ 644,354,550	68970	\$ 8,871	\$ 9,343	92.1%	6.6%
Cherokee	\$ 263,408,800	\$ 291,194,380	24545	\$ 10,732	\$ 11,864	92.9%	5.6%
Franklin	\$ 214,601,817	\$ 228,651,400	30801	\$ 6,967	\$ 7,424	94.0%	4.4%
Cleburne	\$ 122,590,530	\$ 127,431,050	14799	\$ 8,284	\$ 8,611	94.4%	4.3%
Marion	\$ 223,289,310	\$ 241,460,330	29465	\$ 7,578	\$ 8,195	94.7%	3.9%
Jackson	\$ 371,656,015	\$ 424,285,555	53134	\$ 6,995	\$ 7,985	92.2%	3.8%
Blount	\$ 396,016,594	\$ 417,860,394	57441	\$ 6,894	\$ 7,275	96.4%	2.0%
Dekalb	\$ 445,746,700	\$ 491,334,360	68515	\$ 6,506	\$ 7,171	95.8%	1.9%
Marshall	\$ 762,624,755	\$ 820,517,735	88484	\$ 8,619	\$ 9,273	96.0%	1.8%
Cullman	\$ 778,643,420	\$ 851,521,800	81324	\$ 9,575	\$ 10,471	96.8%	1.6%
Winston	\$ 297,244,715	\$ 311,422,195	23974	\$ 12,399	\$ 12,990	97.6%	0.8%

Appendix Table 2 – K-12 Public School Tax Yield Per Mill Per Student, Ranked by Percent Black

System	DOR AV per pupil	DOR Yield Per Mill Per Student	ADM	Percent White	Percent Black	Number of Black Students	Number of White Students	Black Student Yield per DOR Mill	White Student Yield Per DOR Mill
Greene County	\$82,779	\$82.78	1,463.55	0.1%	99.6%	1457	1	\$120,642	\$85
Wilcox County	\$54,997	\$55.00	2,166.85	0.4%	99.6%	2158	9	\$118,657	\$513
Lowndes County	\$49,440	\$49.44	2,068.25	0.7%	99.1%	2050	14	\$101,346	\$694
Perry County	\$39,273	\$39.27	1,997.65	0.8%	99.0%	1978	16	\$77,685	\$648
Sumter County	\$48,528	\$48.53	2,274.15	0.3%	98.7%	2244	7	\$108,893	\$331
Fairfield City	\$27,067	\$27.07	2,327.00	0.3%	98.5%	2293	8	\$62,057	\$218
Macon County	\$45,762	\$45.76	3,077.85	1.5%	98.4%	3028	45	\$138,556	\$2,048
Midfield City	\$27,427	\$27.43	1,263.00	1.7%	97.7%	1233	21	\$33,827	\$589
Linden City	\$25,643	\$25.64	489.30	1.2%	96.7%	473	6	\$12,129	\$148
Birmingham City	\$96,396	\$96.40	28,393.30	1.0%	96.5%	27402	272	\$2,641,472	\$26,246
Scottsboro City	\$53,715	\$53.71	2,681.05	3.2%	96.3%	2581	86	\$138,613	\$4,643
Bullock County	\$43,101	\$43.10	1,679.41	0.2%	93.9%	1578	3	\$67,995	\$134
Bessemer City	\$68,354	\$68.35	4,287.10	2.7%	93.6%	4011	114	\$274,151	\$7,825
Anniston City	\$107,124	\$107.12	2,466.15	5.2%	91.7%	2261	128	\$242,226	\$13,739
Lanett City	\$41,784	\$41.78	928.85	11.7%	87.6%	814	109	\$33,998	\$4,553
Barbour County	\$87,023	\$87.02	1,120.75	5.9%	87.2%	977	66	\$85,039	\$5,737
Conecuh County	\$74,883	\$74.88	1,700.25	16.0%	83.9%	1426	271	\$106,777	\$20,313
Tarrant City	\$55,238	\$55.24	1,361.55	12.4%	80.7%	1099	169	\$60,693	\$9,321
Dallas County	\$46,189	\$46.19	4,314.30	20.5%	78.9%	3404	885	\$157,215	\$40,894
Montgomery County	\$95,421	\$95.42	31,938.45	15.9%	78.6%	25097	5,064	\$2,394,770	\$483,224
Marengo County	\$83,644	\$83.64	1,534.70	20.9%	78.1%	1199	321	\$100,309	\$26,826
Hale County	\$37,024	\$37.02	3,168.65	23.6%	75.3%	2385	747	\$88,283	\$27,645
Tuscaloosa City	\$91,191	\$91.19	10,170.00	22.3%	73.7%	7499	2,264	\$683,837	\$206,463
Choctaw County	\$99,855	\$99.86	1,982.85	30.5%	68.8%	1364	606	\$136,163	\$60,470
Clarke County	\$73,773	\$73.77	3,337.55	33.2%	65.6%	2191	1,107	\$161,632	\$81,687
Opelika City	\$79,623	\$79.62	4,274.70	32.7%	62.7%	2681	1,399	\$213,466	\$111,374
Phenix City	\$39,119	\$39.12	5,850.45	34.0%	62.4%	3649	1,989	\$142,746	\$77,796

