A Users' Guide to Fiscal Capacity in the Basic Education Program

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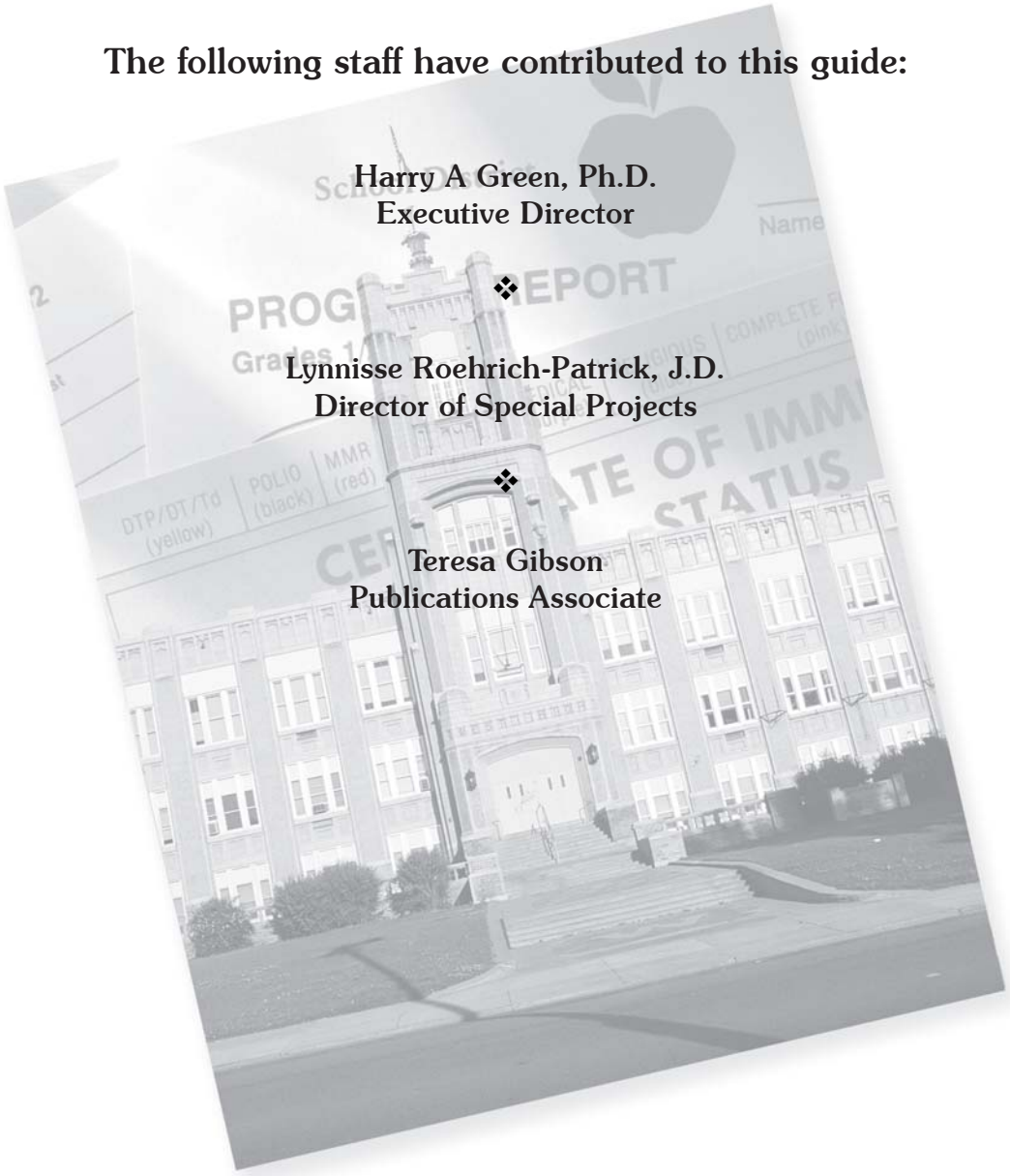

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A Users' Guide to Fiscal Capacity in the Basic Education Program Funding Formula

Introduction

What is fiscal capacity?

Fiscal capacity is a measure of the potential ability of a particular government to generate revenue from their own sources relative to other similar governments. Fiscal capacity indicators are used mainly for

- regional analysis
- regional policy
- comparative fiscal policy analysis, and
- fiscal equalization policy.

Indicators for comparing states were discussed in TACIR's report *Measuring Fiscal Capacity: Tennessee Compared to Southeastern States* (1997) and include

- ***gross state product***, the state counterpart to gross national product, typically used to monitor changes over time
- ***per capita personal income***, defined as consumption of a person, family or household **plus** the change in its net worth over a given period of time
- ***total taxable resources***, a combination of gross state product and per capita personal income done in a way that avoids double counting between those two measures
- ***export-adjusted income***, a theoretical approach intended to account for taxes paid by non-residents
- ***representative tax or revenue system***, designed to measure statutory tax bases that are commonly taxed by state and local governments

Local Fiscal Effort

Represents what school systems <u>are doing</u> to fund education.

Local Fiscal Capacity

Represents what school systems <u>can do</u> based on relevant community characteristics:

- Tax base
- Income
- Tax burden
- School population

Major Fiscal Capacity Principles

I

Fiscal capacity should be estimated from a comprehensive, balanced tax base.

II

Fiscal capacity should focus on economic bases rather than policy determined revenue bases.

III

Tax base estimates should be as current and accurate as possible.

IV

Similarly situated taxpayers should be treated similarly in terms of taxes paid and the services received.

V

Tax exportability should be measured–resident taxpayers in different jurisdictions should have similar fiscal burdens.

VI

Fiscal capacity measures should reflect service responsibilities that vary across jurisdictions.

VII

Estimates should be based on multi-year averages to mitigate data and statistical errors.

VIII

Fiscal capacity should reflect adjustments for variables that cause differential costs.

The first four methods listed above may be characterized as indicators of individuals' ability to pay taxes; the fifth method focuses more on the ability of governments to raise revenue based on comprehensively defined tax bases and average tax rates.

Tennessee uses a modified version of the representative tax system (RTS) to measure fiscal capacity for the state's education funding formula in order to equalize funding across the ninety-five counties. Fiscal capacity is distinctly different from fiscal effort. Capacity indicates what a government can do, not what it actually does. Governments cannot change their own fiscal capacity by changing their tax rates. Fiscal capacity based on the RTS method depends on the revenue raised by all governments combined.

Not every county can raise the same amount of money per citizen with the same tax rates. The value of property varies from county to county as does economic activity in general. The main sources of revenue for local governments in Tennessee are property and sales. Together, these make up more than ninety-seven percent of all education revenue.

Why does fiscal capacity matter?

When states accept responsibility for partially funding local programs, treating taxpayers of each jurisdiction fairly becomes important. Because local governments cannot all raise the same revenue with the same tax rates, principles of fundamental fairness require that the state allocate its share of funding in a way that helps even things out so that residents in every part of the state are treated similarly with respect to their ability to pay taxes and the services provided there. If the state

- requires local governments to do something,
- provides only part of the money it takes to do it and
- requires local governments to match the state funds,
- but makes them all put up the same share, say one fourth of the amount the state provides,

then residents of some areas will have to pay higher tax ***rates*** than residents of other areas in order to get the state's money and do what's required. That creates a taxpayer equity problem.

So how does the state solve that problem and ensure equity for residents across the state? By adjusting the share paid by each local government to reflect the size of its tax base. This is where fiscal capacity comes in. Only if a way can be found to measure differences between local governments in their ability to raise revenue to match the state funding can the state ensure that all taxpayers are treated fairly. Tennessee has chosen to use a representative tax system model for that purpose. The State Board of Education adopted the model developed by TACIR to allocate the local share of the BEP formula across counties.

Property Taxes

The ability to tax property in Tennessee is mainly restricted to cities and counties. The state does not directly tax property. Cities and counties tax both real and personal property, but not personal property owned by individuals and not used in a business. Property values are divided into several different classes and assessed at different rates. For example, only twenty-five percent of the fair market value of residential property is taxed, but forty percent of the value of commercial property is taxed. The same tax rate is applied to all types of property, but those different assessment rates mean that the full value of residential property is not taxed as heavily as commercial property. These differences contribute to the differences across counties in the amount of revenue that can be raised by the same property tax rate.

Property tax rates in Tennessee are usually described in terms of dollars [and cents] per hundred dollars of taxable property value.

Tax increases are usually described in cents, hence the question:

"What will a penny generate?"

When comparing the power of the local property tax base, people often speak in terms of what a penny will generate. That is because property tax rates in Tennessee are usually described in terms of dollars [and cents] per hundred dollars of taxable property value, and tax increases are usually described in cents. The amount of revenue a particular local government can raise with a penny on the property tax base varies considerably across Tennessee. These amounts are sometimes used to describe the relative wealth of the state's ninety-five counties, but they are only part of the story.

Counties that operate school systems must set a property tax rate for schools separate from the rate they set to fund the rest of county government. Cities that operate school systems typically

do not. They may transfer money from the general fund for their schools. In that case, it is impossible to tell how much of the money is from property taxes or any other tax. There is no limit on the property tax rate local governments can set, but most range between two and four dollars per hundred dollars of assessed value.

Generally, property tax rates are set by the elected governing bodies of cities and counties (i.e., city councils and county commissions). But Tennessee also has a number of special school districts that have been established by the state legislature. The elected boards of these districts can also impose property tax rates for schools, but only up to the limit set by the legislature.

Sales Taxes

No local sales tax rate can be higher than 2.75%.

No city or county can tax more than $1,600 of the price of any one item.

Both the state and local governments can tax sales, but local governments cannot raise their rates above 2.75% or two-and-three-quarters cents per dollar of purchase price, and they can tax only the first $1,600 of the purchase price of any individual item. The $1,600 single article cap, as it is called, means that no matter the price, the most a local government with a tax rate of 2.75% can collect on the purchase of any one item, even an item as expensive as a car, is $44. If you buy a car that costs $5,000, you will pay the same $44 to the local government as someone who buys a car that costs $50,000. In contrast, if you buy $5,000 worth of building materials to build a house—so long as no single item costs more than $1,600—you will pay the local government $137.50; and if you buy $50,000 worth of building materials to build a house, you will pay $1,375.00.

The selection of things for sale varies greatly from county to county in Tennessee, and so people often cross county lines to find the things they want to buy, both goods and services. Some counties do not have large discount stores; some don't even have a single new car dealership. Because of this, just as with property, the amount of money that any particular county can raise through a sales tax varies greatly. In fact, the amount that can be raised per citizen from sales taxes varies around the state more than the amount that can be raised from property taxes.

Local sales tax rates are set by referendum, so individual citizens get to vote on whether to approve increases. Proposals to increase sales tax rates often include information about how the local government intends to spend the additional money raised by the new rate. The most common reason given is to fund schools. As with property taxes, cities ordinarily do not set specific rates for schools, but transfer money from the general fund for them instead, so it is rarely possible to determine how much sales tax revenue cities use to support schools.

Other Local Taxes

One other tax is widely used by local governments—counties in particular—to fund schools: the wheel tax. Wheel tax rates vary from county to county much more widely than property or sales tax rates, but generate far less money. Local governments also use business taxes and other taxes and fees to support schools, but these typically generate even less revenue than wheel taxes.

What is the TACIR Fiscal Capacity Model?

Tennessee's fiscal capacity model was developed by TACIR and adopted by the State Board of Education to fulfill the requirement of the Education Improvement Act for fiscal equalization in the Basic Education Program (BEP). It is used to help determine the local funding shares for each school system. Fiscal capacity is the potential ability of local governments to fund education from their own taxable sources, relative to their cost of providing services.

The TACIR formula estimates the dollar amount per pupil that each county area can afford to raise to fund its public schools. The dollar amount per pupil is multiplied by the number of students in each county to produce the total fiscal capacity for each county area. The total fiscal capacity for all ninety-five counties is summed, and the amount for each county is divided by the statewide total. This amount is called the fiscal capacity index. Converted to a percentage of the statewide total, this number constitutes the share that each county has of total statewide capacity to fund education from local sources.

TACIR Fiscal Capacity Model What is it?

- A Modified Representative Tax System Approach (Regression Weighted).
- A Pupil Equity Model–measured by the tax base per student.
- A Taxpayer Equity Model–measured by
  - Ability to pay.
  - Resident tax burden.
  - Tax exportability.
- A Fiscal "Behavioral" Model
  - Does not set normative standards for local revenue.
  - Accepts actual levels of local revenue as basis for measuring fiscal capacity.
- Three-year Moving Average–mitigates both errors and volatility in the data.

