



**CITY OF MADISON, ALABAMA**

**JOINT WORK SESSION**

**MADISON CITY COUNCIL,**

**MADISON BOARD OF EDUCATION AND**

**MADISON GROWTH IMPACT COMMITTEE**

**MARCH 22, 2018**

**MINUTES NO. 2018-05-WS**

A joint work session between the Madison City Council, Madison Board of Education and the Madison Growth Impact Committee was held on Thursday, March 22, 2018, at 7:00 p.m. at the Central Office of the Board of Education located at 211 Celtic Drive, Madison, Alabama.

The roll call of School Board Members and Madison City Council was conducted and recorded as follows:

**Madison City Council**

Mayor Paul Finley	Present
Council District No. 1 Maura Wroblewski	Present
Council District No. 2 Steve Smith	Present
Council District No. 3 Teddy Powell	Present
Council District No. 4 Greg Shaw	Present
Council District No. 5 Tommy Overcash	Present
Council District No. 6 Gerald Clark	Present
Council District No. 7 John Seifert	Present

**Board of Education**

President Ranae Bartlett	Present
Vice-President Timothy Holtcamp	Present
Board Member Connie Spears	Present
Board Member David Hergenroeder	Present
Board Member Luis Ferrer	Present

Madison Mayor Paul Finley opened the meeting at 7:03 p.m. and introduced Madison Growth Impact Committee Co-Chairpersons Mike Potter and Dr. Terri Johnson. Dr. Johnson began by having the members of the Growth Impact Committee present in the meeting stand to be recognized for the countless hours they have put in. The committee, created in 2017, consists of the following members:

- Committee Co-Chair Dr. Terri Johnson
- Committee Co-Chair Mike Potter
- Madison County Commissioner Steve Haraway
- Madison City Board of Education Member David Hergenroeder
- Alice Lessmann
- Larry Miles
- Valerie Miles
- Shaquinta Morgan
- Former Madison City Commissioner Bebe Oetjen
- Industrial Development Board Member Dr. Sandy Patel
- Planning Commission Member Steve Ryder
- Madison City Council Member Greg Shaw
- Former Madison City Board of Education Member Dr. Sheila Nash Stevenson
- Al Sullivan

The Committee was tasked with developing a recommended plan for the future educational growth needs of the City over the next 10-20 years using three scenarios:

Case 1: document the growth and build-out of Madison as already approved by the Planning Commission and City Council, to include current approved subdivisions and lots plus likely near-term strategic annexations

Case 2: document the growth and build-out of Madison in the next 10-15 years, utilizing the Madison Growth Plan and the Western Growth Plan

Case 3: document the growth and build-out of Madison in the next 10-15 years, assuming all possible annexations with no plan constraints and only limited by the municipal boundaries of the Cities of Huntsville and Athens.

The Committee Co-Chairs, Dr. Terri Johnson and Mr. Mike Potter, presented their final growth impact study. The key findings are as follows:

- Approximately Ten Mills, based on FY 2016 data, Ad Valorem Tax would support the estimated revenue needed for a new middle school and elementary school
- One additional Mill would finance the additions at both high schools
- Ten additional Mills would generate revenue needed for a third high school
- Recommend the City consider modifying assumptions in Case 2 that would reduce by 3,500 the number of new homes in 2040 build out
  - Case 2 projects 10,300 new homes by 2040
  - Scale back growth to only 6,800 new homes by 2040

- Very difficult to control growth over multiple administrations
- Controlling growth potentially could avoid the need for a 3<sup>rd</sup> high school but needs would have to be reassessed in 2022
  - If Case 2 is modified, additions could be added to each high school creating two 2,500 student high schools
  - Additions would be needed by 2025
  - The City Council and Madison Board of Education would need to monitor population closely

Mayor Finley informed all those in attendance that the City will schedule community meetings in the near future for citizen input. The City Council will need to decide on whether or not to place growth caps or modifiers to the 3 case scenarios presented this evening.

A copy of the final study is attached.

### **ADJOURNMENT**

Council President Overcash adjourned the work session at approximately 8:49 p.m.

Signatures on following page.

Minutes Joint Work Session, dated March 22, 2018, read, approved and adopted this 9<sup>th</sup> day of April 2018.



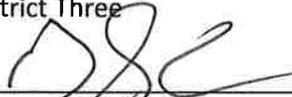
Council Member Maura Wroblewski  
District One



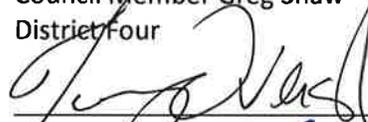
Council Member Steve Smith  
District Two



Council Member Teddy Powell  
District Three



Council Member Greg Shaw  
District Four



Council Member Tommy Overcash  
District Five

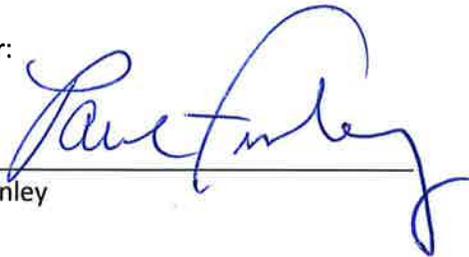


Council Member Gerald Clark  
District Six



Council Member John Seifert  
District Seven

Concur:



Paul Finley  
Mayor

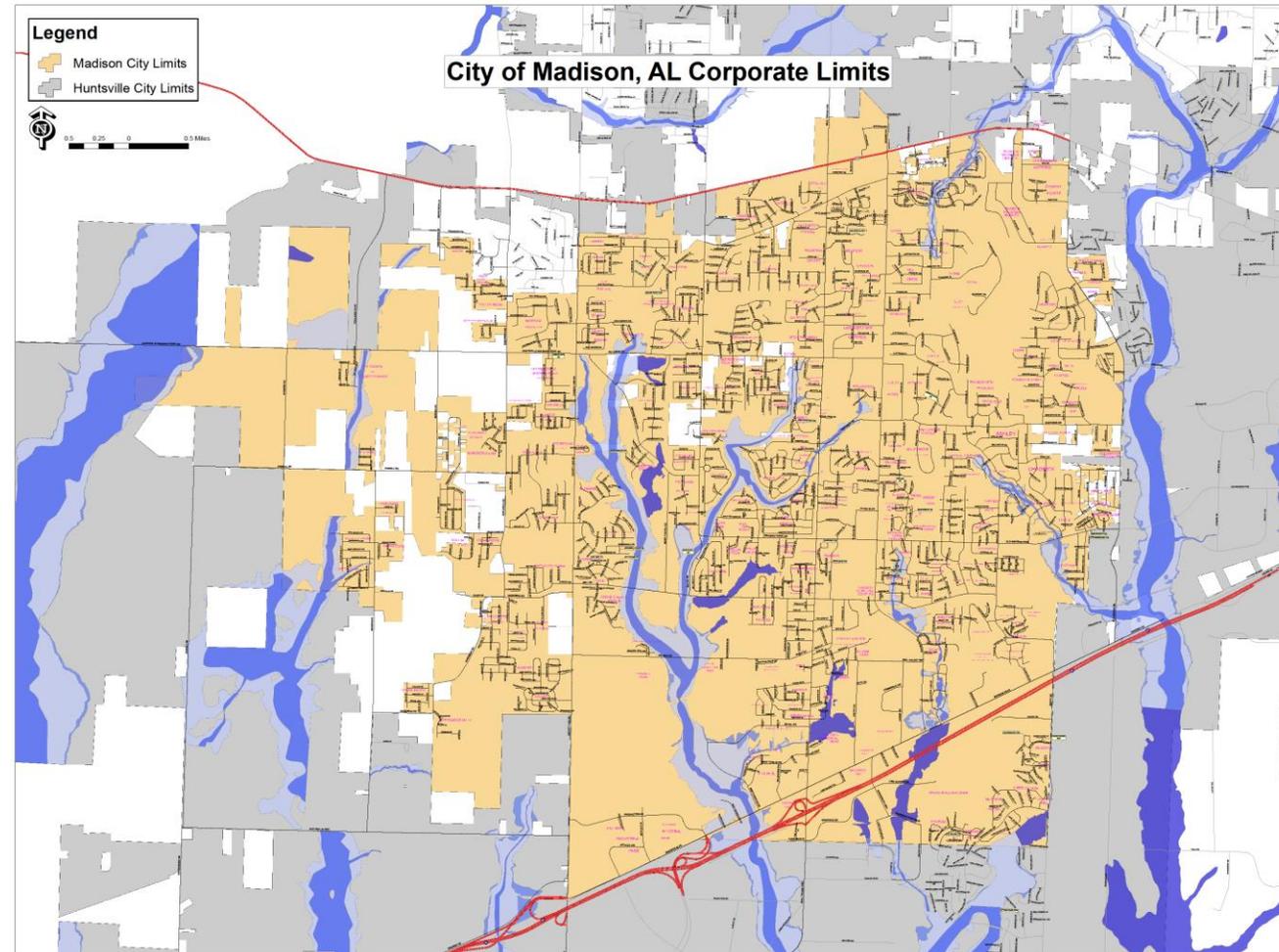
Attest:



Melanie A. Williard  
City Clerk-Treasurer



Kristen N. Bruseth  
Recording Secretary



# Out Briefing to City / MCS Leadership

Madison Schools Growth Impact Committee  
22 March 2018

# Core Nature of MCS

- The Madison City School System is Large Now (>10,000) and Getting Larger, Yet...
  - ✓ Premier Performance: MCS Consistently Scores in the Top Three (or Higher) Rankings of State School Systems; Competitive Nationally (Top 1.5%)
  - ✓ Excellence: MCS is, By-Far, the School System of Choice in North Alabama
- The MCS System is Unique in the State's Education System
  - ✓ Appointed School Board – Void of Political Posturing – Focused on City-Wide Excellence
    - Board Appointment is a City Council Responsibility
  - ✓ Unparalleled Teacher / Parent Involvement with Universal Community Support
    - Entire City Values Education – The Binding “Glue” of Our City
  - ✓ No “Have Not” Schools - Balanced Demographics / Diversity Enrollment
    - Managed by Periodic Rezoning
  - ✓ Not a Rich District
    - Madison City is ranked 61<sup>st</sup> of 137 school districts in per-pupil expenditures
  - ✓ Madison City Schools is a young district (started in 1998) – youngest large district in the State

# Definitions of Growth Impact Study Cases

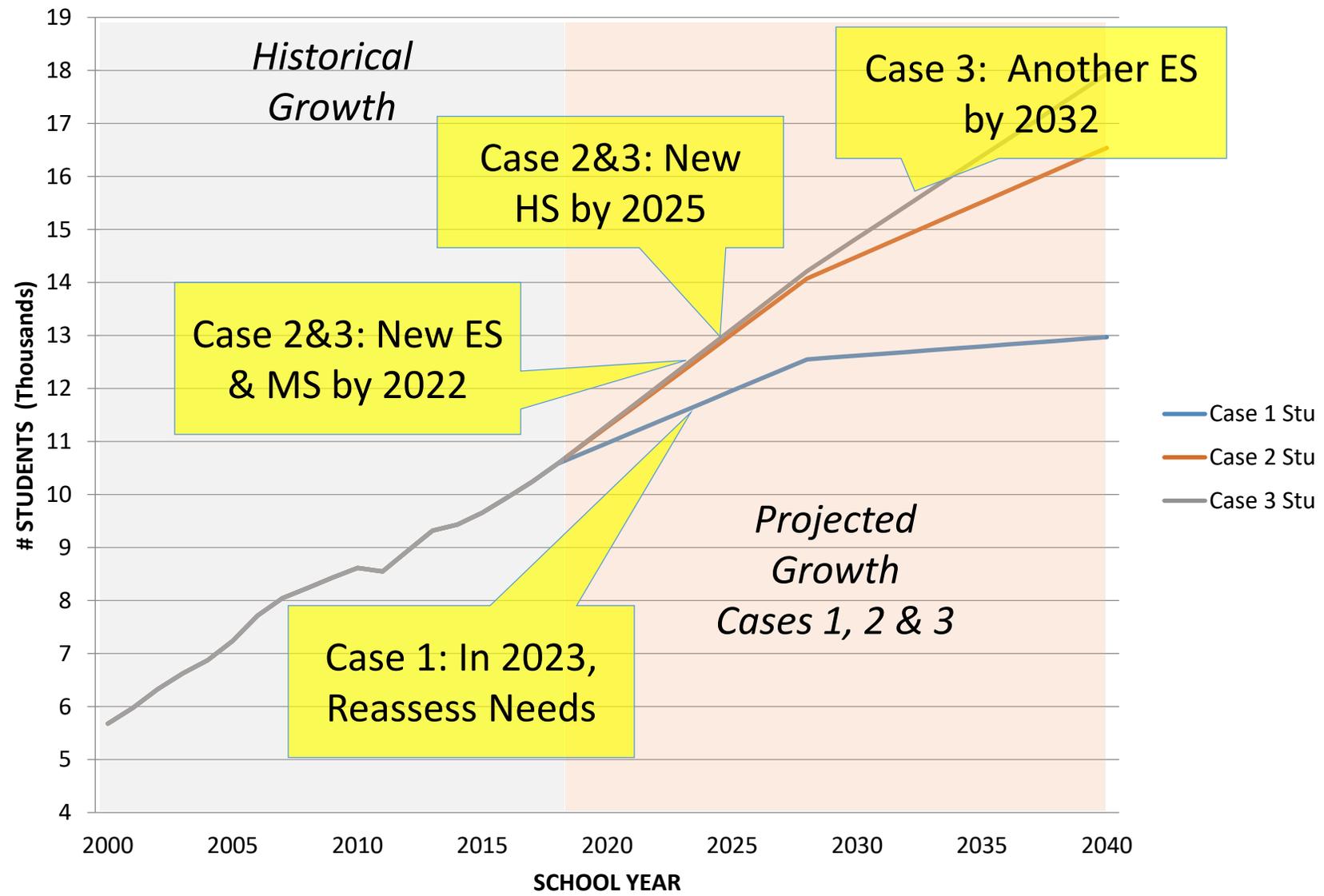
- **Case 1 (Current Approved Projects Only + Strategic Annexations):** No Additional Annexations for Residential and No New Subdivision Developments Approved for Property Already Annexed. *Caveat is Allowance for "Strategic" Annexation (e.g., business or compelling City need). Buildout to ~58,000 residents.*
- **Case 2 (Growth per City Master Plans w/i Annexed Boundaries):** Case 1 + No Additional Annexations, but Allows Additional Subdivision Developments for Properties Already in the City. Development Guided by the WSMP Characterizations of Property. Buildout to ~74,000
- **Case 3 (Growth with No Plan Constraints):** Case 1 & 2 + WSMP Study Boundary Fully Realized. Madison Annexes More Lands to the Extent of the WSMP Vision Map (Limited by Boundaries with Athens / Huntsville). Potential for Current Nonresidential Land to be Rezoned Residential. Buildout to ~81,000

\* Note: All Rooftop Counts and Student Enrollment Numbers have been Revised to Incorporate the Most Recent Regional Development Activities (Town Madison, Clift Farms, Toyota/Mazda, etc)