Pickens County	\$42,196	\$42.20	3,139.35	37.5%	61.2%	1921	1,177	\$81,044	\$49,675
Butler County	\$58,473	\$58.47	3,379.55	37.9%	60.5%	2045	1,279	\$119,560	\$74,806
Troy City	\$64,927	\$64.93	2,293.95	35.8%	60.2%	1381	821	\$89,670	\$53,321
Talladega City	\$35,902	\$35.90	2,628.25	40.7%	57.8%	1518	1,070	\$54,497	\$38,402
Eufaula City	\$43,333	\$43.33	2,685.30	40.0%	55.9%	1501	1,075	\$65,063	\$46,570
Monroe County	\$45,376	\$45.38	4,306.95	43.6%	54.5%	2347	1,880	\$106,480	\$85,287
Dothan City	\$79,165	\$79.17	9,156.90	41.9%	54.0%	4943	3,834	\$391,276	\$303,536
Gadsden City	\$60,689	\$60.69	5,569.20	39.4%	52.4%	2920	2,192	\$177,198	\$133,037
Mobile County	\$71,781	\$71.78	64,340.50	44.4%	50.3%	32339	28,595	\$2,321,339	\$2,052,572
Chambers County	\$62,397	\$62.40	4,109.40	49.8%	49.1%	2016	2,048	\$125,788	\$127,761
Coosa County	\$103,410	\$103.41	1,342.35	49.2%	48.9%	657	661	\$67,899	\$68,315
Elba City	\$28,437	\$28.44	876.00	49.3%	48.5%	425	432	\$12,088	\$12,272
Demopolis City	\$31,665	\$31.67	2,453.00	49.1%	48.0%	1179	1,204	\$37,319	\$38,118
Pike County	\$56,333	\$56.33	2,204.00	48.2%	47.2%	1039	1,063	\$58,550	\$59,905
Ozark City	\$35,680	\$35.68	2,473.00	49.2%	47.1%	1165	1,217	\$41,564	\$43,431
Thomasville City	\$29,075	\$29.07	1,575.96	54.6%	44.6%	704	861	\$20,457	\$25,039
Selma City	\$33,858	\$33.86	3,964.35	53.6%	43.7%	1733	2,126	\$58,665	\$71,972
Huntsville City	\$103,529	\$103.53	22,839.25	48.2%	42.8%	9779	11,001	\$1,012,393	\$1,138,878
Roanoke City	\$29,185	\$29.18	1,490.95	55.4%	42.5%	633	825	\$18,481	\$24,088
Escambia County	\$59,093	\$59.09	4,621.16	51.2%	41.8%	1933	2,368	\$114,229	\$139,921
Jefferson County	\$66,159	\$66.16	36,216.20	54.5%	40.7%	14723	19,733	\$974,064	\$1,305,509
Daleville City	\$64,877	\$64.88	1,284.95	48.9%	39.4%	507	628	\$32,871	\$40,733
Russell County	\$57,369	\$57.37	3,383.15	55.9%	39.2%	1327	1,891	\$76,137	\$108,513
Henry County	\$50,872	\$50.87	2,762.25	58.4%	38.6%	1066	1,613	\$54,221	\$82,078
Brewton City	\$46,687	\$46.69	1,292.20	59.4%	38.6%	498	768	\$23,274	\$35,844
Alexander City	\$40,470	\$40.47	3,482.55	59.0%	38.1%	1328	2,054	\$53,747	\$83,138
Talladega County	\$106,825	\$106.83	7,941.20	60.5%	37.9%	3013	4,802	\$321,859	\$513,024
Sylacauga City	\$50,513	\$50.51	2,357.10	60.6%	37.4%	882	1,429	\$44,556	\$72,181
Florence City	\$80,070	\$80.07	4,024.35	56.3%	36.7%	1477	2,265	\$118,258	\$181,386
Tallapoosa County	\$136,762	\$136.76	3,136.25	62.6%	35.5%	1113	1,964	\$152,197	\$268,533
Andalusia City	\$60,324	\$60.32	1,674.85	62.6%	34.2%	573	1,049	\$34,561	\$63,282
Decatur City	\$70,933	\$70.93	8,811.50	48.9%	33.4%	2940	4,305	\$208,510	\$305,367
Crenshaw County	\$50,343	\$50.34	2,374.70	64.2%	32.6%	775	1,524	\$39,025	\$76,738
Washington County	\$90,625	\$90.62	3,582.80	59.1%	31.5%	1127	2,119	\$102,146	\$192,002

Homewood City	\$162,991	\$162.99	3,393.20	59.0%	27.8%	945	2,003	\$153,984	\$326,415
Tuscumbia City	\$30,498	\$30.50	1,541.05	71.6%	27.5%	424	1,103	\$12,946	\$33,654
Leeds City	\$62,197	\$62.20	1,400.50	61.5%	27.5%	385	861	\$23,923	\$53,567
Jacksonville City	\$49,588	\$49.59	1,688.20	67.9%	27.3%	461	1,147	\$22,881	\$56,880
Auburn City	\$119,933	\$119.93	5,668.55	63.3%	27.1%	1535	3,588	\$184,113	\$430,276
Tallassee City	\$27,227	\$27.23	2,013.30	69.4%	27.1%	545	1,397	\$14,843	\$38,026
Tuscaloosa County	\$64,373	\$64.37	16,907.90	68.8%	27.0%	4561	11,641	\$293,636	\$749,364
Athens City	\$76,103	\$76.10	2,983.60	59.1%	26.7%	796	1,763	\$60,575	\$134,156
Elmore County	\$80,176	\$80.18	11,188.60	70.4%	25.8%	2885	7,881	\$231,293	\$631,848
Enterprise City	\$37,473	\$37.47	6,120.70	64.2%	24.5%	1502	3,929	\$56,289	\$147,229
Bibb County	\$31,706	\$31.71	3,732.70	73.6%	24.5%	916	2,746	\$29,029	\$87,053
Autauga County	\$62,663	\$62.66	9,818.60	71.4%	24.3%	2383	7,009	\$149,305	\$439,235
Lee County	\$54,331	\$54.33	9,957.10	72.7%	23.2%	2310	7,240	\$125,498	\$393,375
Opp City	\$28,596	\$28.60	1,401.50	76.2%	22.4%	314	1,068	\$8,968	\$30,551
Clay County	\$43,125	\$43.13	2,103.96	74.6%	21.7%	457	1,571	\$19,723	\$67,731
Oxford City	\$62,389	\$62.39	3,985.65	70.1%	20.6%	819	2,792	\$51,125	\$174,212
Jasper City	\$61,580	\$61.58	2,658.90	76.2%	20.3%	540	2,025	\$33,280	\$124,691
Hoover City	\$120,841	\$120.84	12,397.05	67.6%	20.2%	2507	8,380	\$302,939	\$1,012,704
Madison City	\$53,580	\$53.58	8,298.40	67.5%	19.7%	1632	5,605	\$87,445	\$300,307
Madison County	\$42,594	\$42.59	19,196.55	71.8%	18.2%	3498	13,774	\$149,003	\$586,674
Muscle Shoals City	\$52,793	\$52.79	2,701.60	78.9%	17.5%	474	2,132	\$25,001	\$112,531
Houston County	\$81,958	\$81.96	6,319.50	80.1%	17.4%	1102	5,060	\$90,350	\$414,673
Dale County	\$55,831	\$55.83	2,875.85	80.0%	17.1%	492	2,301	\$27,449	\$128,471
Lamar County	\$46,590	\$46.59	2,347.60	81.5%	17.0%	398	1,912	\$18,556	\$89,095
Fayette County	\$47,824	\$47.82	2,524.95	82.9%	16.0%	404	2,093	\$19,324	\$100,083
Piedmont City	\$25,760	\$25.76	1,068.00	81.3%	15.5%	165	868	\$4,260	\$22,354
Geneva City	\$30,374	\$30.37	1,286.75	83.6%	15.4%	198	1,075	\$6,013	\$32,664
Geneva County	\$41,403	\$41.40	2,683.90	80.1%	15.1%	406	2,151	\$16,828	\$89,053
Randolph County	\$100,889	\$100.89	2,292.80	80.4%	15.0%	343	1,842	\$34,582	\$185,879
Attalla City	\$21,002	\$21.00	1,788.80	78.9%	14.6%	262	1,411	\$5,497	\$29,638
Baldwin County	\$181,051	\$181.05	26,323.05	79.1%	14.4%	3793	20,834	\$686,773	\$3,772,075
Lawrence County	\$40,181	\$40.18	5,453.80	66.4%	14.3%	779	3,619	\$31,294	\$145,417
Calhoun County	\$34,703	\$34.70	9,288.30	82.9%	14.2%	1316	7,700	\$45,677	\$267,197
Sheffield City	\$40,255	\$40.25	1,166.10	75.9%	13.7%	160	885	\$6,453	\$35,637