A Modified Representative Tax System Approach

TACIR uses a modified version of the representative tax system (RTS) approach to determine fiscal capacity developed by the U.S. Advisory Commission on Intergovernmental Relations (ACIR). The original ACIR model estimated the fiscal capacity of states by applying uniform tax rates to a standard set of tax bases. The TACIR model enhances the basic RTS approach by using a common statistical method to expand the formula to include more measures of taxpayer equity and a measure of the local service burden.

The statistical method TACIR uses to compute each county's fiscal capacity is called multiple regression analysis. This method starts with the actual revenue raised by all ninety-five counties for education. It then takes each factor (variable) and compares it across all counties to produce a weight (called a coefficient) that represents the average contribution that factor makes to the amount raised by each county. A single weight is calculated for each factor included in the model. Each weight is multiplied by the value of the factor for each county and summed for that county to produce a dollar amount per pupil. That amount represents the fiscal capacity for the county. These amounts vary county-by-county because the values of the factors are different for each county.

A Fiscal "Behavioral" Model

The TACIR fiscal capacity model is "behavioral" because it starts and ends with what locals are actually doing collectively–the average across counties for the estimates equals the average of the counties' actual revenue per pupil.

The TACIR fiscal capacity formula is called a "behavioral model" because it is based on the amount of revenue actually raised for education by local governments in Tennessee. It does not attempt to determine how much should be raised based on some external factor or policy, nor does it begin with a target amount and determine how to allocate it. It uses the actual amounts from all counties to estimate the amount that could be raised in each individual county based on the weights produced by comparing all of the factors for all counties combined. Models based on some external determination of how much money should be raised are called "normative models".

A Pupil Equity Model

The TACIR model is called a "pupil equity model" partly because the revenue and tax base factors are expressed in terms of amounts per pupil and partly because it includes a separate factor to measure the service burden in each county. This factor is the ratio of public school students to the total population of the county. The student count used is called "average daily membership," which is the average number of students over the course of the year.

A Taxpayer Equity Model

TACIR's model is called a "taxpayer equity model" because it is designed to ensure that all taxpayers similarly situated are asked to pay the same amount. It does this by including tax base measures and a measure of the burden placed on residents by the tax structure. The primary tax bases for local governments in Tennessee are property and sales. The measure of the resident tax burden is the total taxable value of all residential and farm property divided by the total taxable value of all property in the county.

Three-year Moving Averages

The fiscal capacity formula uses three-year "moving" averages for each factor, including actual revenue, which means that three years of data are used and each year the oldest data is dropped and more recent data is added. This averaging helps "smooth out" major changes in the model's results and reduces volatility from year to year. However, using a three-year moving average increases the normal time lag that results because the fiscal capacity estimates have to be produced in time to be used in the BEP formula. The most recent data is never more current than the year before the BEP is calculated, and because of the time it takes to collect and prepare data, the most current data used is often eighteen to twenty-four months old.

How Are the Components of Fiscal Capacity Measured?

All of the factors used in the TACIR fiscal capacity model are based on the most current three-year averages available. The local revenue and tax base factors are divided by the number of public school students in each county. The student counts used for this purpose are the same as the counts used in the service responsibility component.

Fiscal Capacity Model Components and Factors

Components		Factors
Local Revenue	↔	Own-source Revenue per Pupil
Tax Base (Pupil Equity)	↔	Taxable Sales per Pupil Property per Pupil
Ability to Pay (Taxpayer Equity)	↔	Per Capital Income
Resident Tax Burden (Taxpayer Equity)	↔	Ratio of Residential & Farm Assessment to Total Assessment
Service Responsiblilty (Pupil Equity)	↔	Ratio of Average Daily Membership to Population
Methodology	↔	Oridinary Lease Squares Multiple Linear Regression
Output	↔	Fiscal Capacity per Pupil

Local revenue in the fiscal capacity model includes all own-source revenue used by local governments to fund education. For county school systems, this includes mainly revenue from local sales and property taxes. Counties with more than one school system must share this revenue, as well as any other revenue from local sources, with the other school systems in the county.

In addition, any special school districts in the county, with the exception of the Memphis Special School District,* can levy their own property taxes; cities can either levy specific taxes or more commonly make appropriations for their schools from general fund monies. When cities make general fund transfers, it is impossible to determine the exact source of funds, but they may include revenue from state-shared taxes, as well as from locally imposed taxes. The data is collected each year by the Tennessee Department of Education.

Tax base components include the two main sources of local revenue for education:

- the equalized assessed value of all taxable real and personal property in each county and
- the local taxable sales in each county.

Property values are obtained from the Comptroller of the Treasury, Division of Property Assessments. They are reported on a calendar year basis. The value of taxable sales is obtained from the Department of Revenue, and it is reported on a fiscal year basis.

Also included in the property tax base factor for each county is the latest data on tax equivalent payments from the Comptroller's Division of Local Finance. Tax equivalent payments are also called payments in lieu of taxes, which local governments often receive in exchange for special accommodations for new or expanded businesses. Unfortunately, the most current information available on these payments dates back to 1995.

Ability to pay is based on per capita personal income (PCPI). PCPI is provided by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). The BEA defines personal income as income received by persons from all sources. It is reported on a calendar year basis. PCPI also acts as a proxy for local revenue not derived from property or sales taxes, such as wheel taxes.

Resident taxpayer burden is measured by dividing the combined value of residential and farm property by the value of all taxable

Personal Income–a measure of ability to pay

- compensation received by employees
- proprietors' income
- rental income
- income receipts on assets
- current transfer receipts
- less contributions for government social insurance

* The city of Memphis provides funds for the Memphis special school district.

property in the county. These values are included in the data set obtained from the Division of Property Assessment. The use of this factor to measure the resident taxpayer burden rests on the theory that taxes on residential and farm property are paid entirely by county residents, while taxes on commercial and industrial property may be recouped from non-county residents through the sale of products and services to customers outside the county, a concept known as tax exporting. A high ratio of residential and farm property to all property indicates a relatively low capacity to export taxes and, consequently, a relatively high resident tax burden. A low ratio indicates a relatively low resident tax burden and a higher capacity to export taxes.

Service responsibility is measured by dividing the number of students in public schools by the entire population as reported by the U.S. Census Bureau. The student count used is the average daily membership (ADM) obtained each year from the Department of Education. This component has long been included in TACIR's fiscal capacity model to reflect expenditure needs. Over time, the BEP formula has become more comprehensive in its own right, and this component of the fiscal capacity formula has become less important. That is, it has come to have less influence on the estimates produced by the model.

How Are the Factors Combined to Estimate Fiscal Capacity?

The TACIR fiscal capacity model is based on a commonly used statistical process called "ordinary least squares multiple linear regression", which sounds more intimidating than it is. In fact, it is built into the spreadsheet software included in the most commonly used office automation packages, even those sold for home use. Linear regression is a method used to compare two or more factors to determine the mathematical relationship between them. If one increases, does the other increase or decrease? If so, how much?

Multiple linear regression is a method for comparing a factor to two or more other factors. It is a complex formula that takes a set of data and produces a set of weights that can be multiplied by a set of factors to estimate another factor. These weights represent

the amount by which each factor increases or decreases as the factor being estimated increases. This process also produces a set amount, called a constant because it is the same for every observation (county in this case), that is included in each estimate.

In the case of education fiscal capacity, the factor being estimated is the amount of local revenue that could be raised in each Tennessee county based on the actual revenue raised by all counties and the factors listed in the next chart. The chart includes the state average for each factor and its weight based on the most recent model.

2004-05 County Fiscal Capacity Factors and Weights*

Average Actual Revenue per Pupil: $1,576		
Factors used to estimate Revenue per Pupil	**Average County Value**	**Weights Produced by Model**
Constant Value to be Included in Each County's Estimate	n/a	$1,098
Taxable Property per Pupil	$82,876	-0.0012
Taxable Sales per Pupil	$39,843	+0.0138
Per Capita Personal Income	$20,879	+0.0783
Ratio of Residential and Farm Value to Total Taxable Property	65.32%	-$1,496
Ratio of Average Daily Membership to Population	15.87%	-$3,982
Average Estimated Revenue per Pupil: $1,576		

*Averages in this table are based on the values for each of the ninety-five counties.

The weights produced by the regression model are unique to a particular set of data. Each year as the data is updated and the values for each factor included in the model change, the weights, as well as the constant, will change. This happens because all of the three-year-average values for each county change each year, and they do not all change at the same rate for all counties. The expected effects of changes in the factors on estimates of fiscal capacity are shown in the following chart:

Effect of Changes in Fiscal Capacity Factors

The relationship between fiscal capacity and specific variables (other things being equal) is illustrated as follows:			
Property Assessment Increases	↑	Fiscal Capacity Increases	↑
Taxable Sales Increase	↑	Fiscal Capacity Increases	↑
Per Capita Income Increases	↑	Fiscal Capacity Increases	↑
Tax Burden Ratio Increases	↑	Fiscal Capacity Decreases	↓
ADM/Population Ratio Increases	↑	Fiscal Capacity Decreases	↓

These changes are moderated by the use of three-year averages. In order to have the most current data possible for each factor in the fiscal capacity model, the model does not become available until about six months prior to the beginning of the fiscal year to which it applies. Moreover, in order to have the most current values for use in the BEP formula, mainly the student counts on which BEP funding is based, the Department of Education waits until June or July each year to make final funding determinations for school systems. The moderating effect of three-year averages makes it easier for local governments to deal with this time line. But while it ensures against rapid increases in fiscal capacity, it also delays decreases. This is important to local governments because the Department uses a fiscal capacity index derived from the per pupil estimates produced by the model. The index form is necessary because the local match required by the BEP is distributed across counties based on each county's share of local fiscal capacity.

How is the Fiscal Capacity Index Computed?

The BEP formula, the state's primary method of funding public schools, requires an index expressed as a percent of total local revenue to allocate responsibility for the local matching requirement across Tennessee's ninety-five counties. But the regression model used TACIR produces a dollar amount per pupil. The entire process, from fiscal capacity per pupil to a fiscal capacity index requires four basic steps:

Step 1. Calculate the county's fiscal capacity per pupil *(determined by TACIR Model)*.

Step 2. Multiply the county's fiscal capacity per pupil from **Step 1** by the total number of students (ADM) in the county to get county total fiscal capacity.

Step 3. Add the total fiscal capacity determined in **Step 2** for all 95 counties together to get the total statewide fiscal capacity.

Step 4. Divide each county's total fiscal capacity from **Step 2** by the total statewide fiscal capacity from **Step 3** and multiply the result by 100 to get the fiscal capacity index.

Sample Fiscal Capacity Index Calculation

	$1,526	per student
X	9,475	students
=	$14,458,850	
÷	$2,130,607,273	
=	0.00678626	
X	100	
=	0.678626%	

The result is each county's percent of local fiscal capacity for education. It represents the share of local education revenue that each county can be expected to contribute and is applied to the aggregate or statewide local match required to fund the BEP. The percentages for the 2004-05 fiscal year range from 0.0256% for Van Buren County to 21.2983% for Shelby County. Most counties fall between 0.05% and 5.00%. Four counties fall below the bottom of that range, and four fall above the top.

How is the Fiscal Capacity Index Used in the BEP Formula?

The BEP formula is designed to fund school systems. The TACIR fiscal capacity index is produced at the county level. With 136 school systems and ninety-five counties, the index cannot simply be applied directly to each school system. The BEP formula produces a dollar amount for each school system that represents the cost of the BEP for each one based on its complement of students. The cost of the BEP is shared by the state and local governments based on percentages set in law. The state pays sixty-five percent of the amount for instructional positions, seventy-five percent of the amount for all other classroom components and fifty percent of the amount for non-classroom components. Local governments are required to make up the difference. The

TACIR fiscal capacity index is used to allocate that difference fairly across all counties. Computing the local requirement for each county is a simple process of multiplying three numbers:

County Matching Requirement	=	Statewide BEP Cost	x	Statutory Match Rate	x	County Fiscal Capacity Index

This simple three-part calculation is all that is necessary for the sixty-seven counties that have only one school system. For the other twenty-eight counties, the local match has to be allocated among multiple systems. It can easily be allocated based on the share each system has of the total BEP cost for the county. For example, if one system has half the BEP total for the county, that system is responsible for half of the local match. This method of allocation has nothing to with the within-county systems' fiscal capacity relative to each other or relative to systems in other counties. Sample calculations for both single-system and multi-system counties are included in the Appendix.