# Bottom Line Up Front

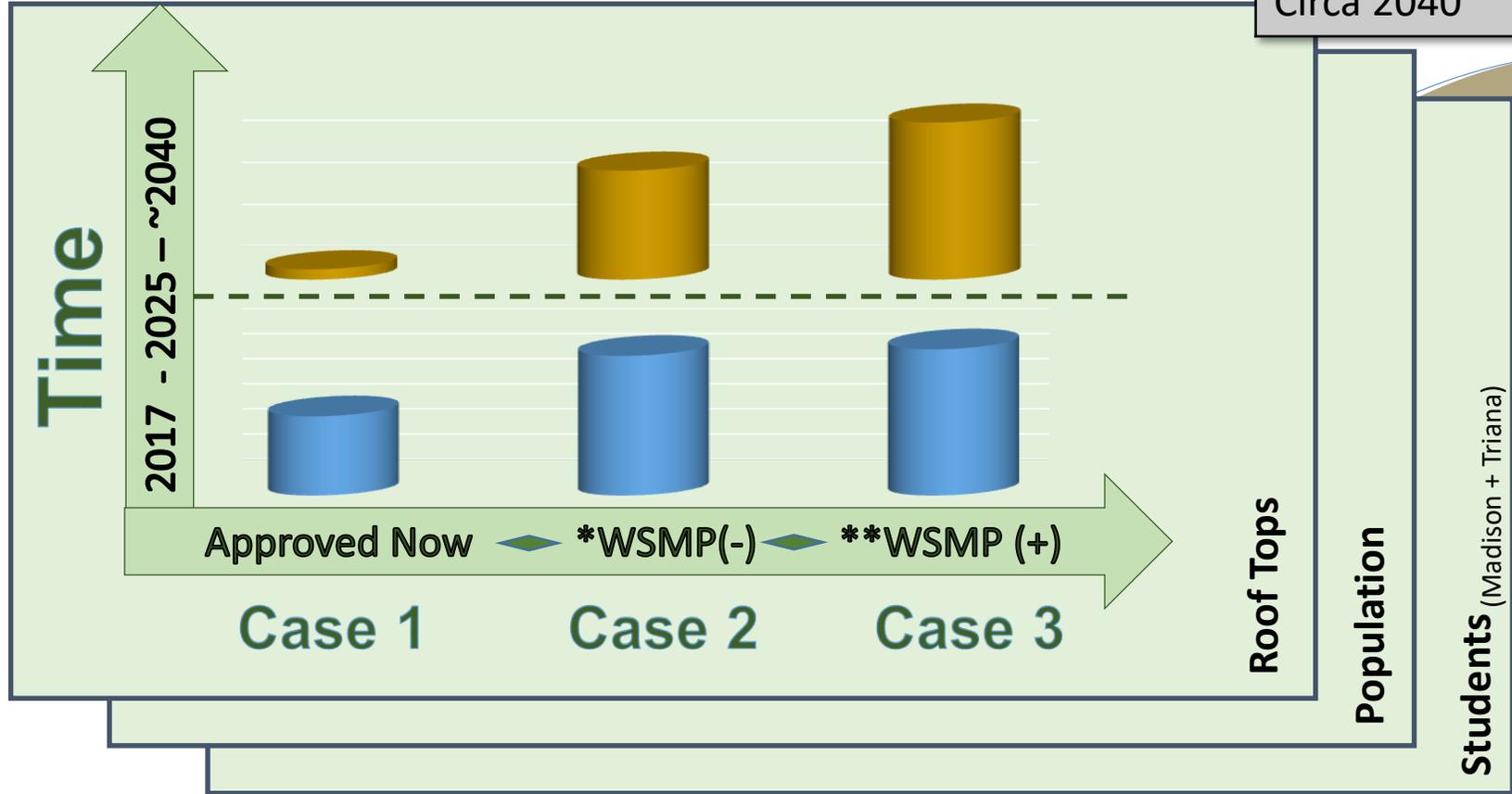
- Without Timely Action, Overcrowding due to Madison’s Residential Growth will Threaten Our Premier Public School System.
  - ✓ Residential development, Guided by Approved Master Plans (Case II), will Overwhelm Capacity in all Three (Elementary, Middle and High) School Levels by 2025.
- Given Industrial Growth in Madison & Limestone Counties, and increasing residential demand, Madison City has Little Flexibility to Postpone Taking Action to Address School Overcrowding
  - ✓ Under Current Growth Trajectory, a New Middle and Elementary School are Needed
  - ✓ Expansion to Bob Jones and James Clemens High Schools or a third high school will be needed.

MCS: HISTORICAL AND PROJECTED ENROLLMENT



# Methodology

Estimate From Rooftops –to- Population –to- Students



e.g. - Case II	Rooftops	Population	Students
Current	18,859	48,194	10,545
Circa 2025/28	24,861	63,532	14,074
Circa 2040	29,116	74,406	16,542

**Document**

- What Breaks & When
- Identify Mitigation Actions
- Identify Essential Fixes
- Cost Assessment
- Recommendations

\*WSMP(-) = CASE 1+ Annexed Land Likely to be Developed; \*\*WSMP(+) = Cases 1 & 2 + Unincorporated Land Out to WSMP Outer Boundary

# Near Term MCS Enrollment

School		Projected Enrollment 2017- 2028					
		Case 1		Case 2		Case 3	
<b>Madison City Schools</b>							
	Capacity						
Total Elementary	5455	5096	93.4%	5713	104.73%	5770	105.77%
Total Middle School	3000	3069	102.3%	3442	114.73%	3476	115.88%
Total High School	4400	4386	99.7%	4919	111.79%	4968	112.91%
<b>MCS Total All grades</b>	<b>12,855</b>	<b>12550</b>	97.6%	<b>14074</b>	109.48%	<b>14214</b>	110.57%

- Case 1: No New Growth.
- Case 2: Controlled Growth.
- Case 3: Unrestricted Growth

Source:

1. Rooftops: City of Madison Planning and Economic Development Department, TARCOG and Madison County Commission.
2. Student Enrollment: MCS Demographics Study

# Long Term MCS Enrollment

School		Projected Enrollment 2028-2040					
		Case 1	Case 2	Case 3			
<b>Madison City Schools</b>							
	Capacity						
Total Elementary	5455	5275	96.7%	6722	123.23%	7286	133.57%
Total Middle School	3000	3167	105.6%	4043	134.76%	4384	146.14%
Total High School	4400	4526	102.9%	5777	131.29%	6264	142.37%
<b>MCS Total All grades</b>	<b>12,855</b>	<b>12969</b>	100.9%	<b>16542</b>	128.68%	<b>17935</b>	139.52%

- Case 1: No New Growth. Slight Overcrowding
- Case 2: Controlled Growth. Significant Over Crowding without New Facilities
- Case 3: Unrestricted Growth: Catastrophic Over Crowding without New Facilities

Source:

1. Rooftops: City of Madison Planning and Economic Development Department, TARCOG and Madison County Commission.
2. Student Enrollment: MCS Demographics Study

# **MCS BOE and Superintendent Needs**

**Assuming Growth beyond Case 1**

- ✓ New 1,000\*-Student Middle School
- ✓ Additional Classrooms at Both High Schools or New High School
- ✓ New Elementary School
- ✓ Additional Space for Special Needs Students
- ✓ Additional Space for Alternative School
- ✓ Periodic Rezoning to Maintain Demographics

\* Note MCS Supplied Cost Estimate is for a 1,200 Student Middle School Facility

## MCS BOE and Superintendent Wants

- ✓ Recommission West Madison Elementary
- ✓ Additional Pre-K classes
- ✓ New performing arts space for elementary and middle schools

# Estimated Cost

- New Elementary - \$35M for 900 students
- New Middle - \$61M for 1,200\* students
- High School
  - Addition - \$ 20M for 500 student additions at each existing HS
  - New 3<sup>rd</sup> HS - \$120M for a new high school (6X Cost of Additions)

Cost of Option A = \$116M (New Elementary / Middle, Additions at High Schools)

*This translates to approximately 11 mills.*

Cost of Option B = \$216M (New Elementary, Middle and High Schools)

*This translates to approximately 20 mills.*

\* MCS Cost Estimate Done Prior to Committee's Findings

# Possible Revenue Sources

## ***3 Revenue Paths***

- Ad Valorem (Property Tax)
- Sales Tax
- External Revenue
  - TVA
  - BRAC Bonds
  - Other (e.g. Impact Fees, etc)

## *Comments on Various Revenue Paths:*

- Any Ad Valorem Increase Must Pass Referendum Vote by Registered Voters
- Any Increase in Current Sales Taxes Puts Madison as Highest in Region:
  - Option A needs 1% Additional
  - Option B needs 2% Additional
- Other Revenue
  - Securing Fair Share of TVA Dollars is a lengthy Battle with Local Legislators
  - TVA Money is Decreasing Due to Energy Conservation
  - No Other Revenue Options like BRAC are Likely
  - Impact Fees: Being Assessed, not a Solution but may Help