Colbert County	\$84,809	\$84.81	2,977.25	84.4%	12.8%	380	2,512	\$32,245	\$213,057
Chilton County	\$46,671	\$46.67	7,631.40	78.7%	12.5%	956	6,002	\$44,608	\$280,134
Pell City	\$35,580	\$35.58	4,182.90	84.9%	12.3%	516	3,549	\$18,375	\$126,289
Guntersville City	\$64,409	\$64.41	1,924.45	82.1%	11.6%	223	1,580	\$14,345	\$101,740
Trussville City	\$77,504	\$77.50	4,119.95	86.4%	9.7%	400	3,559	\$31,031	\$275,867
Limestone County	\$48,786	\$48.79	8,612.00	83.7%	9.6%	827	7,209	\$40,363	\$351,684
Shelby County	\$86,235	\$86.23	26,475.50	87.2%	9.0%	2392	23,088	\$206,284	\$1,990,969
Russellville City	\$26,992	\$26.99	2,400.20	59.8%	8.8%	211	1,434	\$5,705	\$38,711
Covington County	\$71,289	\$71.29	3,079.10	90.6%	7.6%	235	2,790	\$16,743	\$198,861
Saint Clair County	\$70,802	\$70.80	8,305.85	87.2%	7.6%	632	7,240	\$44,778	\$512,630
Vestavia Hills City	\$101,176	\$101.18	5,932.00	85.9%	7.1%	424	5,095	\$42,906	\$515,472
Coffee County	\$52,896	\$52.90	2,163.95	89.9%	6.5%	141	1,945	\$7,452	\$102,903
Oneonta City	\$46,935	\$46.93	1,414.35	73.3%	6.4%	90	1,037	\$4,243	\$48,655
Walker County	\$49,688	\$49.69	8,354.25	92.9%	5.8%	489	7,758	\$24,276	\$385,501
Cherokee County	\$61,167	\$61.17	4,168.25	91.6%	5.8%	243	3,819	\$14,843	\$233,603
Hartselle City	\$35,829	\$35.83	3,131.95	90.9%	5.4%	169	2,847	\$6,066	\$101,987
Winfield City	\$30,379	\$30.38	1,320.60	92.5%	5.2%	69	1,221	\$2,085	\$37,099
Fort Payne City	\$53,859	\$53.86	2,900.62	63.1%	5.1%	149	1,831	\$8,009	\$98,615
Cleburne County	\$42,587	\$42.59	2,612.50	93.4%	4.3%	113	2,441	\$4,797	\$103,958
Marion County	\$45,554	\$45.55	3,692.30	93.4%	4.0%	148	3,449	\$6,737	\$157,105
Jackson County	\$37,160	\$37.16	5,997.95	85.4%	3.7%	224	5,123	\$8,315	\$190,378
Lauderdale County	\$38,996	\$39.00	8,837.65	94.9%	3.4%	304	8,383	\$11,848	\$326,897
Etowah County	\$42,051	\$42.05	9,188.50	93.2%	3.4%	310	8,568	\$13,021	\$360,300
Morgan County	\$91,763	\$91.76	7,783.45	91.4%	3.1%	239	7,114	\$21,930	\$652,797
Albertville City	\$45,704	\$45.70	3,800.20	65.2%	2.3%	87	2,478	\$3,971	\$113,263
Haleyville City	\$23,860	\$23.86	1,649.00	91.6%	2.1%	35	1,511	\$825	\$36,045
Boaz City	\$37,667	\$37.67	2,165.25	82.8%	1.8%	39	1,793	\$1,467	\$67,550
Cullman County	\$50,303	\$50.30	10,045.70	93.9%	1.3%	134	9,436	\$6,750	\$474,649
Blount County	\$34,616	\$34.62	8,367.75	88.0%	1.1%	89	7,368	\$3,075	\$255,038
DeKalb County	\$31,114	\$31.11	8,761.95	67.8%	1.0%	88	5,939	\$2,752	\$184,794
Marshall County	\$56,134	\$56.13	5,597.00	87.4%	0.7%	42	4,891	\$2,352	\$274,534
Franklin County	\$44,951	\$44.95	3,129.35	90.3%	0.7%	22	2,827	\$999	\$127,071
Cullman City	\$97,400	\$97.40	2,769.10	89.6%	0.6%	17	2,482	\$1,693	\$241,781
Winston County	\$92,498	\$92.50	2,747.00	98.4%	0.3%	7	2,703	\$651	\$249,998

Arab City	\$35,156	\$35.16	2,465.90	97.5%	0.3%	6	2,404	\$218	\$84,515
Mountain Brook City	\$137,428	\$137.43	4,330.30	98.5%	0.2%	10	4,264	\$1,363	\$585,976

Appendix Table 3 – School Tax Revenues Sorted from Lowest to Highest

County	School Taxes	Population	% White	% Black	School Taxes Per Capita
Bibb	\$1,104,986.63	21,629	76.9%	22.2%	\$ 51.09
Fayette	\$978,025.10	17,691	86.6%	12.4%	\$ 55.28
Blount	\$3,464,972.25	57,441	96.4%	2.0%	\$ 60.32
Jackson	\$3,494,562.06	53,134	92.2%	3.8%	\$ 65.77
Dale	\$3,423,088.70	48,292	74.9%	21.1%	\$ 70.88
Hale	\$1,292,101.40	18,145	41.2%	58.0%	\$ 71.21
Marion	\$2,131,747.85	29,465	94.7%	3.9%	\$ 72.35
Geneva	\$1,943,083.91	25,882	87.5%	10.8%	\$ 75.07
Lawrence	\$2,692,038.80	34,166	79.3%	12.3%	\$ 78.79
Pickens	\$1,651,687.36	19,524	56.4%	42.5%	\$ 84.60
Montgomery	\$19,082,519.69	224,810	43.9%	53.4%	\$ 84.88
Limestone	\$6,535,825.77	76,135	84.6%	13.3%	\$ 85.85
Lamar	\$1,227,350.28	14,295	87.2%	12.0%	\$ 85.86
Cullman	\$7,016,588.63	81,324	96.8%	1.6%	\$ 86.28
Chilton	\$3,694,312.67	42,444	87.6%	11.0%	\$ 87.04
Walker	\$6,050,954.00	68,970	92.1%	6.6%	\$ 87.73
Franklin	\$2,788,490.90	30,801	94.0%	4.4%	\$ 90.53
Autauga	\$4,569,675.84	50,364	79.9%	18.0%	\$ 90.73
Covington	\$3,372,518.49	36,856	85.4%	12.9%	\$ 91.51
Dallas	\$4,048,261.31	42,867	31.6%	67.2%	\$ 94.44
Conecuh	\$1,239,517.56	13,066	55.3%	43.6%	\$ 94.87
Perry	\$1,012,313.68	10,643	30.1%	69.0%	\$ 95.12
Crenshaw	\$1,325,554.00	13,754	73.1%	25.6%	\$ 96.38
Coffee	\$4,757,185.71	47,753	77.8%	18.3%	\$ 99.62
Dekalb	\$6,833,898.68	68,515	95.8%	1.9%	\$ 99.74
Monroe	\$2,256,220.68	22,553	56.9%	40.9%	\$ 100.04
Pike	\$3,146,336.66	30,381	60.2%	36.7%	\$ 103.56
Bullock	\$1,126,065.23	10,796	28.6%	70.1%	\$ 104.30
Marengo	\$2,237,939.32	21,055	47.4%	51.6%	\$ 106.29
St Clair	\$8,684,538.09	79,837	89.2%	9.2%	\$ 108.78
Clay	\$1,510,818.50	13,809	83.1%	15.3%	\$ 109.41
Henry	\$1,825,811.23	16,591	67.9%	30.9%	\$ 110.05
Tuscaloosa	\$20,984,652.59	179,448	66.8%	30.8%	\$ 116.94
Elmore	\$9,252,327.76	78,106	75.9%	22.0%	\$ 118.46
Marshall	\$10,538,949.77	88,484	96.0%	1.8%	\$ 119.11
Butler	\$2,431,186.97	20,090	57.0%	41.9%	\$ 121.01
Chambers	\$4,210,122.18	34,424	60.8%	38.2%	\$ 122.30
Houston	\$12,094,432.20	98,488	72.3%	25.7%	\$ 122.80
Wilcox	\$1,586,334.00	12,803	27.3%	72.2%	\$ 123.90
Etowah	\$12,858,790.26	103,303	83.3%	14.9%	\$ 124.48
Barbour	\$3,703,728.80	29,309	51.3%	47.1%	\$ 126.37
Sumter	\$1,764,760.05	13,266	26.8%	72.4%	\$ 133.03
Winston	\$3,292,849.61	23,974	97.6%	0.8%	\$ 137.35