Problems with the Current Model

TACIR staff continually review the model looking for ways to improve it. A number of issues arise with the current model:

- First and foremost, it is a county model used in a funding formula for school systems. Twenty-eight counties have multiple school systems.
- Second, as mentioned in the discussion of factors used to measure the tax bases, the most current data for tax equivalent payments are for 1995 and clearly out of date.
- Third, while revenue from state-shared taxes is almost certainly used to fund some cities' general fund transfers to fund schools, the same source of revenue is not included for other school systems.
- Fourth, the figures from BEA for per capita personal income include county residents in group quarters such as college dormitories and prisons.

- Finally, for now, the service burden factor should be reconsidered in light of changes that have made the education funding formula itself a better measure of the service burden.

The Commission made a conscious decision in 1995 not to change the fiscal capacity formula until the BEP formula had been completely phased in. The formula was fully funded in fiscal year 1997-98.

A County Model in a System Formula. TACIR first published a staff report describing the difficulty of estimating fiscal capacity for school systems in 1990. Since that time, and since the adoption of the county model for use in the BEP formula, efforts to produce a reliable system-level model have continued. The first prototype was presented by staff to the Commission in 1998. In 2003, a task force appointed by Governor Bredesen in response to the Tennessee Supreme Court's third ruling on the state's education funding scheme recommended adoption of a system-level fiscal capacity model. TACIR staff spent most of 2003 intensely reviewing alternative models and provided a newly refined prototype to the Governor's office in October. The model has not yet been adopted.

Dated Tax Equivalent Payments. No state agency collects information from local governments about tax equivalent payments (TEPs). The dilemma is whether it is worse to ignore them or worse to rely on old data. When local governments approve TEPs, the related property is removed from the tax rolls. Without a value for that property, there is no way to properly account in the fiscal capacity model for the ability to raise local revenue in this manner. As a result, the fiscal capacity of local governments that make significant use of TEPs is likely to be understated and thereby shifted to other counties.

Inconsistencies in Inclusion of Revenue from State-shared Taxes. This issue may be easily resolved. At a minimum, it requires including state-shared tax revenue actually used to fund school systems in the revenue component of the model. That revenue is clearly used as a substitute for local revenue. Based on data from

Issues of Concern

County model used in school system formula

Out-of-date tax equivalent payments

State-shared taxes included for some systems, but not others

PCPI understated in some counties because of inclusion of residents in group quarters

Service burden included both in capacity model and in funding formula

the Department of Education, it represents a significant source of funds for some systems. The data is readily available, and including it in the revenue component would ensure consistency across all school systems.

The distribution to local governments of revenue from state-shared taxes allows them to either enhance programs or avoid raising local fees and tax rates. That being the case, the revenues themselves should be included in the fiscal capacity model as a factor to measure the local tax base. Doing so would ensure consistency within the model between the revenue component and the tax base component.

Group Quarters Diluting the PCPI Calculation. This issue may not be easily resolved. As noted in the discussion of ability to pay, per capita personal income is produced by the U.S. Bureau of Economic Analysis. The BEA model for estimating personal income for a particular state or county is complex. It uses population estimates produced by the U.S. Census Bureau to transform those personal income figures into per capita figures. The population estimates do not factor out residents in group quarters, and according to the BEA itself, the inclusion of residents in group quarters means that PCPI figures are not accurate measures of the well being of taxpayers.

Unfortunately, counts of residents in group quarters are only available as part of the decennial census; the Census Bureau does not produce intercensal estimates. Without those estimates, the number of residents in group quarters cannot be factored out of the annual PCPI estimates. Unless another source of current estimates can be found, PCPI will continue to be understated for counties with significant populations in group quarters. Those counties are mainly small ones with large institutions.

Double-counting the Education Service Responsibility. TACIR's original fiscal capacity model was developed before the BEP formula was adopted. Prior to the BEP, there was widespread agreement that the state's funding formula for education was seriously inadequate. The state's school superintendents had formed a group to advise the state on needed improvements.

"[T]he presence of a large institutional population–such as that of a college or a prison–will tend to keep the per capita personal income of an area at a lower level because the residents of these institutions have little income attributable to them at these institutions.

This lower per capita personal income is not indicative of the economic well-being of most of the residents of the area

(or, in some cases, of the institutional populations, because some of these populations, such as college students, typically receive support from their families living in other areas)."

http://www.bea.doc.gov/bea/regional/articles/lapi2001/technote.cfm

That group is where the BEP formula originated. The BEP became widely regarded as a far superior means of funding education and was ultimately adopted in 1992 with passage of the Education Improvement Act. The TACIR fiscal capacity model was adopted at the same time.

Funding under the BEP formula was phased in over a six-year period, and until it was fully funded, arguably, the TACIR fiscal capacity model needed to retain its measure of education service responsibility or burden. Until the BEP was fully funded, it could not be said that it adequately accounted for that burden. The BEP formula has been enhanced several times since 1992, starting with the addition of technology coordinators in the mid-1990s. More recently, a component to fund teachers and translators for English language learners has been added to the formula, but the most significant enhancement will occur in 2004-05 with the inclusion of a far more reasonable figure for average teachers' salaries.

All of these enhancements of Tennessee's formula for funding education make the BEP a better measure of the education service burden and make it less important to include a measure of the same thing in the fiscal capacity model. Over time, the service responsibility component of the TACIR fiscal capacity model has come to have less influence on the estimates produced by the model, and like PCPI, this factor is distorted in some counties by inclusion of residents in group quarters in the population figures used to calculate it. At the very least, the service burden component in the current model should be modified to better account for only that portion of the service burden not adequately addressed by the BEP. There is wide agreement that the cost of educating disadvantaged students is the most under-funded part of the BEP. It should be possible to revise the service responsibility variable in TACIR's fiscal capacity model to measure that burden.

A more comprehensive state funding formula may lessen the need for a service responsibility component in the fiscal capacity model.

The Future: A New Model

Clearly, the future lies in a system-level model. Partly because cities and special school districts can add taxes without sharing them with their county counterparts and partly because tax bases

are concentrated in cities and special school districts, county systems are at a disadvantage when the fiscal capacity model treats them all the same. County fiscal capacities are generally overstated, and city and special school district capacities are understated. This inference is based on several facts:

- City systems and special school districts have, on average, higher expenditures per student and higher salaries for teachers. Their higher expenditures and salaries result in part from their desire to provide a higher quality education for their children—expressed in some cases by a willingness to pay higher tax rates—and in part from their more robust tax bases coupled with a state law that allows them to raise revenue for their schools without requiring them to share any of that revenue with other systems.

Comparison of County-area Shares of BEP Match to Actual Shares of Local Education Revenue
by Number of Systems in County

		Percent of Statewide Local Revenue	Percent of Statewide BEP Local Match	
			Current 95-County Model	Ratio of Match to Revenue
Counties with One School System	67	49.7%	52.3%	1.05
Counties with Two School Systems	20	40.3%	39.4%	0.98
Counties with Three School Systems	6	9.0%	7.4%	0.82
Counties with Five or Six School Systems	2	1.0%	0.9%	0.97
Total	95	100.0%	100.0%	1.00

- Overall, as shown in the chart at left, estimates produced by the county fiscal capacity model for multi-system counties are less than the actual revenue raised there, but estimates for the single-system counties are greater than their actual revenue. The pattern suggests the need for a system-level model.

- Finally, there are numerous examples across the state of special agreements between cities and counties, including cities that operate their own school systems to share some of their revenue with their county counterparts.

Teasing out the influence of each of these factors is difficult, but it is fair to say that most counties would provide better schools for their students if they could do so with similar tax rates, but the

state's current tax structure makes that impossible. Except with respect to the eighty-four Tennessee cities that do not have property taxes—none of which operate school systems—counties cannot have property tax rates in their unincorporated areas equal to those imposed by municipalities. It will be difficult to resolve these issues without a system-level fiscal capacity model.

As noted in the discussion of problems with the current model, Governor Bredesen's Task Force on Teacher Pay recommended adoption of a system-level fiscal capacity model. This recommendation was part of a set of recommendations that the Task Force believed were necessary to reduce the disparity in teachers' salaries that was found unconstitutional by Tennessee's Supreme Court. (The Task Force's "Ten Principles" are included in the Appendix.) TACIR staff provided a prototype model to the Governor's office to accompany the Task Force's recommendations. The state legislature followed up with a bill that included a provision requiring the state's BEP Review Committee "to give special consideration to . . . the development and implementation of a system-level fiscal capacity model."

The BEP Review Committee is a body established by the legislature in 1992 to review the state's education funding formula. Among its members are representatives of school systems all across the state and of all state agencies involved in education finance issues. The committee meets periodically throughout the year to study the formula and recommend changes. Beginning in 2004, it is required to submit an annual report each November 1 to the Governor, the State Board of Education and the Select Oversight Committee on Education.

The Committee met throughout the summer and fall of 2004, and recently issued its first such report. Among its recommendations, it included the following:

> The BEP Review Committee endorsed the concept of a 136 system-level prototype. The committee voted to recommend, in its November 1, 2005 report, that Tennessee convert from a 95 county to a 136 system-level equalization model.

> Future discussion will focus on issues related to local tax base and additional questions determined by the BEP Review Committee. An additional year will allow time for the committee to develop potential phase-in options and gain a better understanding of factors driving formula change. This review will facilitate the necessary conditions for BEP implementation.*

A consensus appears to have formed around the concept of a system-level model. But as with all government policy, especially policies involving changes in an existing program for distributing funds, the devil is in the details. TACIR staff continue to work to refine a prototype to accomplish the state's goals.

*Basic Education Program Review Committee Annual Report, November 1, 2004, page 8.

APPENDICES

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Recommendations of the Governor's Task Force on Teacher Pay

Ten Principles

1. **Select a Cost-Driven Salary Component**—Select a cost-driven component in the BEP formula for salaries that reflects a real-world average salary cost.

2. **Spend the New Funds on Salaries**—Systems below a specified instructional salary level should provide a minimum level of expenditures earmarked for instructional salaries in order to reduce disparity.

3. **Ensure a Hold Harmless Provision**—Funds should be provided to ensure that no system receives less state money than it currently does.

4. **Introduce a New District-Level Fiscal Capacity Model**—Introduce a new district/system-level fiscal capacity model in order to provide a fairer method of determining local contribution. Currently, the model measures the fiscal capacity of 95 counties. A new district/system level will measure the capacity of 136 systems.

5. **Adjust State/Local Split**—State and local shares for salaries should be adjusted to reflect fiscal realities of infusing additional state dollars and to ensure a greater degree of equalization.

6. **Require Local Responsibility**—Local systems should be required to fund their matching share of the BEP formula cost-driven salary component.

7. **Adjust the Cost Differential Factor (CDF)/At-Risk/English Language Learners (ELL) Components**—The CDF for instructional salaries should be replaced or readjusted provided that additional funds will be available to address the issue of equality of educational opportunity, including funds for students in families with low incomes (e.g., students eligible for free and reduced price lunch) and English language learners. This will have the effect of targeting funds to both rural and urban systems based on educational needs.

8. **Maintain a State Salary Schedule**—A revised state salary schedule should remain in place to ensure that there is a floor below which salaries may not fall. The schedule should be recommended by the Commissioner of Education and approved by the State Board of Education annually.

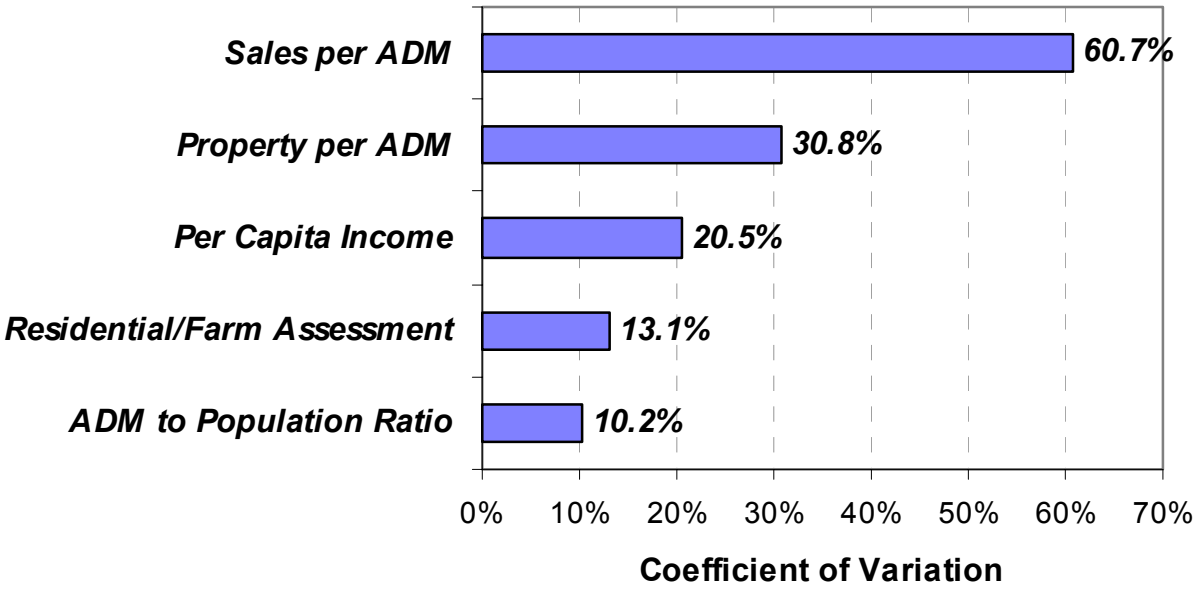
9. **Institute an Annual Watchdog/Review Component**—Charge the BEP Review Committee with annually reviewing two aspects of the teacher pay equity solution:

   - Identify any warning signs of increased disparity levels
   - Review and recommend adjustments to the BEP salary component based on recognized inflationary indices

10. **Provide a Phased-in, Multi-Year Approach**—The solution should incorporate a phased multi-year approach based upon fiscal realities and should provide local systems and local governments the opportunity to adjust to the impact.