# Estimated Bond Amounts from Additional Ad Valorem Millage

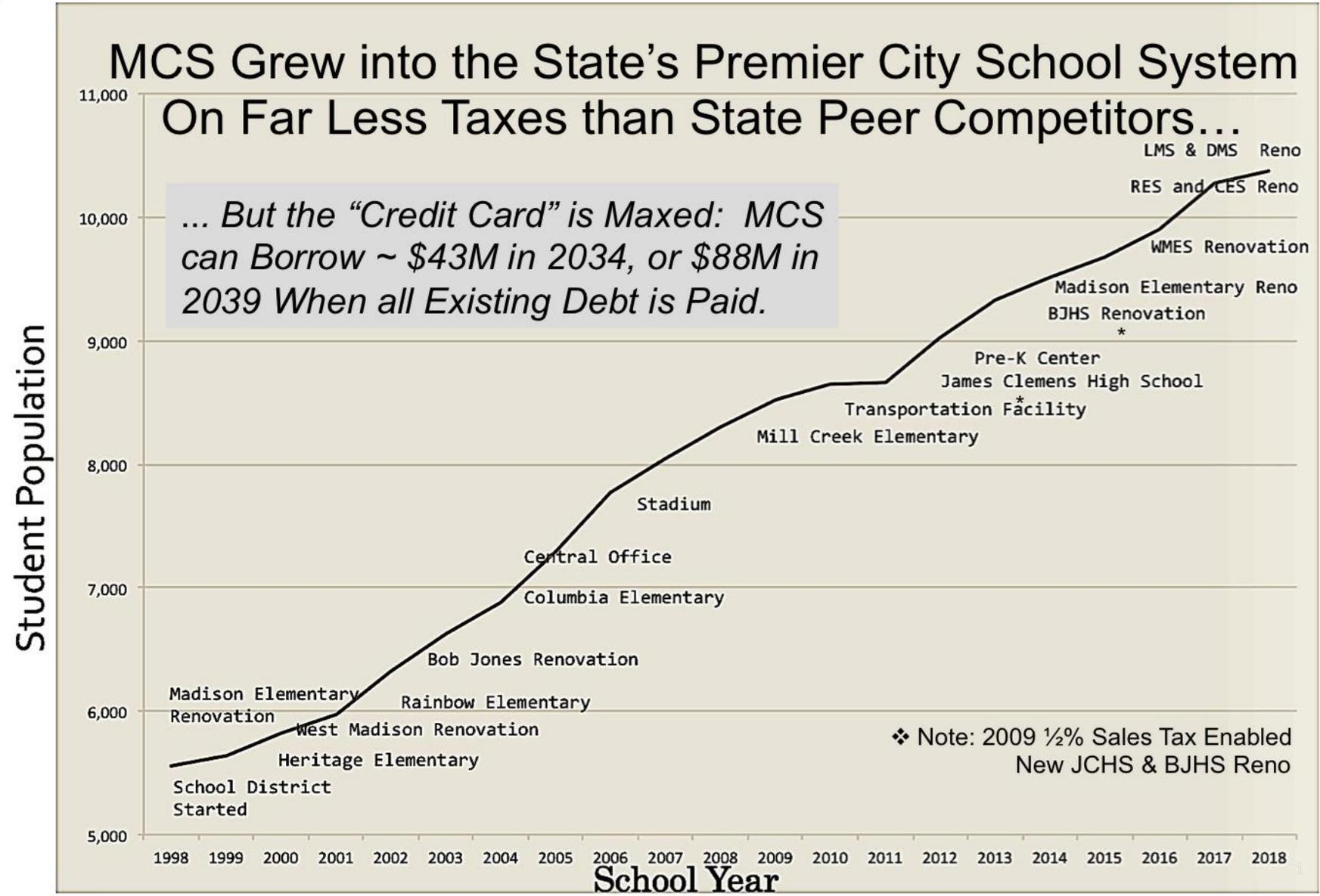
## Ad Valorem Parametric Data

Ad Valorem Amount	10 Mill	15 Mill	20 Mill	25 Mill
20 Yr Bond	\$86.04M	\$129.05M	\$172.07M	\$215.09M
25 Yr Bond	\$97.63M	\$146.44M	\$195.25M	\$244.06M
30 Yr Bond	\$106.80M	\$160.20M	\$213.59M	\$266.99M

*Data estimated in August 2017 by Jo Jolly & Co  
Assumes 1 mill generates \$577,972 in revenue (conservative)  
Does Not reflect any Inflation Variation*

EG: 11 mills would support a  
30 year Bond of \$117.78M

# What did MCS Do with Initial 11mill Tax?



## Findings: Assuming Case 1

1. School Capacity is Sufficient for Projected Enrollment until 2028.
2. In 2023 a New Growth Impact Committee should Review Enrollment Numbers and Determine whether New Facilities will be Needed within the Next 10 Years.
3. MCS Continues Periodic Rezoning to Keep Demographics Balanced and Ensure No Schools are Overcrowded.
4. MCS can Locate Additional PreK Classes in Available Classrooms Across the District.
5. Case 1 (No New Growth) is the Least Likely to Occur.
6. No Millage Increase Recommended under Case I Assumptions.

## Findings: Assuming Case 2

1. The City should Immediately Take Action to Gain Legislative Support to Hold a City-Wide Ad Valorem Property Tax Referendum with Sufficient Millage to Build (by SY2022): a 1,000 Student Middle School and 900 Student Elementary School.
  - People Need to Vote on the Future of Our Schools.
  - Decide whether to Include Millage for Third High School at This Time.
  - There are No Reduced-Cost Revenue Sources Similar to QSCB / BRAC Bonds.
2. By 2025, MCS will Need to Build a Third High School.
3. In 2033 MCS may Need to Build an Additional Elementary School. It is Likely that MCS will be able to Borrow Against Current Revenue Streams.

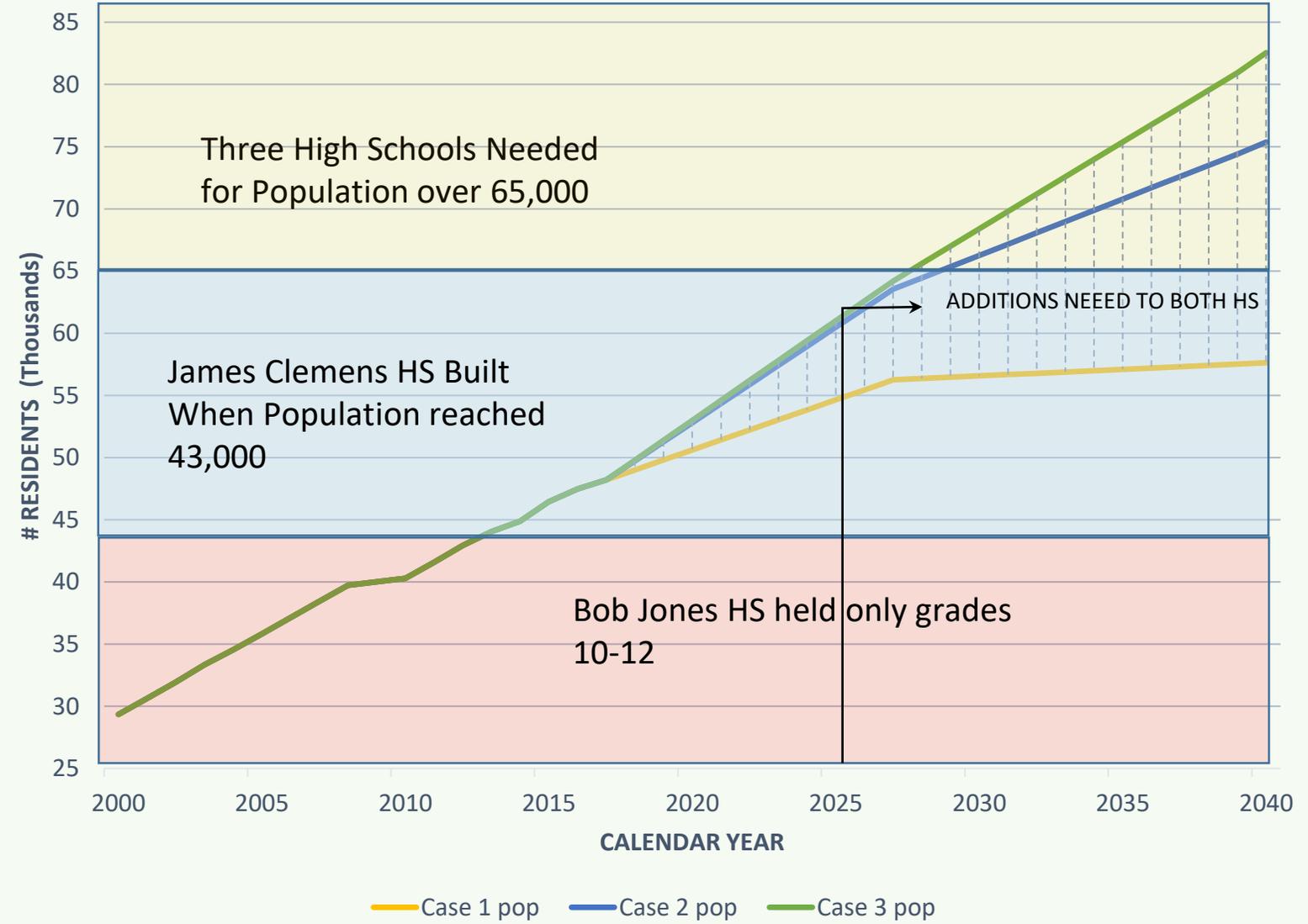
## Findings: Case 2 continued

4. Engage Triana Leadership to Ensure their Residents also Vote on a Corresponding Increase in Ad Valorem Taxes.
  
5. City of Madison Needs a Growth Policy that Reduces High Density Residential Development and Regulates the Rate of Residential Growth in Approved Developments.
  - Recommend Development Agreements Prior to Presentation to Planning Commission / City Council.
  - Consider Including a BOE Member or MCS Representative to Participate in New Residential Development Reviews Before Submission to Planning Commission.