Lee	\$18,316,608.51	133,010	73.8%	23.2%	\$	137.71
Lauderdale	\$13,023,350.47	89,128	88.2%	10.1%	\$	146.12
Colbert	\$8,044,853.84	54,663	81.9%	16.5%	\$	147.17
Cleburne	\$2,231,076.20	14,799	94.4%	4.3%	\$	150.76
Randolph	\$3,523,848.30	22,620	76.5%	22.1%	\$	155.78
Escambia	\$5,960,102.65	37,490	63.5%	31.9%	\$	158.98
Coosa	\$1,724,362.96	10,814	67.5%	31.4%	\$	159.46
Calhoun	\$18,100,333.26	113,419	78.0%	19.8%	\$	159.59
Morgan	\$19,927,479.23	115,959	85.5%	11.9%	\$	171.85
Lowndes	\$1,673,283.39	12,644	29.0%	70.1%	\$	175.00
Greene	\$1,633,824.00	9,172	20.6%	78.8%	\$	178.13
Clarke	\$4,826,187.39	26,304	55.2%	43.9%	\$	183.48
Russell	\$9,600,206.03	50,504	55.9%	41.9%	\$	190.09
Macon	\$4,250,304.57	22,290	15.8%	81.8%	\$	190.68
Talladega	\$15,474,878.17	80,279	66.8%	31.8%	\$	192.76
Choctaw	\$2,761,070.23	14,055	56.0%	43.2%	\$	196.45
Tallapoosa	\$8,476,706.80	40,773	72.6%	26.2%	\$	207.90
Washington	\$3,979,075.70	17,204	65.4%	26.0%	\$	231.29
Cherokee	\$6,062,470.18	24,545	92.9%	5.6%	\$	246.99
Mobile	\$106,839,747.85	406,309	62.0%	34.5%	\$	262.95
Madison	\$89,499,159.28	319,510	71.2%	24.2%	\$	280.11
Baldwin	\$59,389,869.68	174,439	88.1%	10.0%	\$	340.46
Jefferson	\$228,937,793.32	659,503	56.3%	41.2%	\$	347.14
Shelby	\$84,715,784.16	187,784	87.4%	10.1%	\$	451.13

Appendix Table 4 – State and Local K-12 Public School Spending Ranked from Lowest to Highest

Fiscal Year	SysID	System	ADM	State Source	Local Source	Per Pupil State	Per Pupil Local	Per Pupil State and Local	Percent Black
2008	195	Tallassee City	2,013.30	\$11,350,319.33	\$1,941,662.79	\$5,637.67	\$964.42	\$6,602.09	27.8%
2008	128	Demopolis City	2,453.00	\$13,598,393.73	\$2,642,550.58	\$5,543.58	\$1,077.27	\$6,620.85	50.1%
2008	011	Chilton County	7,631.40	\$45,092,046.12	\$5,451,964.77	\$5,908.75	\$714.41	\$6,623.16	12.8%
2008	005	Blount County	8,367.75	\$51,146,943.24	\$4,587,120.42	\$6,112.39	\$548.19	\$6,660.58	1.0%
2008	001	Autauga County	9,818.60	\$57,749,025.02	\$8,145,217.20	\$5,881.59	\$829.57	\$6,711.16	23.4%
2008	026	Elmore County	11,188.60	\$66,704,528.90	\$8,664,001.63	\$5,961.83	\$774.36	\$6,736.19	26.1%
2008	058	Saint Clair County	8,305.85	\$49,862,829.01	\$6,597,360.40	\$6,003.34	\$794.30	\$6,797.64	9.2%
2008	016	Coffee County	2,163.95	\$13,646,514.80	\$1,112,548.40	\$6,306.30	\$514.13	\$6,820.43	5.9%
2008	031	Geneva County	2,683.90	\$17,035,094.23	\$1,314,147.71	\$6,347.14	\$489.64	\$6,836.78	15.6%
2008	185	Piedmont City	1,068.00	\$6,493,885.63	\$822,389.15	\$6,080.42	\$770.03	\$6,850.44	16.1%
2008	028	Etowah County	9,188.50	\$56,800,637.60	\$6,166,101.55	\$6,181.71	\$671.07	\$6,852.78	3.7%
2008	191	Selma City	3,964.35	\$23,092,847.15	\$4,377,875.73	\$5,825.13	\$1,104.31	\$6,929.44	96.0%
2008	178	Oneonta City	1,414.35	\$8,414,946.49	\$1,404,370.12	\$5,949.69	\$992.94	\$6,942.64	6.4%
2008	035	Houston County	6,319.50	\$38,076,025.20	\$5,842,998.71	\$6,025.16	\$924.60	\$6,949.76	17.5%
2008	009	Chambers County	4,109.40	\$25,439,154.01	\$3,188,575.11	\$6,190.48	\$775.92	\$6,966.40	50.2%
2008	004	Bibb County	3,732.70	\$23,122,525.60	\$2,915,960.24	\$6,194.58	\$781.19	\$6,975.78	26.3%
2008	105	Anniston City	2,466.15	\$15,120,127.50	\$2,149,341.23	\$6,131.07	\$871.54	\$7,002.60	92.8%
2008	180	Opp City	1,401.50	\$8,352,493.45	\$1,590,585.77	\$5,959.68	\$1,134.92	\$7,094.60	21.9%
2008	047	Marion County	3,692.30	\$23,877,246.74	\$2,337,365.50	\$6,466.77	\$633.04	\$7,099.81	4.0%
2008	143	Fort Payne City	2,900.62	\$17,805,992.93	\$2,866,557.82	\$6,138.69	\$988.26	\$7,126.94	5.8%
2008	183	Pell City	4,182.90	\$24,706,999.73	\$5,142,873.17	\$5,906.67	\$1,229.50	\$7,136.17	12.1%
2008	188	Roanoke City	1,490.95	\$8,962,698.90	\$1,679,708.42	\$6,011.40	\$1,126.60	\$7,138.00	43.5%
2008	109	Attalla City	1,788.80	\$11,008,436.07	\$1,774,166.97	\$6,154.09	\$991.82	\$7,145.91	15.0%
2008	023	Dale County	2,875.85	\$18,570,944.65	\$2,006,134.77	\$6,457.55	\$697.58	\$7,155.13	19.8%
2008	101	Albertville City	3,800.20	\$23,547,269.33	\$3,653,060.48	\$6,196.32	\$961.28	\$7,157.60	2.4%
2008	050	Monroe County	4,306.95	\$27,259,025.70	\$3,646,044.00	\$6,329.08	\$846.55	\$7,175.63	53.9%
2008	162	Jacksonville City	1,688.20	\$9,972,623.44	\$2,152,137.47	\$5,907.25	\$1,274.81	\$7,182.06	26.0%