Dispersion of Variables for FY 2005

Coefficient of Variation

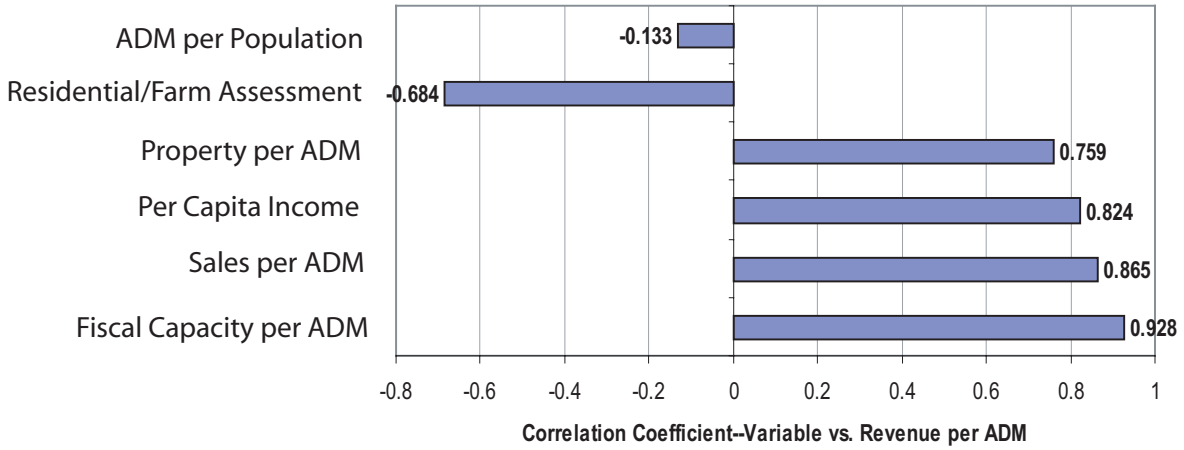


Variation Analysis

The coefficient of variation (COV) is a measure of the variation from the average value for a single variable or factor. Technically, it is the standard deviation expressed as a percent of the mean. The large COV for taxable sales indicates very large differences in taxable sales per pupil across the ninety-five counties. The COV for sales is almost double the COV for property, indicating considerably larger differences across counties in their sales tax bases than in their property tax bases. The small COV for ADM per population indicates relatively small differences across the counties for this factor. This comparison indicates that differences among counties in their tax bases are far more significant than differences in school enrollment relative to their population.

Correlation Analysis

Relationship Between Local Revenue per Pupil and Fiscal Capacity Variables for FY 2005



Correlation Analysis

Correlation analysis is a descriptive technique used to measure the strength of the relationship between two variables. The statistic produced is called the coefficient of correlation. Values for the coefficient of correlation range from -1 for a perfect negative correlation up to +1 for a perfect positive correlation. *Perfect* means that if all the points of intersection between a pair of variables were plotted in a scatter diagram, all the points could be connected with a straight line. The closer the coefficient to either +1 or -1, the stronger the relationship. When the coefficient is near zero, little or no relationship exits. In the chart above, the longer the bars, the stronger the relationship. The factors are in order, top to bottom, from weakest to strongest. The factor with the strongest relationship to revenue per pupil is sales per ADM. The correlation coefficient for those two variables is 0.865. Per capita income and property per ADM also have strong relationships to revenue per pupil (0.824 and 0.759 respectively). The existence of a strong correlation does not imply a causation effect; it only indicates the tendencies present in the data.

Frequently Asked Questions About Fiscal Capacity

1. **What is fiscal capacity?**

   Fiscal capacity is the potential ability of local governments to fund education from their own taxable sources, relative to the cost of their service responsibility.

2. **What factors determine fiscal capacity?**

   Essentially, fiscal capacity is determined by the following factors for each of the 95 counties: fiscal effort, tax capacity based on property and sales, ability to pay based on per capita income, tax burden, and service responsibility based on school population as a percent of total population.

3. **What is the actual output of TACIR's fiscal capacity formula?**

   The TACIR formula measures the per pupil dollar amount that each county—based on the characteristics explained in item 2 above—can afford to pay to fund education.

4. **What is the method for determining fiscal capacity?**

   Essentially, the fiscal capacity model is based on a set of averages. The method, which is called multiple regression analysis, takes one factor (variable) at a time and compares it for all counties. From this process, an average weight (called a coefficient) is calculated for each factor. For the property and sales bases, this coefficient is equivalent to an average tax rate.

5. **What is multiple regression analysis?**

   This is a very common and useful statistical method for addressing a wide range of issues. This procedure is used to predict the value of fiscal capacity based on a number of factors that determine fiscal capacity.

6. **How is the per pupil fiscal capacity actually calculated?**

   As indicated above, the statistical method produces an average weight (called a coefficient) for each of the factors in the model. These averages are multiplied by the value of each factor for each county and summed. This produces a per pupil fiscal capacity amount. These per pupil amounts will vary county-by-county because the factor values are different for each county.

7. **What are the timing implications of fiscal capacity?**

Because of a time lag in the collection and publication of official statistics, the data is frequently 18 to 24 months old. Moreover, the formula is based on a 3-year "moving" average of the data used. That means that each year the formula is calculated, the most current year is added and the oldest year is dropped. Consequently, a current change in the tax base of any county will not be reflected in the most current fiscal capacity index.

8. **Will the fiscal capacity of each county change each year?**

It is likely that there will be some change each year. However, experience shows that for most counties the changes are insignificant. The influence of a change in the tax base in a specific county will be related to similar tax changes in other counties. A change in any specific fiscal capacity factor will not necessarily mean a change in fiscal capacity.

9. **What is the fiscal capacity index (FCI)?**

The State Board and Department of Education use a percent of total measure of fiscal capacity rather than a per pupil measure. Once TACIR determines per pupil capacity for each county, this value is multiplied by average daily membership. This produces a countywide measure of total fiscal capacity. The values of the 95 counties are summed, and each county is expressed as a proportion of the total. The fiscal capacity index for each county is this proportion.

10. **Is the FCI the same thing as my local BEP match rate?**

No. Your local match rate is the result of multiplying your fiscal capacity index by the total (statewide) local share of the Basic Education Program (a dollar amount) and then dividing the result (the amount of the BEP your county area must fund) by the total dollar amount generated for your county by the BEP formula. The total (statewide) local share of the BEP is a dollar amount that results from multiplying the statutory match rate (e.g., 50% of the non-classroom components) by the total dollar amount generated for all school systems by the BEP formula.

11. **Can per pupil fiscal capacity change without affecting the index?**

Yes. The per pupil capacity of a specific county can move up or down without necessarily causing a major change in the index. However, this depends on what changes occur in all 95 counties.

12. **How does the Fiscal Capacity Index influence the local share of each county for funding the Basic Education Program?**

The index is the portion of total fiscal capacity for which each county has responsibility. If county A has an index of 3.45% in FY 2004, then county A is responsible for 3.45% of the total local share (in dollars) of the BEP. The total local share depends on the total cost of the BEP and the local match rate set in statute. If a county's index goes up, or down, that county's share of responsibility changes. Changes in the fiscal capacity index have much less effect on funding than do changes in the local match rate set in statute or changes in the total cost of the BEP.

How Fiscal Capacity Works in the BEP Formula*

Sample calculation based on current formula

Step 1. Compute the cost of the Basic Education Program [BEP], component by component

Step 2. Tally up the total cost [state and local combined] of instructional positions, the other classroom components and the non-classroom components:

- Grand Total Instructional Positions $2,651,415,000
- Grand Total Other Classroom Components $ 460,455,000
- Grand Total Non-classroom Components $1,199,416,000

Step 3. Divide responsibility between the State and local school systems:

	Required State Percentage	State Share	Local Share	Grand Total
Instr. Positions	65%	$1,723,414,000	$928,001,000	$2,651,415,000
Other Classroom	75%	345,338,000	115,117,000	460,455,000
Non-classroom	50%	599,703,000	599,713,000	1,199,416,000
All Components	n/a	$2,668,455,000	$1,642,831,000	$4,311,286,000

Step 4. Determine county area share of local education fiscal capacity [see attached]:

- Estimated Total County Area Local Education Fiscal Capacity—TACIR fiscal capacity per student for each county area multiplied by number of students [three-year average daily attendance (ADM)] in public schools in that county
- County Area Percent of Grand Total Estimated Local Education Fiscal Capacity—estimated total county area fiscal capacity divided by grand total for all counties expressed as a percentage of the statewide total

Step 5. Divide responsibility for the local share [from Step 3] among the counties—*multiply the total statewide local share of each part of the BEP [instructional, other classroom and non-classroom separately] by each county area's percentage share of fiscal capacity [from Step 4]:*

VOLUNTEER CO.	Instructional Positions	Other Classroom	Non-classroom	Total
Statewide Local Share	$928,001,000	$115,117,000	$599,713,000	$1,642,831,000
County Area Fiscal Capacity	**X** 0.5213%	**X** 0.5213%	**X** 0.5213%	n/a
County Area Local Share [local funding requirement]	$4,838,000	$600,000	$3,126,000	$8,564,000

IF COUNTY HAS <u>ONLY ONE SCHOOL SYSTEM</u>, STOP HERE.

* All figures based on final FY03 allocations by Tennessee Department of Education, Office of Local Finance.

IF COUNTY HAS MORE THAN ONE SCHOOL SYSTEM, CONTINUE FROM STEP 5.

TRINITY CO.—Step #5	Instructional Positions	Other Classroom	Non-Classroom	Total
Statewide Local Share	$928,001,000	$115,117,000	$599,713,000	$1,642,831,000
County Area Fiscal Capacity	**X** 1.2255%	**X** 1.2255%	**X** 1.2255%	n/a
County Area Local Share [local funding requirement]	$11,373,000	$1,411,000	$7,349,000	$20,133,000

Step 6. ***IF COUNTY HAS MORE THAN ONE SCHOOL SYSTEM***, then for instructional positions, other classroom and non-classroom funding separately, (1) tally up the total BEP funding [state and local combined] for each school system within the county, (2) compute the percent of the county total for each system by dividing each system's total BEP funding by the county area total, and (3) multiply the county area local share [i.e., the local funding requirement for the entire county] from Step 5 by each system's percent of the county total BEP funding:

TRINITY CO. *Instructional Positions Funding*	Total BEP Funding Requirement [state and local combined]	Percent of County Total [calculated from previous column]	Local Funding Requirement [split based on previous column]
Trinity Co.	$20,286,000	60%	$6,824,000
Polk City	5,072,000	15%	1,706,000
Best SSD	8,452,000	25%	2,843,000
County Area Total	$33,810,000	100%	$11,373,000

TRINITY CO. *Other Classroom Funding*	Total BEP Funding Requirement [state and local combined]	Percent of County Total [calculated from previous column]	Local Funding Requirement [split based on previous column]
Trinity Co.	$3,555,000	60%	$847,000
Polk City	889,000	15%	212,000
Best SSD	1,481,000	25%	353,000
County Area Total	$5,925,000	100%	$1,411,000

TRINITY CO. *Non-Classroom Funding*	Total BEP Funding Requirement [state and local combined]	Percent of County Total [calculated from previous column]	Local Funding Requirement [split based on previous column]
Trinity Co.	$10,017,000	65%	$4,777,000
Polk City	1,849,000	12%	1,102,000
Best SSD	3,545,000	23%	1,690,000
County Area Total	$15,411,000	100%	$7,349,000

Glossary

Ability to Pay—the ability of individuals in a certain jurisdiction to pay taxes relative to those in other jurisdictions, generally based on a measure of income. The TACIR school system fiscal capacity model uses county per capita income and school district poverty rates, which are based on income, to measure ability to pay.