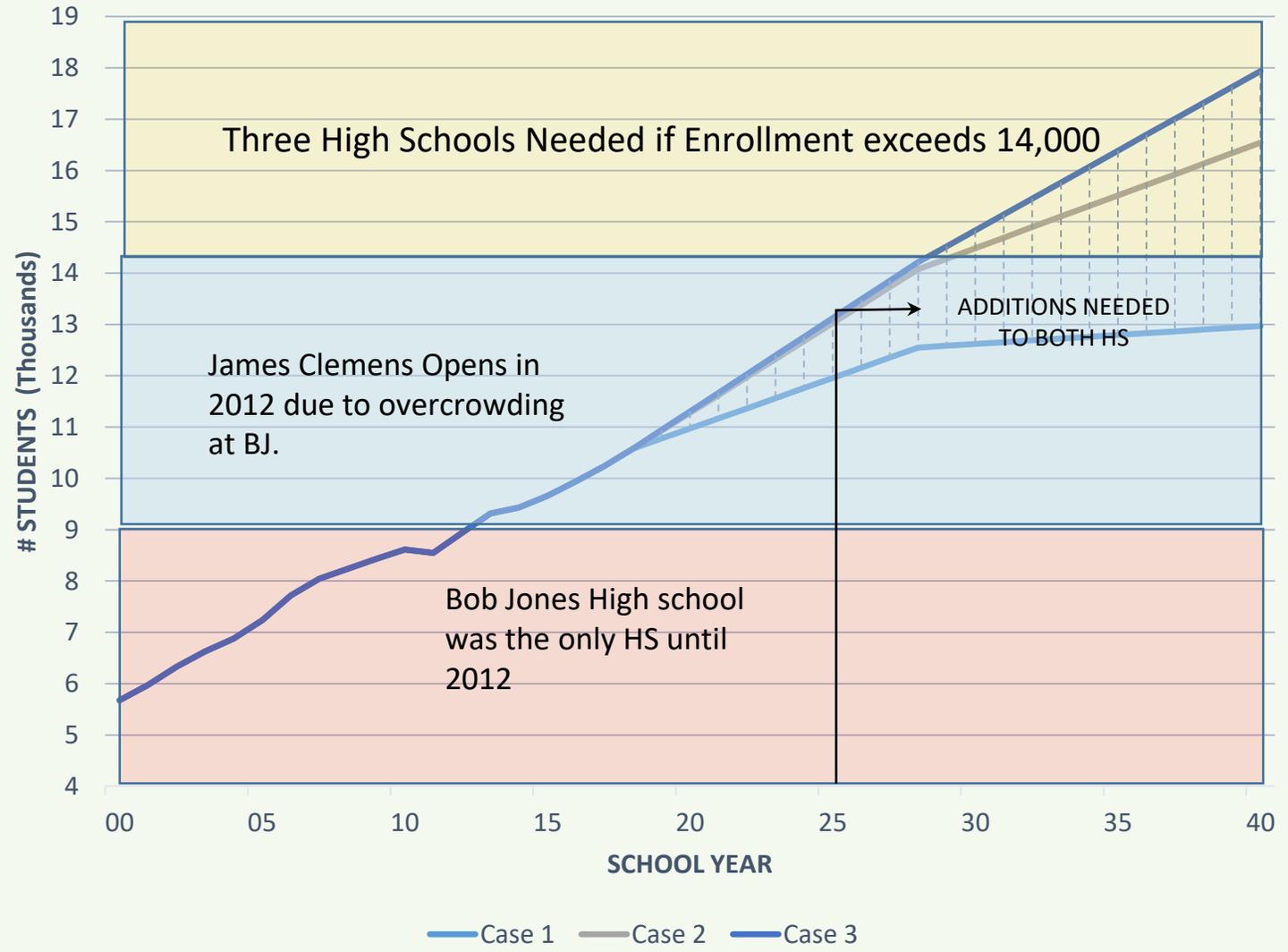
## Findings: Assuming Case 3

1. The City should Immediately Take Action to Gain Legislative Support to Hold a City-Wide Ad Valorem Property Tax Referendum with Sufficient Millage to Build (by SY2022): a 1,000 Student Middle School and 900 Student Elementary School.
  - People Need to Vote on the Future of Our Schools.
  - Decide whether to Include Millage for Third High School at This Time.
  - There are No Reduced-Cost Revenue Sources Similar to QSCB / BRAC Bonds.
2. In 2025, MCS will Need to Build a Third High School.
3. In 2028 MCS should Secure Revenue for the Next Elementary School.
4. Engage Triana Leadership to Ensure their Residents also Vote on a Corresponding Increase in Ad Valorem Taxes.

# CITY POPULATION



# MCS ENROLLMENT



## Committee's Key Findings

- Approximately 10 Mill (based on FY2016 data) Ad Valorem Tax would Support the Estimated Revenue Needed for a New Middle School and Elementary School.
- One Additional Mill Would Finance the Additions at Both High Schools.
- 10 Additional Mills Would Generate Revenue Needed for a Third High School.
  - Final Millage Would need to be Adjusted to Current Revenue at Time of Referendum.

## Committee's Key Findings Continued

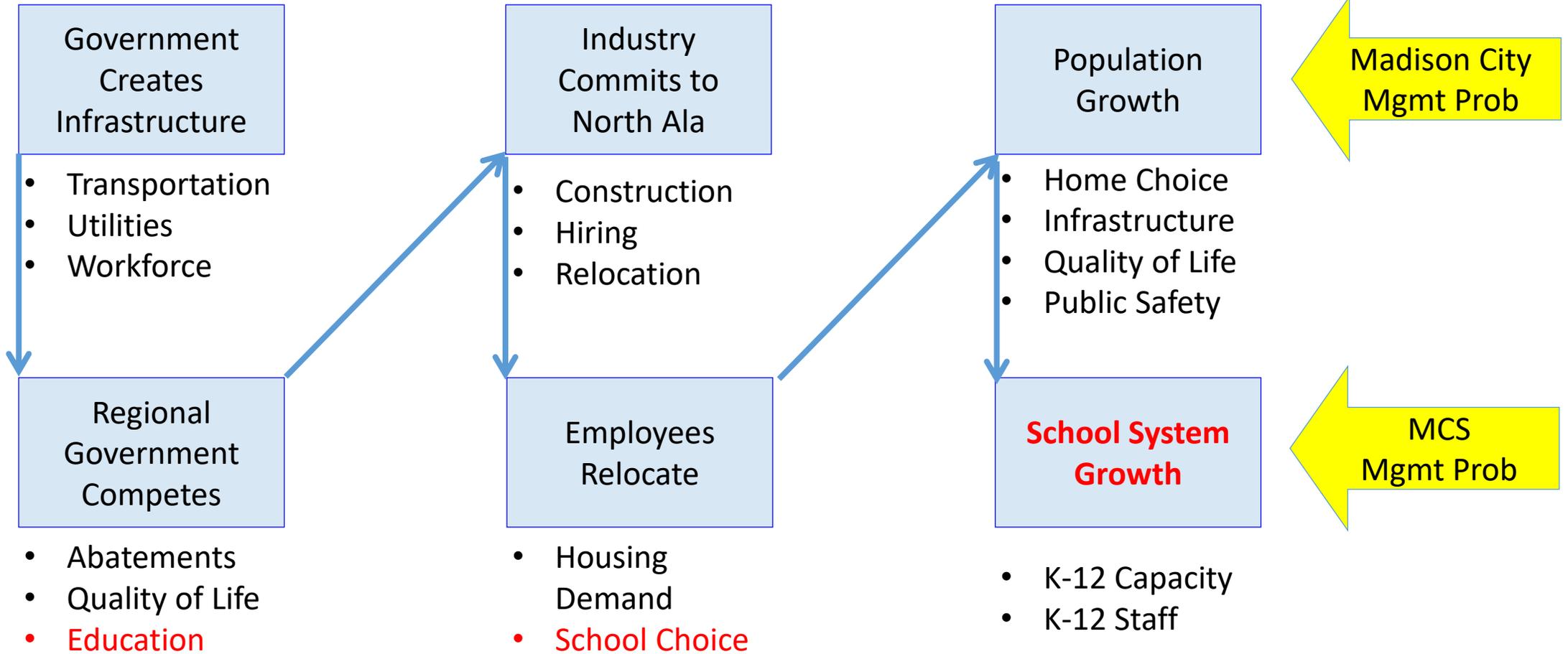
- Recommend City Consider Modifying Assumptions in Case 2 that would Reduce by 3,500 the Number of New Homes in 2040 Build Out.
  - Case 2 Projects 10,300 New Homes by 2040.
  - Scale Back Growth to only 6,800 New Homes by 2040.
  - Very Difficult to Control Growth over Multiple Administrations.
- Controlling Growth Potentially could Avoid the Need for a 3<sup>rd</sup> High School – But this Needs to be Reassessed in 2022.
  - If Case 2 is Modified, Additions could be Added to Each High School creating Two 2,500 Student High Schools.
  - Additions would be Needed by 2025.
  - City and MCS need to Monitor Population Closely.