2008	198	Thomasville City	1,575.96	\$9,562,905.85	\$1,806,659.78	\$6,067.99	\$1,146.39	\$7,214.37	45.5%
2008	155	Haleyville City	1,649.00	\$9,832,151.03	\$2,068,423.02	\$5,962.49	\$1,254.35	\$7,216.84	1.8%
2008	113	Bessemer City	4,287.10	\$25,022,515.60	\$5,959,542.67	\$5,836.70	\$1,390.11	\$7,226.81	93.9%
2008	033	Hale County	3,168.65	\$20,542,511.11	\$2,385,285.23	\$6,483.05	\$752.78	\$7,235.82	72.5%
2008	038	Lamar County	2,347.60	\$15,496,916.64	\$1,508,432.92	\$6,601.17	\$642.54	\$7,243.72	16.8%
2008	171	Midfield City	1,263.00	\$7,966,426.79	\$1,211,324.76	\$6,307.54	\$959.09	\$7,266.63	97.4%
2008	065	Washington County	3,582.80	\$22,700,344.07	\$3,383,861.92	\$6,335.92	\$944.47	\$7,280.40	31.3%
2008	034	Henry County	2,762.25	\$16,950,417.97	\$3,184,677.73	\$6,136.45	\$1,152.93	\$7,289.38	40.6%
2008	044	Macon County	3,077.85	\$20,356,388.81	\$2,108,960.84	\$6,613.83	\$685.21	\$7,299.04	98.2%
2008	053	Perry County	1,997.65	\$12,940,651.30	\$1,645,418.22	\$6,477.94	\$823.68	\$7,301.61	99.0%
2008	054	Pickens County	3,139.35	\$20,627,726.64	\$2,313,314.83	\$6,570.70	\$736.88	\$7,307.58	61.3%
2008	014	Clay County	2,103.96	\$13,720,529.76	\$1,663,917.14	\$6,521.29	\$790.85	\$7,312.14	22.0%
2008	204	Winfield City	1,320.60	\$8,114,351.18	\$1,542,261.71	\$6,144.44	\$1,167.85	\$7,312.29	5.4%
2008	012	Choctaw County	1,982.85	\$13,336,627.80	\$1,174,703.61	\$6,725.99	\$592.43	\$7,318.42	68.2%
2008	051	Montgomery County	31,938.45	\$196,208,488.42	\$38,062,694.03	\$6,143.33	\$1,191.75	\$7,335.08	78.9%
2008	061	Talladega County	7,941.20	\$49,347,006.50	\$9,144,458.17	\$6,214.05	\$1,151.52	\$7,365.57	39.1%
2008	045	Madison County	19,196.55	\$114,445,776.88	\$26,985,682.55	\$5,961.79	\$1,405.76	\$7,367.55	17.9%
2008	063	Tuscaloosa County	16,907.90	\$100,415,168.10	\$24,425,744.06	\$5,938.95	\$1,444.63	\$7,383.58	26.3%
2008	199	Troy City	2,293.95	\$13,669,021.19	\$3,300,904.78	\$5,958.73	\$1,438.96	\$7,397.69	59.9%
2008	015	Cleburne County	2,612.50	\$18,204,833.37	\$1,139,382.24	\$6,968.36	\$436.13	\$7,404.48	3.8%
2008	021	Crenshaw County	2,374.70	\$14,947,187.54	\$2,651,509.46	\$6,294.35	\$1,116.57	\$7,410.91	33.2%
2008	146	Geneva City	1,286.75	\$7,943,638.98	\$1,602,124.96	\$6,173.41	\$1,245.09	\$7,418.51	15.6%
2008	056	Randolph County	2,292.80	\$15,205,767.07	\$1,823,087.86	\$6,631.96	\$795.14	\$7,427.10	15.4%
2008	104	Andalusia City	1,674.85	\$9,891,513.55	\$2,552,700.79	\$5,905.91	\$1,524.14	\$7,430.05	34.6%
2008	007	Butler County	3,379.55	\$22,123,819.39	\$2,989,481.40	\$6,546.38	\$884.58	\$7,430.96	60.9%
2008	132	Enterprise City	6,120.70	\$36,132,250.53	\$9,466,881.38	\$5,903.29	\$1,546.70	\$7,449.99	24.4%
2008	013	Clarke County	3,337.55	\$21,402,853.08	\$3,490,212.95	\$6,412.74	\$1,045.74	\$7,458.48	67.2%
2008	048	Marshall County	5,597.00	\$36,235,520.72	\$5,528,392.70	\$6,474.10	\$987.74	\$7,461.84	0.5%
2008	144	Gadsden City	5,569.20	\$34,286,627.73	\$7,307,625.07	\$6,156.47	\$1,312.15	\$7,468.62	53.5%
2008	184	Phenix City	5,850.45	\$34,102,047.61	\$9,608,922.16	\$5,828.96	\$1,642.42	\$7,471.39	63.5%
2008	137	Fairfield City	2,327.00	\$14,947,945.65	\$2,454,475.76	\$6,423.70	\$1,054.78	\$7,478.48	98.9%
2008	024	Dallas County	4,314.30	\$30,787,872.36	\$1,487,720.30	\$7,136.24	\$344.83	\$7,481.07	78.7%
2008	022	Cullman County	10,045.70	\$65,863,395.63	\$9,348,161.97	\$6,556.38	\$930.56	\$7,486.94	1.4%
2008	006	Bullock County	1,679.41	\$11,068,071.97	\$1,540,960.48	\$6,590.45	\$917.56	\$7,508.01	94.9%