Fiscal Capacity—the potential ability of the school systems to raise revenues from their own sources to pay for public education.

Fiscal Effort—the degree to which a school system utilizes the revenue bases available to it, typically measured as the ratio of between the actual amount of revenues collected or used for a particular purpose to a related measure of fiscal capacity.

Local Revenue—the amount of money provided at the discretion of local officials to support school systems, such as property taxes, and state-shared tax revenues that substitute for local revenue.

Ordinary Least Squares Multiple Linear Regression—a statistical process used to predict the values of a dependent variable, such as local revenue for education, based on the values of a set of explanatory variables, called independent variables.

Per Capita Income—income received by persons from all sources for a given geographic area divided by the population of that area; income includes compensation of employees (received), proprietors' income, rental income, income receipts on assets, and current transfer receipts less contributions for government social insurance.

Property per Pupil—the equalized assessed valuation of property subject to taxation by local officials divided by the number of students in average daily membership.

Representative Tax System—as a measure of fiscal capacity, a method of calculating the amount of revenue that a region or government would collect if it were to exert average fiscal effort; hypothetical tax system that is representative or typical of all the taxes actually levied by the state and local governments of a federation intended to be descriptive of the state-local tax system.

Resident Tax Burden—the portion of property tax payments for which owners of homes and farms are responsible; the equalized assessed valuation of residential and farm property divided by the total taxable value of all property.

Sales per Pupil—the value of all sales subject to taxation by cities and counties divided by the number of students in average daily membership.

Service Burden—the cost of providing for public education.

Data Sources for the FY 2005 Fiscal Capacity Model

Local Revenue

Tennessee Department of Education, Annual Financial Reports from public school systems, fiscal years 2000-01 through 2002-03.

Student Counts—Average Daily Membership

Tennessee Department of Education, Annual Statistical Reports for school years 1999-2000 through 2001-02. http://www.state.tn.us/education/mreport.htm

County Population Estimates

U.S. Census Bureau, Population Division, Tennessee County Population Estimates, July 1, 2000 through 2002. http://eire.census.gov/popest/data/counties/tables/CO-EST2002/CO-EST2002-01-47.php

Per Capita Income

U.S. Bureau of Economic Analysis, Regional Economic Analysis Division, annual estimates for counties, metro, and BEA economic areas, including employment, 1999-2001. http://www.bea.doc.gov/bea/regional/reis/

Local Sales Tax Base

Tennessee Department of Revenue, fiscal years 1999-2000 through 2001-02.

Property Tax Base, Appraisal Ratios and Ratio of Residential and Farm Assessment to Total Assessment

Tennessee Board of Equalization, *Tax Aggregate Report of Tennessee*, calendar years 2000 through 2002. http://www.comptroller.state.tn.us/pa/taxaggr.htm

Tax Equivalent Payments

County and Municipal Finances, Division of Local Finance, Comptroller of the Treasury, fiscal years ending June 30, 1993 through 1995.

Tables

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Table 2. Per Pupil Fiscal Capacity Indicators, FY 2005 38

Table 3. Trend in the Fiscal Capacity Index,FY 1993-FY 2005 44

Table 1. Aggregate Fiscal Capacity Indicators, FY 2005

	Rank by Local Rev	Percent of Total	FY 2001-2003 Local Revenue	Rank by Total Asmt.	Percent of Total	2000-2002 Property Assmts.	Rank by Sales Base	Percent of Total	FY 2001-2003 Taxable Sales
Statewide		100.00%	$2,180,945,185		100.00%	$92,040,935,593		100.00%	$56,301,818,454
Anderson	13	1.78%	38,824,654	17	1.14%	1,050,208,330	17	1.15%	647,744,433
Bedford	39	0.39%	8,457,863	33	0.58%	530,783,630	37	0.43%	240,722,181
Benton	59	0.21%	4,632,041	73	0.18%	162,720,325	62	0.17%	95,949,469
Bledsoe	87	0.07%	1,477,007	77	0.16%	145,628,454	85	0.06%	31,650,774
Blount	10	1.89%	41,307,472	10	1.96%	1,807,222,363	12	1.79%	1,007,268,010
Bradley	16	1.23%	26,885,468	15	1.37%	1,263,883,994	15	1.30%	732,123,604
Campbell	46	0.33%	7,167,824	41	0.48%	444,211,611	38	0.42%	237,746,008
Cannon	80	0.08%	1,844,825	78	0.16%	143,626,529	82	0.07%	37,564,641
Carroll	44	0.34%	7,383,778	55	0.31%	285,430,626	52	0.23%	129,546,587
Carter	30	0.54%	11,844,137	37	0.54%	500,569,371	35	0.45%	251,114,066
Cheatham	41	0.35%	7,646,027	39	0.51%	467,481,114	51	0.24%	136,135,558
Chester	79	0.09%	2,057,440	79	0.15%	142,383,288	70	0.12%	67,608,929
Claiborne	48	0.30%	6,549,606	52	0.35%	320,199,543	58	0.21%	115,958,961
Clay	85	0.07%	1,511,305	90	0.09%	79,714,474	86	0.05%	30,386,789
Cocke	47	0.31%	6,851,730	51	0.37%	344,120,851	41	0.37%	209,262,786
Coffee	18	0.98%	21,441,405	28	0.68%	626,183,866	20	0.93%	521,341,094
Crockett	76	0.11%	2,375,908	72	0.19%	173,676,603	81	0.07%	41,030,077
Cumberland	34	0.45%	9,788,877	24	0.86%	790,689,161	21	0.77%	434,534,003
Davidson	2	13.34%	290,891,800	2	14.26%	13,121,248,206	2	16.84%	9,482,789,287
Decatur	78	0.10%	2,204,442	83	0.14%	124,937,065	69	0.13%	71,226,918
DeKalb	71	0.12%	2,669,947	57	0.30%	277,636,879	65	0.16%	89,682,845
Dickson	23	0.68%	14,901,619	25	0.75%	689,082,883	23	0.71%	397,831,404
Dyer	24	0.67%	14,706,337	34	0.55%	507,630,501	27	0.54%	305,055,960
Fayette	56	0.22%	4,882,947	38	0.52%	478,451,380	60	0.18%	104,017,130
Fentress	74	0.11%	2,433,920	75	0.17%	155,709,609	67	0.15%	83,841,161
Franklin	35	0.44%	9,653,015	35	0.55%	507,550,863	39	0.40%	226,791,531
Gibson	26	0.61%	13,206,433	30	0.62%	569,835,577	32	0.46%	257,292,245
Giles	43	0.34%	7,452,424	48	0.40%	369,409,156	45	0.32%	181,108,276
Grainger	72	0.11%	2,454,544	69	0.19%	178,332,454	77	0.09%	48,979,403
Greene	20	0.92%	19,979,489	20	0.97%	891,118,882	22	0.76%	425,660,462
Grundy	83	0.08%	1,658,840	85	0.12%	113,141,494	78	0.08%	44,028,307
Hamblen	19	0.95%	20,760,741	18	1.04%	959,188,099	19	1.07%	601,207,221
Hamilton	4	6.12%	133,440,555	4	6.06%	5,576,445,498	4	6.55%	3,685,028,156
Hancock	95	0.04%	772,054	92	0.07%	65,316,856	94	0.02%	13,948,263
Hardeman	52	0.27%	5,860,472	60	0.29%	264,367,140	56	0.21%	116,884,925
Hardin	49	0.28%	6,188,789	45	0.43%	395,152,880	47	0.31%	175,592,876
Hawkins	31	0.53%	11,635,589	27	0.71%	653,914,905	40	0.39%	220,621,720
Haywood	55	0.23%	5,029,940	54	0.31%	285,782,515	64	0.16%	90,721,704
Henderson	54	0.23%	5,089,773	56	0.31%	281,364,364	49	0.30%	167,347,481
Henry	33	0.45%	9,864,569	44	0.44%	404,126,791	34	0.45%	255,370,607
Hickman	64	0.16%	3,465,376	62	0.26%	237,720,845	68	0.13%	72,450,646
Houston	89	0.06%	1,213,435	91	0.08%	75,350,471	87	0.05%	27,830,897
Humphreys	61	0.18%	3,920,513	53	0.31%	286,017,454	61	0.18%	102,368,918
Jackson	81	0.08%	1,772,704	86	0.12%	109,512,209	89	0.05%	26,089,421
Jefferson	42	0.35%	7,637,362	29	0.68%	625,920,089	36	0.44%	249,174,225
Johnson	67	0.15%	3,224,780	70	0.19%	174,452,721	72	0.11%	63,658,563
Knox	3	8.08%	176,199,386	3	6.85%	6,301,198,274	3	9.70%	5,460,280,682

(Continued)

Rank by Pers. Inc.	Percent of Total	1999-2001 Personal Income	Rank by Res/ Farm	2000-2002 Res-Farm Percent	Rank by ADM/ Pop.	2001-2003 ADM/Pop. Ratio	FY 2005 Total Fiscal Capacity
	100.00%	$148,370,486,000		56.21%		15.65%	$2,130,607,273
15	1.26%	1,871,920,333	83	57.03%	20	17.20%	27,530,055
37	0.54%	807,425,000	73	59.16%	36	16.42%	10,503,684
69	0.22%	330,930,333	25	71.30%	65	15.13%	3,621,752
83	0.14%	209,154,667	11	74.81%	81	14.28%	1,574,741
10	1.77%	2,632,875,333	59	62.13%	63	15.23%	36,486,148
14	1.45%	2,147,283,667	78	58.20%	67	15.06%	29,190,207
45	0.46%	679,857,333	44	66.74%	55	15.54%	7,841,983
75	0.19%	274,731,333	2	82.03%	42	16.16%	2,247,960
48	0.42%	619,524,333	26	71.14%	27	16.76%	6,440,421
26	0.70%	1,031,425,333	31	70.38%	78	14.43%	10,224,499
33	0.58%	856,829,667	4	78.99%	2	18.80%	8,397,471
74	0.20%	294,816,333	28	70.87%	56	15.54%	2,967,152
51	0.39%	572,445,333	43	67.19%	58	15.37%	5,749,427
88	0.09%	138,553,000	15	72.82%	69	15.00%	1,254,227
49	0.41%	604,011,333	61	61.67%	51	15.82%	7,596,861
23	0.75%	1,106,063,000	81	57.16%	3	18.40%	18,213,537
71	0.21%	313,113,333	42	67.74%	5	18.19%	3,135,090
29	0.66%	983,948,667	22	71.63%	84	14.10%	12,521,849
2	13.42%	19,912,419,000	95	42.73%	93	11.95%	301,108,013
80	0.16%	236,093,000	36	69.32%	89	13.71%	2,589,093
66	0.24%	352,534,333	41	67.83%	75	14.79%	3,710,641
27	0.69%	1,016,709,667	64	61.11%	4	18.20%	15,040,845
36	0.56%	829,719,667	80	57.31%	7	18.11%	12,135,457
41	0.47%	692,116,333	10	75.27%	94	11.50%	5,631,542
70	0.21%	314,242,000	27	71.09%	88	13.90%	3,209,975
35	0.56%	834,505,667	19	72.38%	77	14.58%	8,862,721
24	0.72%	1,070,569,000	67	60.82%	16	17.32%	13,218,874
42	0.46%	689,637,667	75	58.79%	61	15.34%	8,581,124
65	0.24%	355,163,667	3	80.74%	53	15.65%	2,463,893
19	0.98%	1,452,293,667	56	63.28%	66	15.07%	17,797,954
77	0.18%	265,925,000	13	74.36%	48	15.96%	2,318,006
20	0.94%	1,394,714,000	93	48.45%	60	15.34%	21,869,840
4	6.18%	9,169,650,667	91	49.14%	91	13.20%	132,745,590
94	0.06%	91,055,667	20	72.04%	41	16.22%	583,556
56	0.30%	448,352,333	47	66.45%	57	15.53%	4,546,529
52	0.36%	536,304,333	54	63.75%	71	14.91%	6,522,133
25	0.70%	1,031,530,000	65	61.04%	80	14.36%	10,981,017
60	0.26%	384,105,333	68	60.54%	8	18.07%	4,455,609
53	0.36%	530,490,000	58	62.31%	24	17.05%	6,868,159
44	0.46%	685,514,000	51	64.32%	74	14.79%	8,928,103
59	0.27%	398,082,333	9	75.89%	30	16.69%	3,355,922
89	0.09%	138,021,667	21	71.85%	12	17.76%	1,224,240
67	0.24%	350,872,000	89	51.45%	31	16.65%	4,660,409
82	0.14%	210,210,667	18	72.44%	70	14.94%	1,750,762
32	0.60%	891,792,667	34	69.99%	64	15.17%	9,672,927
79	0.17%	251,420,333	12	74.45%	92	12.86%	2,023,748
3	7.28%	10,799,406,667	85	55.66%	90	13.44%	168,558,918