# *Summary*

- ***MCS has a Real Growth Problem: Near-Term Enrollment vs Capacity***
- ***City Leadership needs to formalize a growth policy that can regulate residential development. A target population number should be expressed***
- ***Significant New MCS Debt is Not Supported by Existing Revenue until 2034***
- ***There is No Debate Concerning the Need for New Schools at Elementary / Middle School Levels***
- ***Most Significant Challenge is Solving the High School Situation***
  - ***If Case 2 or Case 3 is followed, a new high school will be necessary.***
  - ***If growth is capped at ~65,000 residents, additions may be built at each high school. MCS will need to brainstorm solutions for middle grade students. Additions to existing schools, Magnet schools, 6th grade or 8<sup>th</sup> grade academy, and other configurations may be viable options.***

# Back Up: Understanding / Managing Growth

# Basic Growth Model



***Madison Schools are a Key Factor in Competing for Regional Growth***

## Example: New Jobs Driving Growth

EVENT	IMPACT
BRAC (1995) & BRAC (2005)	Changed RSA's Army Missile Command focus (2 General Officers) to Multi-Mission Defense Focus (AVN, SMDC, MDA, LOGSA, AMC, FBI, etc) with over 12 General Officers.
Polaris (2015)	Invested \$142M to construct 600K SQFT facility to employ ~2,000
GE Aviation (2016)	A \$200M investment to construct a world-wide unique silicon carbide production facility for ceramic composites; Employing 300 on a 100 acre site west of Madison
Aerojet / Rocketdyne (2017)	Company will construct 136K SQFT advanced manufacturing facility with 700 employees in west Hsv and consolidate Defense HQ in 122KSQFT facility in Research Park.
BOCAR (2017) Auto Supplier	A \$115M investment for manufacturing Tier-1 auto parts; Will employ 300 near I-565 / I-65.
Toyota / Mazda (2018)	A \$1.6B investment to build production facilities for 3,000 cars / year; Employ 4,000 with approximately 10,000 spinoff / supplier jobs.

## Actions Already Taken by MCS

- ✓ Passed Resolution Advocating no New Residential Annexation in Limestone County Until Settlement.
- ✓ Settled Limestone County Tax Dispute
- ✓ Constructing 16 Additional Classrooms at Liberty Middle School
- ✓ Moving 6<sup>th</sup> Grade to Middle School in 2018-19
- ✓ Rezoned New Growth
- ✓ Successful Campaign to Renew Current District and County-Wide (Madison) Ad Valorem

# MCS: Historical Enrollment

Madison City Schools Enrollment																		
Grade/ Year	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY 2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
1st	485	474	505	504	517	537	618	567	563	614	578	613	651	637	638	667	683	674
2nd	442	475	501	532	537	557	574	638	572	591	624	593	676	673	662	630	713	750
3rd	463	482	513	514	573	558	585	591	657	595	600	630	655	710	712	684	665	737
4th	511	478	515	528	537	597	569	587	608	667	588	635	668	683	732	753	737	688
5th	480	519	495	535	562	595	632	586	611	634	663	646	660	700	719	771	788	748
6th	495	510	544	514	549	615	635	655	613	624	640	722	694	714	756	778	800	842
7th	476	524	537	597	584	619	654	656	706	676	641	720	783	733	746	794	828	844
8th	438	503	543	551	611	631	657	700	672	728	743	693	749	806	779	799	845	905
9th	478	523	599	621	626	743	671	681	734	726	743	796	764	764	875	875	861	933
10th	498	478	498	570	610	613	693	714	731	777	728	802	840	784	791	916	890	893
11th	436	490	457	498	572	569	640	682	668	725	733	734	832	827	806	827	939	911
12th	380	434	479	443	467	544	607	658	707	699	700	756	756	843	835	837	863	950
<b>Total</b>	<b>5975</b>	<b>6328</b>	<b>6626</b>	<b>6875</b>	<b>7238</b>	<b>7716</b>	<b>8045</b>	<b>8239</b>	<b>8432</b>	<b>8616</b>	<b>8546</b>	<b>8936</b>	<b>9318</b>	<b>9432</b>	<b>9658</b>	<b>9943</b>	<b>10243</b>	<b>10577</b>
<i>Increase</i>		353	298	249	363	478	329	194	193	184	-70	390	382	114	226	285	300	334

Source: Madison City Schools

- Enrollment Tends to Grow for Any Class Grouping – New Students Join MCS Across Every Grade Level
- Over Crowding at Bob Jones High School Caused Decreases in Enrollment from 2007-2011
- With Opening of JCHS in 2012, Yearly Increases in MCS Enrollment Resumed

# Top Alabama School Systems

12 Ala "A" School Systems	School System	Grade	ADA*	School System	Grade	ADA*
	Mountain Brook	98	4,369	Arab	92	2,473
	Vestavia Hills	96	6,940	Cullman	92	3,114
	<b>Madison City</b>	<b>95</b>	<b>9,907</b>	Hoover	92	13,846
	Homewood	94	4,004	Hartselle	91	3,002
	Muscle Shoals	93	2,883	Oneonta	91	1,473
	Trussville	93	4,453	Winfield	90	1,244

\* ADA = Average Daily Attendance, Circa SY 2017

- Ten (10) Systems have One (1) High School; Madison and Hoover have Two (2).
- Alabama has 12 County / Municipal School Systems Larger than Madison City. Madison and Mountain Brook were the Only Ones Where All Schools in the System Earned an "A" ranking.

# Back Up: MCS Connection to Real Estate

# Good Schools Drive Home Values

- Assessed Residential Property in Neighborhoods Zoned for Butler HS in the 18 Months prior to Rezoning to Huntsville HS (01/01/14 - 05/31/15).
- Assessed Same Neighborhoods After Rezoning (06/-01/15 – 08/31/17).
- Market Saw >100%+ Increase in Activity
- Sale Value > 17% Increase
- Time on Market was 33 Days Shorter