2008	025	DeKalb County	8,761.95	\$55,382,736.57	\$10,558,345.52	\$6,320.82	\$1,205.02	\$7,525.85	1.0%
2008	008	Calhoun County	9,288.30	\$57,324,872.88	\$12,626,405.18	\$6,171.73	\$1,359.39	\$7,531.12	14.2%
2008	049	Mobile County	64,340.50	\$393,039,728.01	\$93,863,193.03	\$6,108.75	\$1,458.85	\$7,567.60	49.8%
2008	039	Lauderdale County	8,837.65	\$54,501,153.27	\$12,505,751.66	\$6,166.93	\$1,415.05	\$7,581.98	3.5%
2008	156	Hartselle City	3,131.95	\$19,095,101.23	\$4,652,444.87	\$6,096.87	\$1,485.48	\$7,582.35	5.4%
2008	041	Lee County	9,957.10	\$57,232,659.45	\$18,457,027.77	\$5,747.92	\$1,853.65	\$7,601.58	23.7%
2008	003	Barbour County	1,120.75	\$7,429,133.06	\$1,111,894.12	\$6,628.72	\$992.10	\$7,620.81	90.3%
2008	189	Russellville City	2,400.20	\$14,314,049.48	\$3,986,063.44	\$5,963.69	\$1,660.72	\$7,624.41	8.6%
2008	057	Russell County	3,383.15	\$21,864,976.63	\$3,985,616.17	\$6,462.90	\$1,178.08	\$7,640.98	39.4%
2008	115	Boaz City	2,165.25	\$13,751,429.09	\$2,843,206.92	\$6,350.97	\$1,313.11	\$7,664.07	1.5%
2008	066	Wilcox County	2,166.85	\$14,914,565.22	\$1,705,220.28	\$6,883.06	\$786.96	\$7,670.02	99.7%
2008	130	Dothan City	9,156.90	\$55,811,132.48	\$14,439,111.55	\$6,094.98	\$1,576.86	\$7,671.84	54.6%
2008	165	Lanett City	928.85	\$6,078,722.38	\$1,068,528.48	\$6,544.35	\$1,150.38	\$7,694.73	86.0%
2008	194	Talladega City	2,628.25	\$16,446,169.00	\$3,778,167.43	\$6,257.46	\$1,437.52	\$7,694.98	57.0%
2008	029	Fayette County	2,524.95	\$16,318,239.34	\$3,132,689.79	\$6,462.80	\$1,240.69	\$7,703.49	16.1%
2008	010	Cherokee County	4,168.25	\$26,484,303.23	\$5,766,557.84	\$6,353.82	\$1,383.45	\$7,737.27	5.6%
2008	027	Escambia County	4,621.16	\$29,221,073.75	\$6,708,395.42	\$6,323.32	\$1,451.67	\$7,774.99	42.3%
2008	116	Brewton City	1,292.20	\$7,914,197.16	\$2,159,154.72	\$6,124.59	\$1,670.91	\$7,795.51	38.7%
2008	037	Jefferson County	36,216.20	\$223,513,211.69	\$58,828,114.82	\$6,171.64	\$1,624.36	\$7,796.00	39.7%
2008	181	Oxford City	3,985.65	\$24,045,146.27	\$7,120,928.43	\$6,032.93	\$1,786.64	\$7,819.57	21.5%
2008	040	Lawrence County	5,453.80	\$36,027,368.42	\$6,710,484.21	\$6,605.92	\$1,230.42	\$7,836.34	15.6%
2008	042	Limestone County	8,612.00	\$52,330,273.08	\$15,268,114.10	\$6,076.44	\$1,772.89	\$7,849.33	9.8%
2008	125	Cullman City	2,769.10	\$15,658,756.90	\$6,081,134.72	\$5,654.82	\$2,196.07	\$7,850.89	0.7%
2008	169	Madison City	8,298.40	\$48,475,149.88	\$16,704,256.63	\$5,841.51	\$2,012.95	\$7,854.45	21.3%
2008	019	Coosa County	1,342.35	\$9,362,829.37	\$1,188,038.51	\$6,974.95	\$885.04	\$7,860.00	49.1%
2008	167	Leeds City	1,400.50	\$8,628,443.21	\$2,393,015.22	\$6,160.97	\$1,708.69	\$7,869.66	30.9%
2008	062	Tallapoosa County	3,136.25	\$19,654,575.38	\$5,145,235.36	\$6,266.90	\$1,640.57	\$7,907.47	36.2%
2008	126	Daleville City	1,284.95	\$8,655,290.33	\$1,516,010.87	\$6,735.90	\$1,179.82	\$7,915.72	40.0%
2008	106	Arab City	2,465.90	\$15,768,590.50	\$3,789,336.13	\$6,394.66	\$1,536.69	\$7,931.35	0.1%
2008	102	Alexander City	3,482.55	\$21,840,782.15	\$5,811,413.42	\$6,271.49	\$1,668.72	\$7,940.21	38.7%
2008	046	Marengo County	1,534.70	\$10,617,888.36	\$1,602,272.00	\$6,918.54	\$1,044.03	\$7,962.57	80.4%
2008	020	Covington County	3,079.10	\$20,925,390.98	\$3,599,719.56	\$6,795.94	\$1,169.08	\$7,965.03	8.5%
2008	043	Lowndes County	2,068.25	\$14,548,138.62	\$1,947,739.44	\$7,034.03	\$941.73	\$7,975.77	99.2%
2008	064	Walker County	8,354.25	\$53,468,794.30	\$13,237,917.54	\$6,400.19	\$1,584.57	\$7,984.76	6.0%
2008	032	Greene County	1,463.55	\$9,921,111.43	\$1,784,241.01	\$6,778.80	\$1,219.12	\$7,997.92	99.8%

2008	193	Sylacauga City	2,357.10	\$14,431,325.37	\$4,452,555.10	\$6,122.49	\$1,889.00	\$8,011.49	36.7%
2008	201	Tuscumbia City	1,541.05	\$9,389,757.27	\$2,956,628.90	\$6,093.09	\$1,918.58	\$8,011.67	27.3%
2008	036	Jackson County	5,997.95	\$40,474,469.99	\$7,755,756.13	\$6,748.05	\$1,293.07	\$8,041.12	3.8%
2008	200	Tuscaloosa City	10,170.00	\$61,562,929.75	\$20,748,837.79	\$6,053.39	\$2,040.20	\$8,093.59	74.7%
2008	133	Eufaula City	2,685.30	\$15,945,014.92	\$5,823,560.17	\$5,937.89	\$2,168.68	\$8,106.57	57.0%
2008	030	Franklin County	3,129.35	\$22,599,984.28	\$2,855,993.20	\$7,221.94	\$912.65	\$8,134.59	0.5%
2008	052	Morgan County	7,783.45	\$47,436,177.77	\$16,054,825.49	\$6,094.49	\$2,062.69	\$8,157.18	2.9%
2008	154	Guntersville City	1,924.45	\$11,812,955.52	\$3,971,018.75	\$6,138.35	\$2,063.46	\$8,201.81	11.6%
2008	060	Sumter County	2,274.15	\$15,828,250.62	\$2,874,160.57	\$6,960.07	\$1,263.84	\$8,223.91	99.0%
2008	067	Winston County	2,747.00	\$19,574,108.68	\$3,052,247.80	\$7,125.63	\$1,111.12	\$8,236.75	0.3%
2008	182	Ozark City	2,473.00	\$17,494,043.67	\$3,018,723.00	\$7,074.02	\$1,220.67	\$8,294.69	46.0%
2008	059	Shelby County	26,475.50	\$151,213,767.67	\$69,013,125.07	\$5,711.46	\$2,606.68	\$8,318.14	13.3%
2008	190	Scottsboro City	2,681.05	\$17,454,351.04	\$4,847,171.89	\$6,510.27	\$1,807.94	\$8,318.20	7.8%
2008	205	Trussville City	4,119.95	\$25,108,993.99	\$9,439,257.79	\$6,094.49	\$2,291.11	\$8,385.60	10.0%
2008	179	Opelika City	4,274.70	\$25,824,782.62	\$10,229,727.26	\$6,041.31	\$2,393.09	\$8,434.40	64.0%
2008	114	Birmingham City	28,393.30	\$181,064,586.51	\$58,620,171.63	\$6,377.02	\$2,064.58	\$8,441.60	96.9%
2008	055	Pike County	2,204.00	\$14,457,884.97	\$4,168,052.56	\$6,559.84	\$1,891.13	\$8,450.97	49.6%
2008	176	Muscle Shoals City	2,701.60	\$16,503,194.56	\$6,392,611.23	\$6,108.67	\$2,366.23	\$8,474.91	17.5%
2008	131	Elba City	876.00	\$5,667,977.81	\$1,818,181.57	\$6,470.29	\$2,075.55	\$8,545.84	47.1%
2008	163	Jasper City	2,658.90	\$16,925,214.17	\$5,803,067.49	\$6,365.49	\$2,182.51	\$8,548.00	20.0%
2008	017	Colbert County	2,977.25	\$19,700,553.13	\$5,993,835.90	\$6,617.03	\$2,013.21	\$8,630.24	13.3%
2008	127	Decatur City	8,811.50	\$52,477,427.15	\$24,436,873.45	\$5,955.56	\$2,773.29	\$8,728.85	33.5%
2008	018	Conecuh County	1,700.25	\$13,005,803.00	\$1,873,167.37	\$7,649.35	\$1,101.70	\$8,751.05	84.2%
2008	159	Huntsville City	22,839.25	\$133,406,874.31	\$69,901,905.13	\$5,841.12	\$3,060.60	\$8,901.73	43.2%
2008	197	Tarrant City	1,361.55	\$8,255,203.22	\$3,887,912.87	\$6,063.09	\$2,855.51	\$8,918.60	79.6%
2008	002	Baldwin County	26,323.05	\$154,504,026.50	\$81,628,908.83	\$5,869.53	\$3,101.04	\$8,970.58	14.9%
2008	168	Linden City	489.30	\$3,580,982.41	\$829,082.22	\$7,318.58	\$1,694.43	\$9,013.01	98.6%
2008	110	Auburn City	5,668.55	\$34,063,266.31	\$17,073,567.11	\$6,009.17	\$3,011.98	\$9,021.15	28.0%
2008	192	Sheffield City	1,166.10	\$7,973,206.52	\$2,885,160.69	\$6,837.50	\$2,474.20	\$9,311.69	45.8%
2008	141	Florence City	4,024.35	\$26,215,098.59	\$11,312,361.84	\$6,514.12	\$2,810.98	\$9,325.10	37.4%
2008	107	Athens City	2,983.60	\$18,583,736.12	\$9,456,406.84	\$6,228.63	\$3,169.46	\$9,398.09	26.6%
2008	202	Vestavia Hills City	5,932.00	\$32,268,142.16	\$29,483,964.41	\$5,439.67	\$4,970.32	\$10,410.00	7.3%
2008	158	Hoover City	12,397.05	\$73,375,614.69	\$65,376,687.43	\$5,918.80	\$5,273.57	\$11,192.36	19.0%
2008	157	Homewood City	3,393.20	\$18,543,715.80	\$21,302,334.55	\$5,464.96	\$6,277.95	\$11,742.91	27.2%
2008	175	Mountain Brook	4,330.30	\$25,443,847.68	\$25,866,486.30	\$5,875.77	\$5,973.37	\$11,849.14	0.2%