Table 1. Aggregate Fiscal Capacity Indicators, FY 2005 (continued)

	Rank by Local Rev	Percent of Total	FY 2001-2003 Local Revenue	Rank by Total Asmt.	Percent of Total	2000-2002 Property Assmts.	Rank by Sales Base	Percent of Total	FY 2001-2003 Taxable Sales
Statewide		100.00%	$2,180,945,185		100.00%	$92,040,935,593		100.00%	$56,301,818,454
Lake	92	0.05%	1,009,405	95	0.06%	59,481,592	91	0.04%	23,082,279
Lauderdale	57	0.22%	4,804,946	61	0.28%	258,219,755	54	0.21%	117,420,216
Lawrence	40	0.38%	8,299,274	40	0.49%	455,097,611	31	0.46%	258,973,865
Lewis	86	0.07%	1,481,694	84	0.13%	120,262,103	73	0.10%	54,245,951
Lincoln	45	0.34%	7,344,714	49	0.39%	359,295,455	44	0.34%	189,123,570
Loudon	28	0.59%	12,925,994	22	0.87%	801,170,182	29	0.49%	278,121,081
McMinn	25	0.63%	13,711,873	21	0.90%	827,201,191	24	0.64%	361,691,253
McNairy	58	0.21%	4,632,192	58	0.29%	268,860,449	55	0.21%	116,938,189
Macon	63	0.17%	3,609,611	67	0.21%	197,526,459	59	0.19%	106,931,457
Madison	12	1.83%	39,970,581	14	1.60%	1,469,611,259	9	2.24%	1,258,915,388
Marion	50	0.27%	5,892,841	47	0.40%	372,431,214	43	0.36%	201,572,852
Marshall	36	0.44%	9,628,397	42	0.45%	414,851,981	46	0.31%	177,058,199
Maury	17	1.01%	21,948,341	16	1.19%	1,097,966,800	18	1.08%	607,188,971
Meigs	84	0.08%	1,656,759	82	0.14%	128,946,183	84	0.06%	31,739,309
Monroe	38	0.40%	8,717,601	32	0.58%	536,230,589	33	0.46%	256,756,703
Montgomery	9	1.95%	42,597,364	12	1.75%	1,612,085,713	11	2.07%	1,166,961,694
Moore	82	0.08%	1,674,536	87	0.12%	109,273,398	95	0.02%	13,081,524
Morgan	73	0.11%	2,440,677	74	0.17%	157,721,117	83	0.07%	36,966,190
Obion	29	0.57%	12,496,210	43	0.44%	408,035,217	30	0.46%	259,510,119
Overton	65	0.15%	3,310,665	64	0.22%	204,766,303	66	0.16%	87,638,278
Perry	88	0.06%	1,226,144	88	0.11%	98,742,380	88	0.05%	26,486,691
Pickett	94	0.04%	870,571	93	0.07%	62,096,869	92	0.04%	21,954,819
Polk	70	0.13%	2,922,511	68	0.21%	195,961,737	76	0.09%	51,473,374
Putnam	21	0.84%	18,343,933	19	1.00%	916,276,330	14	1.30%	732,502,209
Rhea	53	0.23%	5,108,274	50	0.38%	350,569,953	50	0.27%	150,693,286
Roane	27	0.60%	13,077,666	26	0.74%	677,428,544	25	0.63%	354,568,434
Robertson	22	0.71%	15,523,074	23	0.86%	793,208,319	26	0.59%	331,561,650
Rutherford	7	3.45%	75,153,903	6	3.39%	3,118,657,591	7	3.22%	1,814,080,090
Scott	60	0.21%	4,622,053	65	0.22%	204,014,629	53	0.22%	124,767,860
Sequatchie	68	0.14%	3,060,220	80	0.15%	141,923,849	74	0.10%	53,719,498
Sevier	14	1.77%	38,497,827	9	2.28%	2,094,435,029	6	3.30%	1,856,711,733
Shelby	1	22.33%	486,946,325	1	16.39%	15,088,871,663	1	17.47%	9,835,997,749
Smith	66	0.15%	3,280,831	63	0.26%	236,160,852	63	0.16%	92,303,652
Stewart	91	0.05%	1,196,564	81	0.15%	141,716,559	80	0.08%	42,416,230
Sullivan	6	3.57%	77,911,938	7	2.64%	2,431,237,925	8	2.74%	1,541,800,313
Sumner	11	1.85%	40,374,798	8	2.37%	2,185,268,542	13	1.41%	793,051,176
Tipton	37	0.43%	9,399,516	31	0.61%	559,347,283	42	0.37%	207,523,000
Trousdale	90	0.06%	1,203,940	89	0.09%	80,178,057	90	0.05%	26,050,994
Unicoi	69	0.14%	2,972,435	66	0.22%	200,274,893	71	0.12%	65,045,983
Union	75	0.11%	2,392,981	71	0.19%	174,419,132	79	0.08%	43,621,473
Van Buren	93	0.04%	888,609	94	0.07%	61,031,885	93	0.03%	14,088,135
Warren	32	0.48%	10,509,719	36	0.54%	501,404,992	28	0.50%	281,181,229
Washington	8	1.99%	43,386,807	11	1.82%	1,671,980,153	10	2.24%	1,258,677,096
Wayne	77	0.10%	2,247,657	76	0.16%	147,691,564	75	0.09%	52,854,034
Weakley	51	0.27%	5,864,017	46	0.41%	376,608,980	48	0.31%	173,971,439
White	62	0.17%	3,745,767	59	0.29%	264,648,306	57	0.21%	115,974,591
Williamson	5	3.78%	82,416,363	5	4.17%	3,839,933,750	5	3.44%	1,935,946,722
Wilson	15	1.30%	28,427,910	13	1.75%	1,609,161,062	16	1.22%	684,308,707

(Continued)

Rank by Pers. Inc.	Percent of Total	1999-2001 Personal Income	Rank by Res/ Farm	2000-2002 Res-Farm Percent	Rank by ADM/ Pop.	2001-2003 ADM/Pop. Ratio	FY 2005 Total Fiscal Capacity
	100.00%	$148,370,486,000		56.21%		15.65%	$2,130,607,273
92	0.07%	102,103,667	45	66.66%	95	11.23%	834,135
57	0.30%	439,723,000	69	60.41%	34	16.50%	4,951,600
38	0.54%	806,213,000	62	61.54%	26	16.89%	10,404,958
85	0.13%	188,241,333	35	69.69%	25	17.02%	1,912,879
46	0.44%	647,155,667	23	71.59%	45	16.05%	7,279,449
28	0.67%	1,000,587,000	46	66.50%	21	17.20%	12,580,031
31	0.66%	976,822,333	94	45.00%	49	15.95%	14,689,733
55	0.33%	493,179,333	66	60.86%	32	16.63%	5,784,702
64	0.24%	355,939,667	48	66.22%	19	17.21%	4,037,345
13	1.58%	2,340,698,667	92	48.58%	76	14.73%	39,954,819
50	0.40%	586,433,667	49	66.21%	46	16.02%	7,348,387
47	0.43%	637,972,667	87	53.36%	13	17.67%	8,944,365
17	1.08%	1,596,490,667	57	62.93%	50	15.90%	21,860,077
86	0.12%	176,943,333	7	78.43%	40	16.23%	1,246,528
43	0.46%	688,808,000	72	59.33%	37	16.35%	9,028,794
9	2.15%	3,184,951,667	79	57.53%	11	17.77%	47,727,035
91	0.07%	111,159,333	76	58.46%	39	16.26%	1,087,605
72	0.20%	303,007,333	14	74.07%	38	16.35%	2,074,684
39	0.52%	771,949,333	70	60.33%	29	16.74%	10,668,666
63	0.24%	358,718,333	32	70.09%	54	15.59%	3,577,234
87	0.10%	153,547,667	63	61.23%	62	15.25%	1,588,178
95	0.06%	88,966,000	6	78.89%	79	14.36%	768,237
73	0.20%	295,560,333	30	70.68%	73	14.90%	2,615,619
18	0.99%	1,470,852,000	84	56.45%	68	15.03%	23,288,271
54	0.35%	515,114,667	53	63.82%	52	15.74%	5,891,130
22	0.75%	1,118,992,333	24	71.36%	87	13.92%	12,540,935
21	0.88%	1,303,007,667	33	70.08%	17	17.27%	15,488,691
6	3.20%	4,747,986,000	82	57.08%	18	17.25%	73,044,812
68	0.23%	347,921,333	77	58.32%	9	18.03%	4,542,773
84	0.14%	207,465,333	17	72.62%	44	16.11%	2,059,912
16	1.08%	1,605,226,000	86	54.75%	23	17.11%	40,182,137
1	18.91%	28,060,556,667	90	50.43%	10	17.93%	453,782,641
62	0.25%	367,729,667	55	63.60%	14	17.51%	4,381,302
81	0.15%	215,414,333	8	77.27%	35	16.49%	1,761,660
7	2.56%	3,802,661,333	88	51.93%	72	14.91%	56,608,606
8	2.28%	3,389,967,333	37	68.49%	22	17.13%	40,768,748
30	0.66%	983,649,667	16	72.76%	1	20.79%	9,593,867
90	0.08%	124,982,333	38	68.48%	15	17.40%	1,199,692
61	0.26%	382,865,000	50	66.18%	86	14.07%	3,759,105
76	0.18%	266,124,667	5	78.89%	28	16.76%	1,660,173
93	0.06%	91,594,333	1	86.74%	85	14.10%	546,023
34	0.57%	840,687,333	71	60.25%	47	15.98%	11,180,207
11	1.74%	2,584,944,667	74	58.79%	83	14.15%	39,032,209
78	0.17%	259,568,667	29	70.79%	59	15.34%	2,197,275
40	0.47%	693,007,000	60	61.84%	82	14.21%	7,706,003
58	0.29%	427,636,000	39	68.06%	33	16.51%	4,632,894
5	3.42%	5,073,568,333	52	63.84%	6	18.17%	82,961,244
12	1.60%	2,375,431,667	40	68.02%	43	16.13%	29,919,237