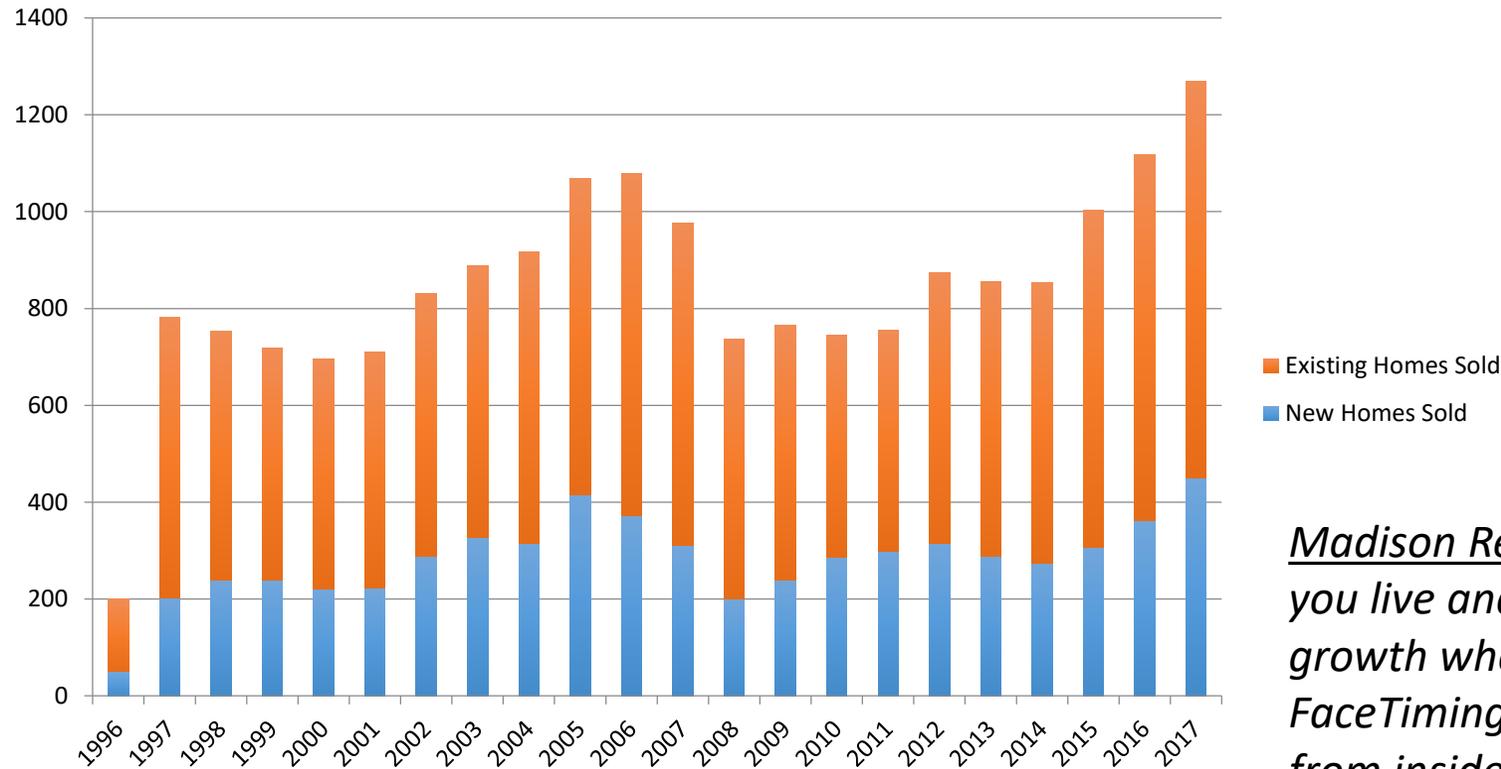
Impact of Butler HS Rezoning to Huntsville HS				
Rezoning Event	# of MLS Listings	Ave # Days on Market	Ave List Price	Ave Sold Price
Before	33	133	\$58,048	\$53,607
After	77	100	\$66,375	\$62,861

Source: MLS Historical Data; Analysis by Realtor / Assoc Broker

# Historical Home Sales Data

## Home Sales, Madison, Al

Source: Valley MLS, 1996-2017



- Madison Enjoys Robust Home Sales
  - Recovered from 2008 Slump
- Home Sales
  - Existing ~67%
  - New ~33%
- 2017 Ave Sales Price: ~\$268K

*Madison Realtor FB Post 11 Feb 2018: " You know you live and work in an area with tremendous growth when you have multiple people FaceTiming home buyers that are out of state from inside the open house you are hosting! 📺"*

**Great Schools Promote Stable Sale and Resale of Homes**

# Back Up: MCS Best Bang for the Education Buck

# 2018 NICHE\* School System Rankings

- MCS Ranking: **#3 of 135** in Alabama School Systems
- MCS Earned Grade: **“A+”**
  - Only 7 Schools Systems in the State Received a Grade of “A+”:

A+ (1) Mountain Brook City Schools	A+ (5) Hoover City Schools
A+ (2) Vestavia Hills City Schools	A+ (6) Auburn City Schools
<b>A+ (3) MADISON CITY SCHOOLS</b>	A+ (7) Muscle Shoals City Schools
A+ (4) Homewood City Schools	<b>B+ (22) Huntsville City Schools</b>

- Athens City Schools Achieved an “A-” grade.
- Huntsville City, Madison County & Decatur City Schools Earned a “B+” Grade
- Limestone County Schools Received a “C+” Report
- Nationwide: **MCS** Ranked 141 of 10,576 Nationwide – **Top 1.5%**

\* <https://www.niche.com/k12/search/best-school-districts/s/alabama/>



# 2018 Alabama Report Card Rankings



- **MCS Score was 95:** Third Highest Score in the State
- Only Two Systems had Every School in the System Earn an “A”
  - Madison City Schools and Mountain Brook City Schools

*" Bob Jones and James Clemens were 2 of only 6 non-magnet high schools in the state that received an A."*  
- Robby Parker

School Systems Earning an "A"

98 Mountain Brook City Schools	92 Arab City Schools
96 Vestavia Hills City Schools	92 Cullman City Schools
<b>95 MADISON CITY SCHOOLS</b>	92 Hoover City Schools
94 Homewood City Schools	91 Hartselle City Schools
93 Muscle Shoals City Schools	91 Oneonta City Schools
93 Trussville City Schools	90 Winfield City Schools

Local School Systems:

Huntsville City: 75  
Athens City: 81

Madison Cnty: 85

Limestone Cnty: 83  
Decatur City: 79

\* <http://ap.alsde.edu/accountability/EducationReportCard/selectschool>

# Per Pupil Expenditures

Alabama NICHE Ranking	School System	Per Pupil Expenditure
1	Mountain Brook City Schools	\$12,811
2	Vestavia Hills City Schools	\$10,727
3	<b>Madison City Schools</b>	<b>\$9,305</b>
4	Homewood City Schools	\$11,075
5	Hoover City Schools	\$10,812
6	<b>Auburn City Schools</b>	<b>\$9,106</b>
7	Muscle Shoals City Schools	\$9,496
14 (A-)	Athens City Schools	\$9,671
22 (B+)	Huntsville City Schools	\$10,874

A+ SCHOOLS

- For A+ Rated Schools: Auburn & Madison City Schools Spend the Least \$\$ per Pupil
- The MCS System Spends Less \$\$ per Pupil than Area Schools with Lower NICHE Rankings

# Scholarships Awarded to MCS Graduate

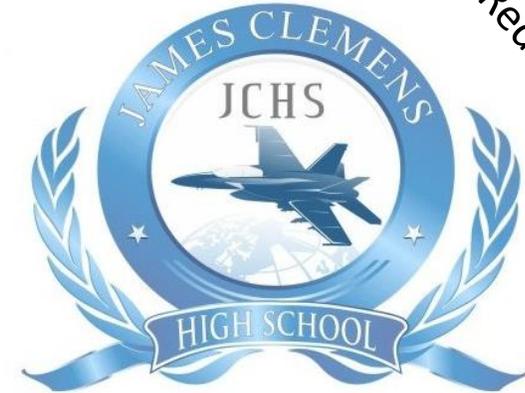
"Bang for the Buck"



Over last 12 Years -

**Total MCS Graduates**  
**8,623**

**Total Scholarships Offered**  
**\$384,623,840**



"Reducing College Tuition"

Year	Graduates	Scholarships Offered	Year	Graduates	Scholarships Offered
2006	566	\$16,582,375	2012	735	\$33,893,493
2007	575	\$20,719,803	2013	659	\$23,851,730
2008	636	\$26,035,989	2014	577	\$28,737,694
2009	678	\$27,595,341	2015	444	\$25,086,697
2010	673	\$32,386,088	2016	438	\$22,575,108
2011	689	\$31,468,025	2017	432	\$22,374,571

Year	Graduates	Scholarships Offered
2013	80	\$1,270,667
2014	259	\$3,180,820
2015	378	\$20,008,529
2016	384	\$20,916,875
2017	420	\$27,940,035

Back Up:  
City of Madison and MCS  
- Tutorial on Taxes

# Ad Valorem Taxes in Alabama

Alabama NICHE Ranking	School System	County Education* Tax Millage	City Education Tax Millage	Total Property Tax Millage
1	Mountain Brook City – Jefferson Co	8.2	44.7	99.0
2	Vestavia Hills City – Shelby Co	16.0	25.6	79.3
	Vestavia Hills City – Jefferson Co	23.3		92.6
3	Madison City – Madison Co	16	11.0	57.5
	Madison City – Limestone Co*	16		60.0
4	Homewood City – Jefferson Co	8.2	29.3	75.0
5	Hoover City – Shelby Co	22.0	24.0	66.5
	Hoover City – Jefferson Co	22.1		72.6
22	Huntsville City – Madison Co	16	11.5	58.0
	Huntsville City – Limestone Co*	16		60.5

Source: Official Statements from Each Municipality

\* Includes County-Wide and District Taxes Collected by County. Note Limestone County does not distribute 5.5 mills of the 16.0 mills to municipalities proportionately by student population.

