

## ALABAMA



**Summary:** This 2018-19 profile of Alabama's public K-12 school finance system focuses on three core indicators from the School Finance Indicators Database: **fiscal effort**, **adequacy**, and **progressivity**. On a weighted average of these three measures (see back), Alabama scores 21 out of 100, which ranks 44th out of the 48 states with possible ratings.

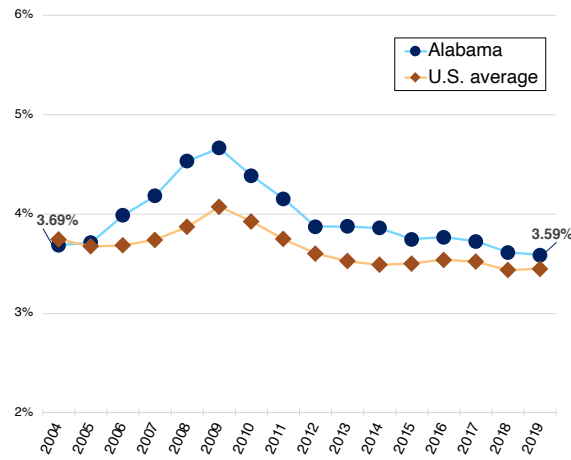
| CONTEXTUAL STATS                   | AL           | U.S. |
|------------------------------------|--------------|------|
| Child (5-17yo) poverty rate (%)    | 20.7         | 15.8 |
| Public school coverage (%)         | 86.1         | 87.6 |
| Percent revenue from state sources | 55.8         | 47.6 |
| Total enrollment (U.S. rank)       | 737,200 (24) |      |

### FISCAL EFFORT

**Fiscal effort** is direct state and local K-12 expenditures in each state as a percentage of its "economic capacity," which we measure here in terms of gross state product (GSP).

|                |        |
|----------------|--------|
| Alabama effort | 3.59 % |
| U.S. average   | 3.45 % |

- In FY 2019, total direct state and local K-12 spending in AL was equivalent to 3.59% of the state's economic capacity (GSP).
- This was 0.14 percentage points **higher** than the unweighted national average of 3.45%.
- AL's effort level ranks #19 in the nation (out of 49).



#### Effort trend, 2004-2019

- There was a **decrease** of 0.29 percentage points in AL's effort during the "K-12 recovery" period of 2012-2019.

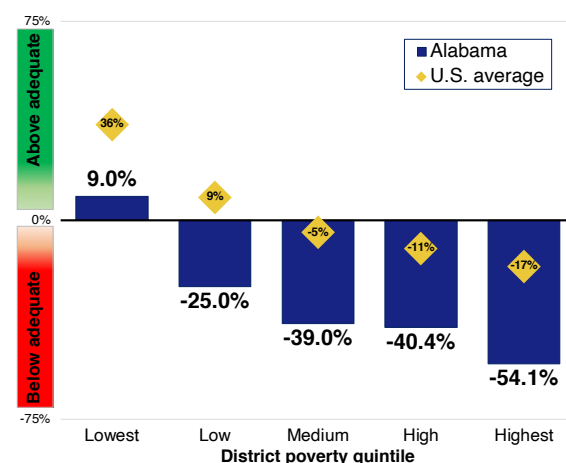
| Period    | AL    | U.S.  |
|-----------|-------|-------|
| 2004-2007 | 0.50  | -0.01 |
| 2012-2019 | -0.29 | -0.15 |
| 2004-2019 | -0.10 | -0.30 |

- Effort **increased** during the three years before the recession, going from 3.69% in 2004 to 4.18% in 2007.
- AL's effort was 0.10 percentage points **lower** in 2019 than in 2004, compared with a U.S. average decrease of 0.30 points during this time period.

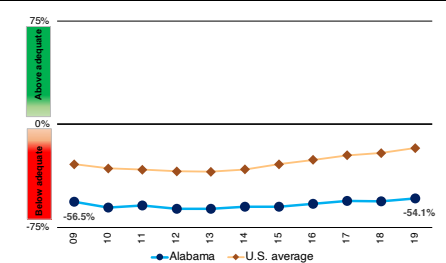
### ADEQUACY

**Adequacy** compares actual per-pupil (PP) spending in each state to cost model estimates of the amount required to achieve U.S. average test scores. These comparisons (% difference) are presented for 2019, by district poverty quintile, in the center graph (the gold diamonds represent U.S. averages).

- Resources in AL's highest poverty districts are **severely inadequate**.
- Spending in these districts is \$12,800 PP **lower** than the adequacy target (\$23,664), a difference of -54.1%.
- This ranks #48 in the U.S. (out of 49).
- Across the entire state, 73.0% of AL students attend districts with spending below estimated adequate levels.



#### Adequacy trend (pov. Q5), 2009-19

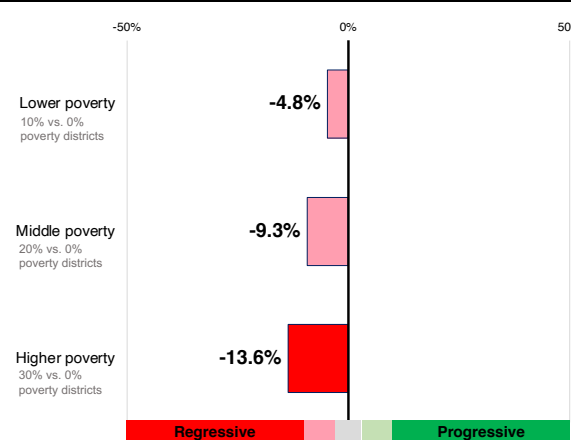


- Adequacy in AL's highest-poverty districts was **roughly similar** between 2009 (-56.5%) and 2019 (-54.1%).
- During this period, U.S. average adequacy in these districts (orange line) improved from -29.1% to -17.3%.