Table 2. Per Pupil Fiscal Capacity Indicators, FY 2005

	Local Revenue Per Pupil	Rank	Property Per Pupil	Rank	Sales Per Pupil	Rank	Per Capita Income	Rank	Res-Farm Percent	Rank	ADM/Pop. Ratio	Rank
Statewide	**$2,423**		**$102,250**		**$62,547**		**$26,037**		**56.21%**		**15.65%**	
Anderson	$3,159	6	$85,444	35	$52,700	19	$26,220	7	57.03%	83	17.20%	20
Bedford	$1,334	50	$83,687	38	$37,954	41	$21,352	38	59.16%	73	16.42%	36
Benton	$1,851	26	$65,037	74	$38,349	37	$19,997	54	71.30%	25	15.13%	65
Bledsoe	$830	88	$81,871	40	$17,794	87	$16,946	83	74.81%	11	14.28%	81
Blount	$2,511	11	$109,840	10	$61,220	12	$24,771	13	62.13%	59	15.23%	63
Bradley	$2,008	20	$94,408	24	$54,687	17	$24,376	14	58.20%	78	15.06%	67
Campbell	$1,154	63	$71,535	56	$38,286	38	$17,087	82	66.74%	44	15.54%	55
Cannon	$877	83	$68,297	63	$17,863	86	$21,411	37	82.03%	2	16.16%	42
Carroll	$1,495	39	$57,781	85	$26,225	67	$20,993	41	71.14%	26	16.76%	27
Carter	$1,446	43	$61,102	81	$30,652	55	$18,218	68	70.38%	31	14.43%	78
Cheatham	$1,113	69	$68,058	65	$19,819	80	$23,782	19	78.99%	4	18.80%	2
Chester	$840	87	$58,116	84	$27,596	66	$18,898	64	70.87%	28	15.54%	56
Claiborne	$1,416	44	$69,245	60	$25,077	74	$19,138	60	67.19%	43	15.37%	58
Clay	$1,260	55	$66,433	69	$25,324	73	$17,406	76	72.82%	15	15.00%	69
Cocke	$1,281	54	$64,337	76	$39,124	36	$18,008	71	61.67%	61	15.82%	51
Coffee	$2,391	12	$69,828	59	$58,137	14	$22,987	27	57.16%	81	18.40%	3
Crockett	$898	82	$65,644	72	$15,508	90	$21,568	35	67.74%	42	18.19%	5
Cumberland	$1,453	41	$117,399	7	$64,518	11	$20,965	42	71.63%	22	14.10%	84
Davidson	$4,265	1	$192,385	1	$139,037	2	$34,963	2	42.73%	95	11.95%	93
Decatur	$1,377	48	$78,045	48	$44,494	31	$20,176	50	69.32%	36	13.71%	89
DeKalb	$1,027	76	$106,795	14	$34,497	48	$20,220	48	67.83%	41	14.79%	75
Dickson	$1,871	25	$86,515	33	$49,948	20	$23,520	23	61.11%	64	18.20%	4
Dyer	$2,188	16	$75,508	53	$45,376	29	$22,323	30	57.31%	80	18.11%	7
Fayette	$1,406	47	$137,757	4	$29,949	58	$23,726	21	75.27%	10	11.50%	94
Fentress	$1,047	74	$66,956	68	$36,052	45	$18,906	63	71.09%	27	13.90%	88
Franklin	$1,668	33	$87,692	30	$39,184	35	$21,188	39	72.38%	19	14.58%	77
Gibson	$1,582	38	$68,258	64	$30,820	53	$22,224	31	60.82%	67	17.32%	16
Giles	$1,650	34	$81,796	41	$40,101	33	$23,437	25	58.79%	75	15.34%	61
Grainger	$750	92	$54,497	90	$14,968	91	$17,169	80	80.74%	3	15.65%	53
Greene	$2,091	18	$93,280	27	$44,557	30	$23,075	26	63.28%	56	15.07%	66
Grundy	$726	93	$49,542	94	$19,279	82	$18,616	65	74.36%	13	15.96%	48
Hamblen	$2,310	13	$106,749	15	$66,909	10	$23,924	16	48.45%	93	15.34%	60
Hamilton	$3,275	5	$136,856	5	$90,437	5	$29,791	4	49.14%	91	13.20%	91
Hancock	$701	94	$59,270	82	$12,657	94	$13,422	94	72.04%	20	16.22%	41
Hardeman	$1,291	53	$58,231	83	$25,746	70	$15,701	89	66.45%	47	15.53%	57
Hardin	$1,614	36	$103,038	18	$45,787	25	$20,939	43	63.75%	54	14.91%	71
Hawkins	$1,494	40	$83,975	36	$28,332	62	$19,224	59	61.04%	65	14.36%	80
Haywood	$1,407	46	$79,951	46	$25,381	72	$19,387	57	60.54%	68	18.07%	8
Henderson	$1,163	62	$64,301	77	$38,244	39	$20,825	44	62.31%	58	17.05%	24
Henry	$2,141	17	$87,701	29	$55,419	16	$22,079	32	64.32%	51	14.79%	74
Hickman	$912	80	$62,595	79	$19,077	83	$17,836	74	75.89%	9	16.69%	30
Houston	$855	85	$53,098	91	$19,612	81	$17,099	81	71.85%	21	17.76%	12
Humphreys	$1,305	52	$95,241	23	$34,088	50	$19,523	56	51.45%	89	16.65%	31
Jackson	$1,068	70	$66,007	71	$15,725	89	$19,124	61	72.44%	18	14.94%	70
Jefferson	$1,115	68	$91,387	28	$36,380	44	$20,064	51	69.99%	34	15.17%	64
Johnson	$1,411	45	$76,314	51	$27,847	64	$14,289	93	74.45%	12	12.86%	92

(Continued)

Fiscal Capacity Per Pupil	Rank	Average Daily Membership	FY 2005 Total Fiscal Capacity	Fiscal Capacity Index	Rank
$2,367		900,152	$2,130,607,273	100.00000000%	
$2,240	12	12,291	27,530,055	1.29212247%	16
$1,656	34	6,343	10,503,684	0.49299014%	33
$1,448	46	2,502	3,621,752	0.16998686%	66
$885	83	1,779	1,574,741	0.07391043%	86
$2,218	14	16,453	36,486,148	1.71247647%	13
$2,180	15	13,387	29,190,207	1.37004165%	15
$1,263	59	6,210	7,841,983	0.36806329%	44
$1,069	75	2,103	2,247,960	0.10550793%	76
$1,304	58	4,940	6,440,421	0.30228101%	51
$1,248	60	8,192	10,224,499	0.47988661%	35
$1,223	63	6,869	8,397,471	0.39413509%	43
$1,211	64	2,450	2,967,152	0.13926319%	71
$1,243	62	4,624	5,749,427	0.26984921%	54
$1,045	77	1,200	1,254,227	0.05886713%	87
$1,420	49	5,349	7,596,861	0.35655848%	46
$2,031	17	8,968	18,213,537	0.85485191%	20
$1,185	66	2,646	3,135,090	0.14714535%	70
$1,859	26	6,735	12,521,849	0.58771270%	28
$4,415	1	68,203	301,108,013	14.13249720%	2
$1,617	37	1,601	2,589,093	0.12151903%	73
$1,427	48	2,600	3,710,641	0.17415884%	65
$1,888	23	7,965	15,040,845	0.70594171%	23
$1,805	30	6,723	12,135,457	0.56957739%	29
$1,621	36	3,473	5,631,542	0.26431630%	55
$1,380	55	2,326	3,209,975	0.15066009%	69
$1,531	44	5,788	8,862,721	0.41597159%	41
$1,583	39	8,348	13,218,874	0.62042754%	25
$1,900	22	4,516	8,581,124	0.40275483%	42
$753	90	3,272	2,463,893	0.11564276%	74
$1,863	25	9,553	17,797,954	0.83534655%	21
$1,015	78	2,284	2,318,006	0.10879553%	75
$2,434	11	8,985	21,869,840	1.02646041%	18
$3,258	3	40,747	132,745,590	6.23041099%	4
$530	95	1,102	583,556	0.02738919%	94
$1,001	79	4,540	4,546,529	0.21339124%	59
$1,701	33	3,835	6,522,133	0.30611615%	50
$1,410	51	7,787	10,981,017	0.51539375%	31
$1,247	61	3,574	4,455,609	0.20912389%	61
$1,570	41	4,376	6,868,159	0.32235687%	49
$1,938	21	4,608	8,928,103	0.41904030%	40
$884	85	3,798	3,355,922	0.15751010%	68
$863	87	1,419	1,224,240	0.05745968%	89
$1,552	42	3,003	4,660,409	0.21873619%	57
$1,055	76	1,659	1,750,762	0.08217196%	83
$1,412	50	6,849	9,672,927	0.45399860%	36
$885	84	2,286	2,023,748	0.09498458%	80

Table 2. Per Pupil Fiscal Capacity Indicators, FY 2005 (continued)

	Local Revenue Per Pupil	Rank	Property Per Pupil	Rank	Sales Per Pupil	Rank	Per Capita Income	Rank	Res-Farm Percent	Rank	ADM/Pop. Ratio	Rank
Statewide	$2,423		$102,250		$62,547		$26,037		56.21%		15.65%	
Knox	$3,398	4	$121,528	6	$105,309	3	$28,205	5	55.66%	85	13.44%	90
Lake	$1,143	65	$67,369	66	$26,143	69	$12,897	95	66.66%	45	11.23%	95
Lauderdale	$1,052	72	$56,523	87	$25,703	71	$16,072	87	60.41%	69	16.50%	34
Lawrence	$1,224	56	$67,105	67	$38,186	40	$20,196	49	61.54%	62	16.89%	26
Lewis	$761	90	$61,783	80	$27,868	63	$16,517	85	69.69%	35	17.02%	25
Lincoln	$1,448	42	$70,853	57	$37,295	42	$20,639	46	71.59%	23	16.05%	45
Loudon	$1,882	24	$116,675	8	$40,503	32	$25,449	10	66.50%	46	17.20%	21
McMinn	$1,732	31	$104,491	17	$45,688	26	$19,902	55	45.00%	94	15.95%	49
McNairy	$1,127	67	$65,406	73	$28,448	61	$20,009	52	60.86%	66	16.63%	32
Macon	$1,012	77	$55,387	89	$29,984	57	$17,385	78	66.22%	48	17.21%	19
Madison	$2,924	9	$107,518	13	$92,104	4	$25,445	11	48.58%	92	14.73%	76
Marion	$1,328	51	$83,910	37	$45,415	28	$21,171	40	66.21%	49	16.02%	46
Marshall	$2,009	19	$86,557	32	$36,943	43	$23,785	18	53.36%	87	17.67%	13
Maury	$1,956	21	$97,869	19	$54,123	18	$22,903	28	62.93%	57	15.90%	50
Meigs	$910	81	$70,795	58	$17,426	88	$15,957	88	78.43%	7	16.23%	40
Monroe	$1,345	49	$82,712	39	$39,604	34	$17,677	75	59.33%	72	16.35%	37
Montgomery	$1,754	30	$66,379	70	$48,050	22	$23,626	22	57.53%	79	17.77%	11
Moore	$1,763	29	$115,056	9	$13,774	93	$19,365	58	58.46%	76	16.26%	39
Morgan	$753	91	$48,645	95	$11,401	95	$15,344	90	74.07%	14	16.35%	38
Obion	$2,303	15	$75,190	54	$47,821	23	$23,822	17	60.33%	70	16.74%	29
Overton	$1,050	73	$64,956	75	$27,801	65	$17,868	73	70.09%	32	15.59%	54
Perry	$1,062	71	$85,514	34	$22,938	75	$20,247	47	61.23%	63	15.25%	62
Pickett	$1,219	57	$86,938	31	$30,738	54	$17,983	72	78.89%	6	14.36%	79
Polk	$1,215	58	$81,453	43	$21,395	76	$18,405	67	70.68%	30	14.90%	73
Putnam	$1,925	23	$96,169	20	$76,881	8	$23,504	24	56.45%	84	15.03%	68
Rhea	$1,131	66	$77,647	49	$33,377	51	$18,127	70	63.82%	53	15.74%	52
Roane	$1,804	27	$93,433	25	$48,903	21	$21,565	36	71.36%	24	13.92%	87
Robertson	$1,600	37	$81,741	42	$34,168	49	$23,749	20	70.08%	33	17.27%	17
Rutherford	$2,303	14	$95,557	21	$55,584	15	$25,875	8	57.08%	82	17.25%	18
Scott	$1,198	59	$52,869	92	$32,333	52	$16,414	86	58.32%	77	18.03%	9
Sequatchie	$1,639	35	$76,021	52	$28,775	60	$18,211	69	72.62%	17	16.11%	44
Sevier	$3,077	7	$167,391	2	$148,391	1	$22,475	29	54.75%	86	17.11%	23
Shelby	$3,013	8	$93,356	26	$60,856	13	$31,261	3	50.43%	90	17.93%	10
Smith	$1,042	75	$75,012	55	$29,319	59	$20,770	45	63.60%	55	17.51%	14
Stewart	$577	95	$68,364	62	$20,461	77	$17,405	77	77.27%	8	16.49%	35
Sullivan	$3,419	3	$106,693	16	$67,661	9	$24,877	12	51.93%	88	14.91%	72
Sumner	$1,764	28	$95,482	22	$34,651	47	$25,859	9	68.49%	37	17.13%	22
Tipton	$859	84	$51,136	93	$18,972	84	$19,083	62	72.76%	16	20.79%	1
Trousdale	$943	79	$62,782	78	$20,399	78	$17,260	79	68.48%	38	17.40%	15
Unicoi	$1,195	61	$80,513	45	$26,149	68	$21,684	34	66.18%	50	14.07%	86
Union	$783	89	$57,052	86	$14,268	92	$14,858	92	78.89%	5	16.76%	28
Van Buren	$1,144	64	$78,559	47	$18,134	85	$16,692	84	86.74%	1	14.10%	85
Warren	$1,700	32	$81,087	44	$45,472	27	$21,909	33	60.25%	71	15.98%	47
Washington	$2,837	10	$109,331	12	$82,305	6	$24,124	15	58.79%	74	14.15%	83
Wayne	$854	86	$56,084	88	$20,071	79	$15,272	91	70.79%	29	15.34%	59
Weakley	$1,197	60	$76,859	50	$35,504	46	$20,001	53	61.84%	60	14.21%	82
White	$973	78	$68,741	61	$30,124	56	$18,473	66	68.06%	39	16.51%	33
Williamson	$3,423	2	$159,505	3	$80,416	7	$39,652	1	63.84%	52	18.17%	6
Wilson	$1,932	22	$109,386	11	$46,517	24	$26,603	6	68.02%	40	16.13%	43

(Continued)