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Green, Richard K. and Elaine Weiss, 2009, "Property Tax Exemptions, Revenues, and Equity: Some Lessons from Wisconsin," in Nancy Y. Augustine, Michael E. Bell, David Brunori and Joan M. Youngman (editors), *Erosion of the Property Tax Base: Trends, Causes and Consequences*, Lincoln Institute of Land Policy, Cambridge Massachusetts, pp. 51-68.

## **Appendix – Comments on Plaintiffs’ Expert Reports**

### **Review of Expert Reports**

#### ***Report by Dr. Daniel J. Sullivan***

It is difficult to comment on much of this report because there is very little empirical evidence presented to back up Dr. Sullivan’s assertions, many of which are inconsistent with the evidence. One recurring theme in the report that merits discussion is the idea that current use valuation and assessment of property has a racially disparate impact on African-Americans’ ability to raise property tax revenues. There is a lengthy discussion of this point in the second bullet under the third opinion. Dr. Sullivan offers an estimate of property tax revenues foregone by Sumter County because of this provision in the Constitution. The estimate is based on the average selling price of timber and agricultural land in Alabama. If Sumter County is the poor rural county that seems to be the focus of this report, it is highly likely that the actual market value of timber and agricultural land in Sumter County will be substantially below the statewide average. As a result, it is difficult to attach much credibility to the estimates of foregone revenues in the report. It would have been rather simple to obtain a sample of actual sales of timber and agricultural land in Sumter County to base such an estimate on actual data. In any event, this exercise done for this one county – out of 67 in the state – does nothing to support the plaintiffs’ claim of a racially disparate impact.

Dr. Sullivan’s assertions on page 10 regarding the share of a county’s property tax base comprised by current use are similarly unavailing. The amount of tax revenues available to fund public education and other government services provided by local governments depends on a number of factors: the overall property tax base, the millage rates, and the assessed value of current use and all other property, among others. It is not useful to draw conclusions based on the relative share of one particular class of property without analyzing the others as well. Furthermore, Dr. Sullivan’s assertion on page 10 that “the impact on the tax base (for African-American students) of having artificially low values for current use property is nearly double the impact for white students” ignores over 20% of the state’s African-American population and nearly 20% of the state’s property tax base by excluding Jefferson County from the analysis. The best measures of whether a disparate impact exists are analyzed in my expert report: tax capacity per capita and per student, tax revenues per capita, and K-12 expenditures per student.

Finally, Dr. Sullivan’s conclusion on page 11 that in majority-black districts, raising an additional \$800 per student would cost the median household about 1.5% of its income compared to a burden of 0.8% of median household income in majority-white districts represents a gross distortion of the facts in at least two ways. First, it compares a hand-picked subset of some of the poorest districts in the state that represent less than 9% of the state’s total population to a subset of more than 91% of the state’s population without taking any account of the size of the subsets. As documented in my expert report, cherry-picking subsets of the population for comparison does not provide a valid basis for projecting any findings on or extrapolating them to the larger population of African-Americans or whites. Second, Dr. Sullivan’s calculation assumes that 100% of the increased taxes would be borne by households. This assumption is

entirely unrealistic and completely ignores the taxes borne by non-resident commercial, utility and agricultural interests.

Dr. Sullivan's report also contains several factual errors. On page 6, Dr. Sullivan states that the "capacity of the property tax in Alabama to generate revenue is well below that *of all other states*" (emphasis added). This statement is unsupported and is not accurate. An annual study by the Minnesota Taxpayers Association looks at how heavily the property tax is utilized in each state by computing the effective property tax rate for residential properties in the largest city in each state. This measure presents net property tax liabilities as a percent of the tax base, the assessed value of residential properties. This could be interpreted as a measure of tax effort, as discussed below.

According to this measure, nationally the median effective property tax rate on residential properties is 1.19 percent, not far from the 1 percent asserted in the report. The range in effective tax rates on residential properties is from 3.2 percent in Michigan to 0.36 percent in Hawaii. New York has an effective property tax rate for residential properties of 0.64 percent; Wyoming is 0.65 percent; Alabama is 0.66 percent; and Massachusetts is 0.68 percent. (Bell and Kirschner, 2009) According to this evidence, Alabama has a relatively low effective property tax rate, but it is certainly not the lowest in the US.

Another unsupported and factually incorrect assertion is made on page 2, where Dr. Sullivan states in a discussion of tax incidence that the ability of owners of rental housing to shift the burden to renters is easier the more rural a community is and the less mobile tenants are. In fact, the final incidence of any component of the property tax, including the portion falling on rental housing, depends on the ability of owners of rental housing to shift the burden of property taxes to renters, which will be determined by market conditions for rental housing in each local community, not the fact that the community might be rural. The primary factor in looking at such shifting assumptions is the vacancy rate for alternative types of rental housing in the community.

Overall, there is nothing presented in Dr. Sullivan's report that supports the basic claim by the plaintiffs that the property tax restrictions in Alabama's constitution have a racially discriminatory effect on blacks in Alabama as compared to whites.