# Total City Revenue\* Ad Valorem & Sales Taxes

Alabama NICHE Ranking	School System	Total Prop Tax		Sales Tax % of Revenue
		Millage	% of Revenue	
1	Mountain Brook – Jefferson Co	99.0	50%	23%
2	Vestavia Hills – Shelby Co	79.3	58%	19%
	Vestavia Hills – Jefferson Co	92.6		
3	Madison City – Madison Co	57.5	29%	41%
	Madison City – Limestone Co	60.0		

\* Total Revenue includes ad valorem, sales and other monies (fees, fines, inter governmental, etc)

- Top Two School Systems in Alabama are Much Less Dependent on Sales Tax Revenue to Fund Them and Their Associated Municipality.
- Madison City and Madison City Schools Greatly Depend on Sales Taxes vs Ad Valorem.

# Ad Valorem Taxes for Cities of Interest

City / County	State*	County Non-School	Schools**		Municipality		Total Mills
			County -Wide	District	General Fund	City Schools	
Mountain Brook City – Jefferson Co	6.5	13.5	8.2	0.0	26.1	44.7	99.0
Vestavia Hills City – Shelby Co	6.5	7.5	16.0	0.0	23.7	25.6	79.3
Vestavia Hills City – Jefferson Co	6.5	13.5	8.2	15.1	23.7	25.6	92.6
Madison City – Madison Co	6.5	11.0	5.5	10.5	13.0	11.0	57.5
Madison City – Limestone Co***	6.5	13.5	5.5	10.5	13.0	11.0	60.0
Homewood City – Jefferson Co	6.5	13.5	8.2	0.0	17.5	29.3	75.0
Hoover City – Shelby Co	6.5	7.5	16.0	6.0	6.5	24.0	66.5
Hoover City – Jefferson Co	6.5	13.5	8.2	13.9	6.5	24.0	72.6
Huntsville City – Madison Co	6.5	11.0	5.5	10.5	13.0	11.5	58.0
Huntsville City – Limestone Co***	6.5	13.5	5.5	10.5	13.0	11.5	60.5

Source: Official Statements from Each Municipality

\* Three (3) mills of the State’s 6.5 mill ad valorem levy goes to State Education Fund directly

\*\* The County Education District Tax is collected by the County, but allocated directly to the school system serving that district

\*\*\* Limestone County’s 5.5 mill education tax is not distributed pro rata to all school districts in the county (proportionately by student population)

## State and City Property Taxes Same Regardless of County

### State of Alabama

- General State Fund
- Public Schools
- State Soldier

### City of Madison

- General City Tax
- Debt Service
- Library Tax
- City School Tax

### Total 06.5 mills

- 02.5 mills
- 03.0 mills
- 01.0 mills

### Total 24.0 mills

- 07.0 mills
- 05.5 mills
- 00.5 mills
- 11.0 mills

**Madison City Homeowners Pay the Same Millage Rate in State  
and City Ad Valorem Taxes**

# Property Taxes Differ at County Level

- **Madison County**

- General Tax
- Roads & Bridges Tax
- **County-Wide School**
- **Special City School Tax**

- **Total 27.0 mills**

- 07.0 mills
- **04.0 mills**
- 05.5 mills
- 10.5 mills

- **Limestone County**

- General Tax
- Public Buildings Tax
- Public Health Tax
- **County-Wide School**
- **Special City School Tax**

- **Total 29.5 mills**

- 07.0 mills
- **03.5 mills**
- **03.0 mills**
- 05.5 mills
- 10.5 mills

• Different County Tax Priorities

• Distribution IAW Legal Agreement

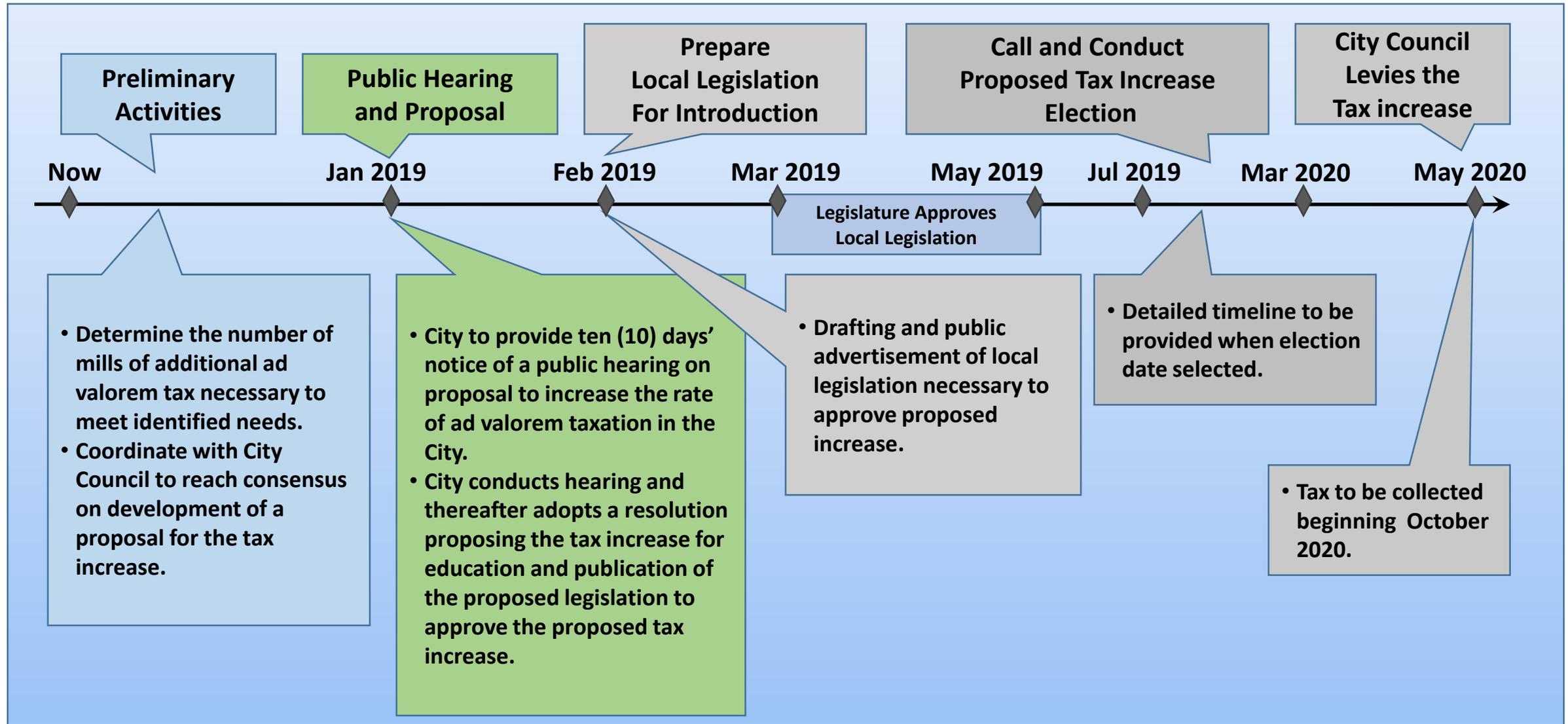
# Dollars & Cents Factoids

- Historical Value of One Mill Ad Valorem in City of Madison:

City of Madison: Value of One Mill Ad Valorem					
YEAR	Value	% Delta	YEAR	VALUE	% Delta
2012	\$519,754	NA	2015	\$558,617	0.1%
2013	\$539,127	3.7%	2016	\$577,972	3.5%
2014	\$557,802	3.5%	2017	\$589,985	2.1%

- Of Madison's Total City Revenue, 41% Comes from Sales Taxes & 16% of Those Sales Taxes Come from New Home Construction Building Materials (6.6% of Total Revenue)
- Madison Averages 38 Building Permits per Month & has 2,016 Approved Lots in Subdivisions un Development = 4.42 Years of Residential Construction
- Value of Real Property: Madison County = \$563,383,960; Limestone County = \$108,389,780. (Mad / Lim = ~5.2)

# Representative Property Tax Timeline



## Estimating Additional Homeowner's Property Tax

Increase in Annual Property Tax (Homestead/Age/Disability Exemptions Excluded)						
Assessed Value	1 Mill	5 Mill	10 Mill	15 Mill	20 Mill	25 Mill
\$100K	\$10	\$50	\$100	\$150	\$200	\$250
\$200K	\$20	\$100	\$200	\$300	\$400	\$500
\$300K	\$30	\$150	\$300	\$450	\$600	\$750
\$400K	\$40	\$200	\$400	\$600	\$800	\$1,000
\$500K	\$50	\$250	\$500	\$750	\$1,000	\$1,250

- Most Homeowners have one or More Exemptions which Reduce the Number in the Table
- Formula is 10% of Assessed Value Times the the Millage Value Divided by 1000.