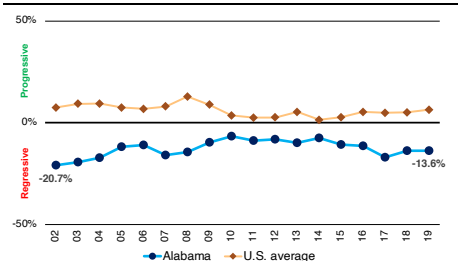
### PROGRESSIVITY

**Progressivity** is the degree to which states provide greater resources to districts serving higher-need students. The center graph is the percentage difference in 2019 state and local revenue between: 1) lower- (10% Census poverty), middle- (20%), and higher-poverty (30%) districts and; 2) zero-poverty districts, controlling for labor costs, size, and population density.

- School funding in AL is **regressive**.
- Higher-poverty (30%) districts receive 13.6% **less** revenue than zero-poverty districts.
- This level of progressivity ranks #39 in the nation (out of 49).



#### Progressivity trend (30v0%), 2002-19



- AL's funding was **less regressive** in 2019 (-13.6%) vs. 2002 (-20.7%).
- Since the 2007-09 recession, funding in the typical state (orange line) is generally neither progressive nor regressive.

The data in this state profile are from the [School Finance Indicators Database](#) (SFID), a collection of public K-12 school finance and resource allocation indicators published annually by researchers from the Albert Shanker Institute and the Rutgers University Graduate School of Education. The primary product of the SFID is the State Indicators Database (SID), a state-level dataset containing roughly 125 variables. This profile focuses on three types of measures included in the SID: **fiscal effort**, **adequacy**, and **progressivity**. The full SID dataset, along with accessible documentation of all the measures presented in this profile, as well other SFID datasets, tools, and reports, are freely available to download at: [schoolfinancedata.org](https://schoolfinancedata.org). The following are some general notes about the profiles, followed by descriptions and notes pertaining to the three types of measures they present:

- |                      |   |
|----------------------|---|
| <b>Fiscal effort</b> | SID variables used in this section: <i>effort, year</i> |
|----------------------|---|

■ U.S. effort averages are unweighted and do not include D.C. (effort not calculated in any year) or Vermont (effort not available in 2018/2019 due to data irregularities), so as to keep a consistent set of states across all years.

■ The table in the right panel summarizes the center-panel graph, with a focus on effort trends before and after the 2007-09 recession. The 2012-19 period (the “K-12 recovery period”) is highlighted in the table (rather than, say, 2009-2019) because the direct impact of the recession on K-12 funding in the typical state persisted for a few years after the “official recession” ended, and also because federal stimulus funds ran out after 2011. 2012 is therefore a good starting point for assessing states’ reinvestment (or lack thereof). Trends, however, vary by state.

■ Note that even seemingly small changes or differences in effort levels represent large revenue amounts, as the denominators are entire state economies.

- Adequacy estimates are not available for Hawaii in all years (due to it being a geographically isolated, single-district state), and Vermont in 2018 and 2019 (due to data irregularities). Estimates for D.C. are only available for the highest-poverty quintile.
- The district poverty categories (e.g., lowest, low, medium, high, highest) are defined in terms of quintiles (i.e., 20 percentile increments in each state).
- In the first bullet of the left panel, states with Q5 (“highest-poverty”) gaps lower than -20% are assigned the designation “severely inadequate.” The remaining designations are “below adequate” (between 0 and -20%) and “above adequate” (greater than 0%).
- The estimate in the fourth bullet of the left panel is calculated using our District Cost Database (our state adequacy measures are aggregations of these district-level estimates). You can download or analyze this dataset at the SFID website; the 2019 estimates used for this profile will be released in early 2022.
- The U.S. averages represented by the gold diamonds in the center-panel figure are national average differences between actual and required spending (weighted by enrollment). Note, however, that poverty quintiles are defined state by state, and so the U.S. averages represent an approximation of the national situation. In addition to Hawaii and Vermont, D.C. is excluded from these averages to keep a consistent set of states across quintiles. Axis ranges for this graph may vary between states.
- The graph in the right panel presents the same estimates as the “highest-poverty” bar (state) and diamond (U.S. average) in the center graph, but between 2009-19.

- Progressivity estimates are not available for D.C. and Hawaii (single-district states)
- In the left panel (first bullet), the progressivity of each state's system is characterized based on the adjusted revenue gap between high (30%) and 0% poverty districts (this is also the estimate presented in the bottom bar of the center panel graph). The designations are assigned as follows: progressive (revenue in high poverty districts is at least 10% greater than that in zero poverty districts); moderately progressive (between +3% and +10%); neither progressive nor regressive (within three percentage points of zero); moderately regressive (between -3% and -10%); regressive (lower than -10%).
- The estimates in the center-panel graph are percentage differences in adjusted state and local revenue between low/medium/high (10/20/30%) poverty districts and zero-poverty districts. Note that the definitions of district poverty groups in this section, which are based on poverty rates (0, 10, 20, and 30%), vary from those in the "Adequacy" section, in which districts are sorted into quintiles by poverty. Axis ranges for this graph may vary between states.
- The graph in the right panel presents the trend in percentage difference between high (30%) and zero poverty districts, both for this state and on average across the U.S. (for each state in 2019, this is the same figure as the bottom bar in the center panel graph). The U.S. averages are unweighted (do not include D.C. or Hawaii) and can be interpreted as 30/0 progressivity in the typical state in a given year. Axis ranges for this graph may vary between states.