#### ***Report by Professor Susan Pace Hamill***

Professor Hamill states on page 4 of her report that her testimony "will illustrate that the effects of the property tax Lid Bill provisions continue to operate in a way that severely restricts the ability of rural, poor, school districts to raise adequate local property taxes, especially from Class III current use property, and, that the negative consequences of these effects continue to fall disproportionately on African-American Alabamians."

Simply put, Hamill has not produced any evidence of a racially disparate impact caused by the constitutional property tax limitations.

I also want to correct one factual error. On page 3 of the June 9 report the first sentence in the first full paragraph states “Alabama is unique in that current use valuation of land is not limited to property on the edge of urban growth. Current use is used throughout the state on all agricultural and timber land ...” Alabama is not unique in this regard. Virtually all such programs that provide preferential property tax treatment for timber and agricultural land apply throughout the state. Every state except one has some sort of preferential assessment program for timber and/or agricultural land. Taxable values are determined in a number of different ways including valuations based on the income productivity of the land in its current use, using a fixed rate per acre which is often set by the legislature, or using other methodologies or state devised formula (Bowman, Cordes and Metcalf).

It has been estimated that agricultural use value assessment in Wisconsin reduced the taxable base by 44 percent, resulting in a loss of \$1.6 billion in property tax revenues to local governments in Wisconsin. It is estimated that the market value of agricultural land in Kansas is reduced by 80 percent because of preferential assessment of agricultural land affecting all local governments in the state. (Green and Weiss) Providing preferential property tax treatment for agricultural land is not unique; across the country, such provisions typically apply to all such lands applying for the program within a state, and such programs result in substantial amounts of property tax revenues foregone by all local governments. There is nothing unique about this situation in Alabama.

#### Correlation Charts

The report includes five appendices with what are described as 12 “correlation charts.” The correlation chart is the tool used in the report to make various points critical to the argument put forward. The conclusion of the report is that “African-American Alabamians disproportionately bear a greater share of the negative effects from the Lid Bill’s restrictions.” (p. 12)

Nothing in the five appendices supports this conclusion. Professor Hamill, for example, uses Chart 5 in her Appendix B to argue that school districts as a whole reveal a correlation between reliance on local property taxes and race indicating that school districts relying less on local property taxes also have higher percentages of African-American students. The implication is that the students are therefore disproportionately disadvantaged.

There are two main problems with this argument. First, there is no discussion of what resources are available for each student and how that varies across school districts. If African-Americans are being disproportionately impacted, they should systematically have lower local resources per student than students in white districts. No such evidence is presented, but such information is easily obtainable. One could simply compute the correlation coefficient between the percent of a school district’s students that are African-American and total state and local spending per student for all school districts in the state. Such information is included in Appendix Table 4 in this report.<sup>28</sup> The correlation coefficient between those two sets of numbers

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<sup>28</sup> See data in Appendix Table 4 in this report. These data were provided by the Alabama Department of Education, including the number of African-American students in the school district. This number was divided by the total

is -0.024; in other words there is no relationship between these two sets of numbers. The actual correlation between these two sets of numbers is essentially random.

Second, Professor Hamill's analysis of the relationships between different variables is rather superficial. She simply presents a scatter diagram and then uses a function embedded in Microsoft Excel program to impose a line on that scatter diagram. The function in the Excel program will always impose a line, but that does not mean there is a strong relationship between the two variables in question.

The appropriate tool to describe the relationship between two sets of numbers is the correlation coefficient.<sup>29</sup> This calculation can be done in Excel, but Professor Hamill never used it to investigate or test any of the relationships asserted to be important in making the case about the alleged disproportionate impact of the property tax system on African-Americans.

Calculating the correlation coefficient between the variables in Chart 5 using the formula embedded in the Excel program reveals a value of 0.155.<sup>30</sup> In other words, there is NO relationship between the percent of school district's students that are African-American and the reliance of that school district on local property taxes.

This situation arises in a number of other cases. Overall, the correlations represented by the various Appendices and Correlation Charts reviewed above are weak correlations and do not support the categorical conclusions stated on the individual charts or in the text of the report.

Take for example the Correlation Charts presented in Appendix C of the Hamill report. Chart 6 concludes that school districts in counties that heavily rely on current use property for property tax revenues have very low overall property tax revenues. Chart 7 concludes that school districts in counties that heavily rely on current use property for property tax revenues have very low property tax revenues from Class II property. Chart 8 concludes that counties that more heavily rely on Class II property for property tax revenues for local school districts have greater overall property tax revenue.

There are three major problems with these charts and the stated conclusions. First, there is no evidence presented to indicate that there is a significant relationship between any of the variables. Second, the data in the table and reflected in the charts are total property tax collections by county by land use type. A county could have high collections because it is a large county, or it could have large collections because the property in the county is relatively more valuable. Absolute numbers are very difficult to interpret because there is no way to determine what implications they have for individual students in each district or county. To provide a meaningful basis for drawing conclusions regarding potential racially disparate impacts, the numbers would need to be adjusted for the number of students or citizens in a county.

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number of students in the school district to calculate the percent of a school district's students who are African-American.

<sup>29</sup> See footnote 14, *supra*.

<sup>30</sup> The data in Appendix B in the Hamill report of June 9, 2009 are for fiscal year 2007 and the data I used are for fiscal year 2008. Some of the absolute numbers might be a bit off, but they would not distort the overall pattern.

Third, as Sullivan pointed out in his paper, the property tax is a tax on wealth. The ability of a jurisdiction to generate property tax revenues will be influenced by the value of the tax base. The fact that one county might have a higher or lower percentage of one type of property or another does not tell us much about the levels of property tax revenues that can be generated per citizen or student. The data presented seem to indicate that poor, maybe rural, counties with a large amount of timber land do not raise much in property tax revenues. That almost goes without saying since the property tax is a wealth tax; that does not, however, indicate that statewide African-American students face a disparate impact from the property tax system.

The discussion of these data on pages 8 and 9 in the text concludes that “When viewing the contributions made to the property tax revenues from each class of property for local schools in each county individually, wide disparities exist deviating from the overall state total.” This seems to be a rather obvious statement about the outcome of the property tax system; property tax revenues raised depend on the value of the property base in the jurisdiction. This has nothing to do with race and everything to do with property wealth.

### ***Conclusion***

The focus of the Sullivan and Hamill reports are primarily on poor, rural counties that are predominately African-American that have difficulty raising property tax revenues to deliver needed services, including public education. Professor Hamill clearly displayed this flawed framework for analysis in stating that her research will show that:

“... in Alabama, African-Americans are disproportionately poor, and counties with little ability to raise local property taxes because they have little valuable property other than Class III current use property have greater concentrations of African-Americans and poor, rural, majority-black school districts.” (Hamill report, April 30, 2009, p. 5)

The relationships, data, and information discussed in the Hamill and Sullivan reports are indirect and poorly-crafted means of addressing the issue of whether or not African-American citizens and students are systematically and disproportionately impacted by the constitutional restrictions on property taxes in Alabama. They fail to address these issues directly in large part because the analysis is limited to looking at unweighted averages across counties or school districts, not for individual citizens or students. Simply put, the data and comparisons in Sullivan’s and Hamill’s reports do not support their conclusion that African-Americans are disparately impacted by the property tax limitations in the Alabama Constitution.