Fiscal Capacity Per Pupil	Rank	Average Daily Membership	FY 2005 Total Fiscal Capacity	Fiscal Capacity Index	Rank
$2,367		900,152	$2,130,607,273	100.00000000%	
$3,251	4	51,850	168,558,918	7.91130867%	3
$945	81	883	834,135	0.03915012%	92
$1,084	73	4,568	4,951,600	0.23240324%	56
$1,534	43	6,782	10,404,958	0.48835643%	34
$983	80	1,947	1,912,879	0.08978091%	81
$1,436	47	5,071	7,279,449	0.34166078%	48
$1,832	28	6,867	12,580,031	0.59044343%	26
$1,856	27	7,917	14,689,733	0.68946227%	24
$1,407	52	4,111	5,784,702	0.27150483%	53
$1,132	70	3,566	4,037,345	0.18949268%	63
$2,923	6	13,668	39,954,819	1.87527846%	11
$1,656	35	4,438	7,348,387	0.34489637%	47
$1,866	24	4,793	8,944,365	0.41980355%	39
$1,949	20	11,219	21,860,077	1.02600217%	19
$684	92	1,821	1,246,528	0.05850577%	88
$1,393	53	6,483	9,028,794	0.42376624%	38
$1,965	19	24,286	47,727,035	2.24006721%	8
$1,145	68	950	1,087,605	0.05104670%	91
$640	93	3,242	2,074,684	0.09737525%	78
$1,966	18	5,427	10,668,666	0.50073360%	32
$1,135	69	3,152	3,577,234	0.16789738%	67
$1,375	56	1,155	1,588,178	0.07454111%	85
$1,076	74	714	768,237	0.03605718%	93
$1,087	72	2,406	2,615,619	0.12276402%	72
$2,444	10	9,528	23,288,271	1.09303442%	17
$1,305	57	4,515	5,891,130	0.27650006%	52
$1,730	32	7,250	12,540,935	0.58860846%	27
$1,596	38	9,704	15,488,691	0.72696132%	22
$2,238	13	32,637	73,044,812	3.42835646%	6
$1,177	67	3,859	4,542,773	0.21321495%	60
$1,103	71	1,867	2,059,912	0.09668193%	79
$3,211	5	12,512	40,182,137	1.88594762%	10
$2,808	7	161,627	453,782,641	21.29827710%	1
$1,392	54	3,148	4,381,302	0.20563629%	62
$850	88	2,073	1,761,660	0.08268345%	82
$2,484	9	22,787	56,608,606	2.65692351%	7
$1,781	31	22,887	40,768,748	1.91348019%	9
$877	86	10,938	9,593,867	0.45028791%	37
$939	82	1,277	1,199,692	0.05630751%	90
$1,511	45	2,487	3,759,105	0.17643349%	64
$543	94	3,057	1,660,173	0.07792020%	84
$703	91	777	546,023	0.02562756%	95
$1,808	29	6,184	11,180,207	0.52474274%	30
$2,552	8	15,293	39,032,209	1.83197579%	12

Table 3. Trend in the Fiscal Capacity Index, FY 1993-FY 2005

County Area	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Anderson	1.39852%	1.46669%	1.46492%	1.50202%	1.50062%	1.46094%	1.44693%	1.39650%	1.33292%
Bedford	0.50468%	0.52489%	0.50540%	0.49836%	0.48978%	0.49792%	0.49952%	0.49687%	0.48741%
Benton	0.19859%	0.21708%	0.21248%	0.20865%	0.19230%	0.19841%	0.20101%	0.19750%	0.19210%
Bledsoe	0.10566%	0.08351%	0.08301%	0.07716%	0.07614%	0.07623%	0.07341%	0.07641%	0.07623%
Blount	1.76963%	1.66848%	1.69198%	1.73066%	1.68883%	1.63821%	1.63454%	1.61065%	1.59150%
Bradley	1.55554%	1.44700%	1.46182%	1.46454%	1.45412%	1.44071%	1.42956%	1.44879%	1.43762%
Campbell	0.48301%	0.46100%	0.44011%	0.39584%	0.39448%	0.39441%	0.39984%	0.40771%	0.40969%
Cannon	0.13941%	0.12417%	0.12229%	0.12428%	0.11370%	0.10681%	0.10478%	0.10097%	0.09719%
Carroll	0.40939%	0.40269%	0.42221%	0.39685%	0.36359%	0.38607%	0.36701%	0.35147%	0.33422%
Carter	0.70788%	0.64959%	0.64032%	0.62013%	0.58166%	0.56344%	0.55220%	0.53765%	0.52573%
Cheatham	0.36113%	0.32246%	0.31894%	0.31510%	0.31217%	0.31993%	0.33282%	0.33112%	0.34065%
Chester	0.16185%	0.14176%	0.13300%	0.11964%	0.12044%	0.12019%	0.12136%	0.12415%	0.12837%
Claiborne	0.29165%	0.34292%	0.33158%	0.28414%	0.27808%	0.26936%	0.26167%	0.25941%	0.25904%
Clay	0.07294%	0.08528%	0.08894%	0.08185%	0.07974%	0.08214%	0.08192%	0.07852%	0.07376%
Cocke	0.41379%	0.40783%	0.39367%	0.38898%	0.38038%	0.37536%	0.37278%	0.37500%	0.38411%
Coffee	0.85058%	0.86665%	0.84982%	0.88923%	0.88715%	0.87515%	0.85012%	0.84496%	0.84496%
Crockett	0.18460%	0.16970%	0.16493%	0.17150%	0.17113%	0.16609%	0.15554%	0.15714%	0.15123%
Cumberland	0.49134%	0.53612%	0.51695%	0.51529%	0.48850%	0.50224%	0.49591%	0.52806%	0.54159%
Davidson	14.39553%	14.05865%	14.07320%	14.28796%	14.46233%	14.59670%	14.56044%	14.67827%	14.57161%
Decatur	0.13314%	0.13685%	0.13329%	0.12727%	0.12423%	0.12478%	0.12757%	0.12735%	0.12804%
DeKalb	0.20196%	0.18950%	0.18713%	0.20182%	0.20855%	0.20635%	0.20488%	0.20005%	0.19490%
Dickson	0.62104%	0.62312%	0.61159%	0.60370%	0.60904%	0.62796%	0.65224%	0.66906%	0.69352%
Dyer	0.63487%	0.72203%	0.66579%	0.66354%	0.66193%	0.68143%	0.67355%	0.67221%	0.65916%
Fayette	0.29615%	0.31927%	0.30465%	0.28893%	0.29735%	0.28961%	0.29737%	0.30033%	0.29232%
Fentress	0.13996%	0.14707%	0.14932%	0.15900%	0.15819%	0.15888%	0.16268%	0.15891%	0.15798%
Franklin	0.47462%	0.41591%	0.39877%	0.44885%	0.43715%	0.43035%	0.42226%	0.42028%	0.42196%
Gibson	0.79192%	0.76204%	0.74251%	0.57587%	0.73095%	0.72630%	0.71419%	0.69800%	0.67613%
Giles	0.41409%	0.43010%	0.41878%	0.42872%	0.43859%	0.43858%	0.42960%	0.42203%	0.41094%
Grainger	0.17121%	0.14089%	0.13106%	0.12999%	0.12707%	0.12376%	0.12786%	0.12456%	0.12418%
Greene	0.92008%	0.86010%	0.85727%	0.82413%	0.80449%	0.78548%	0.77668%	0.77782%	0.76960%
Grundy	0.14020%	0.12908%	0.11616%	0.10986%	0.11351%	0.10973%	0.11162%	0.10844%	0.10563%
Hamblen	1.07007%	1.03152%	1.01815%	1.01944%	1.02881%	1.01966%	1.02678%	1.03287%	1.04001%
Hamilton	6.92264%	7.05468%	7.02235%	6.99774%	6.93857%	6.93882%	6.79744%	6.71223%	6.59310%
Hancock	0.03792%	0.04624%	0.04373%	0.03493%	0.03496%	0.03271%	0.02973%	0.03273%	0.03323%
Hardeman	0.28345%	0.27854%	0.26375%	0.25206%	0.25203%	0.24259%	0.23577%	0.23951%	0.23695%
Hardin	0.38354%	0.35192%	0.34062%	0.30751%	0.31068%	0.30259%	0.30330%	0.31591%	0.31558%
Hawkins	0.80007%	0.61421%	0.60742%	0.62047%	0.61784%	0.59099%	0.56992%	0.56578%	0.55409%
Haywood	0.29545%	0.27689%	0.27561%	0.26961%	0.28076%	0.26958%	0.25242%	0.25790%	0.24634%
Henderson	0.29822%	0.30881%	0.30567%	0.29880%	0.30231%	0.30435%	0.31361%	0.31392%	0.32604%
Henry	0.49667%	0.45082%	0.44974%	0.45334%	0.44850%	0.45022%	0.45078%	0.45216%	0.45259%
Hickman	0.21644%	0.18925%	0.20021%	0.16821%	0.16702%	0.16801%	0.16661%	0.16622%	0.16010%
Houston	0.08085%	0.07892%	0.07452%	0.06245%	0.06284%	0.06037%	0.05932%	0.05761%	0.05475%
Humphreys	0.32608%	0.28630%	0.28073%	0.24958%	0.25829%	0.25121%	0.24588%	0.24767%	0.23771%
Jackson	0.10946%	0.09019%	0.09013%	0.08904%	0.08770%	0.08167%	0.07861%	0.07801%	0.07800%
Jefferson	0.46218%	0.46070%	0.47038%	0.45450%	0.44222%	0.44031%	0.44044%	0.44605%	0.43665%
Johnson	0.16587%	0.14008%	0.13647%	0.12590%	0.12117%	0.12640%	0.12339%	0.11784%	0.11320%
Knox	7.51606%	8.16633%	8.11271%	8.20402%	8.15429%	8.15105%	8.01768%	7.86234%	7.82299%
Lake	0.08468%	0.07045%	0.06976%	0.06661%	0.06540%	0.07060%	0.05790%	0.05534%	0.05115%

(Continued)

FY 2002	FY 2003	FY 2004	FY 2005	Average	Standard Deviation	Coefficient of Variation
1.30011%	1.27358%	1.28000%	1.29212%	1.3935%	0.0871%	0.0625
0.49374%	0.50216%	0.48852%	0.49299%	0.4986%	0.0098%	0.0196
0.19185%	0.18717%	0.17868%	0.16999%	0.1958%	0.0130%	0.0662
0.08279%	0.08605%	0.07740%	0.07391%	0.0806%	0.0085%	0.1057
1.61050%	1.62920%	1.68128%	1.71248%	1.6660%	0.0527%	0.0316
1.42068%	1.42953%	1.38851%	1.37004%	1.4422%	0.0436%	0.0302
0.39577%	0.37994%	0.37828%	0.36806%	0.4083%	0.0335%	0.0820
0.09725%	0.10017%	0.10406%	0.10551%	0.1108%	0.0130%	0.1172
0.33618%	0.32680%	0.30782%	0.30228%	0.3620%	0.0394%	0.1089
0.51897%	0.50474%	0.48472%	0.47989%	0.5667%	0.0698%	0.1231
0.35394%	0.36245%	0.38944%	0.39414%	0.3426%	0.0276%	0.0804
0.13204%	0.13897%	0.13904%	0.13926%	0.1323%	0.0121%	0.0913
0.26107%	0.26957%	0.27378%	0.26985%	0.2809%	0.0269%	0.0958
0.06810%	0.06643%	0.05887%	0.05887%	0.0752%	0.0097%	0.1289
0.37463%	0.37109%	0.36841%	0.35656%	0.3817%	0.0159%	0.0418
0.84430%	0.83838%	0.84644%	0.85485%	0.8571%	0.0169%	0.0197
0.15164%	0.14685%	0.14768%	0.14715%	0.1604%	0.0118%	0.0738
0.57418%	0.57353%	0.59661%	0.58771%	0.5345%	0.0377%	0.0706
14.47893%	14.29402%	14.17971%	14.13250%	14.3669%	0.2110%	0.0147
0.13287%	0.13178%	0.12506%	0.12152%	0.1288%	0.0045%	0.0347
0.18402%	0.18121%	0.17422%	0.17416%	0.1930%	0.0121%	0.0625
0.70142%	0.69542%	0.71579%	0.70594%	0.6561%	0.0421%	0.0642
0.63619%	0.60796%	0.58763%	0.56958%	0.6489%	0.0412%	0.0636
0.27223%	0.25839%	0.27820%	0.26432%	0.2892%	0.0169%	0.0585
0.15389%	0.15085%	0.15115%	0.15066%	0.1537%	0.0063%	0.0410
0.42666%	0.43150%	0.42308%	0.41597%	0.4283%	0.0183%	0.0427
0.66378%	0.63529%	0.63415%	0.62043%	0.6901%	0.0625%	0.0905
0.40506%	0.40700%	0.41094%	0.40275%	0.4198%	0.0124%	0.0296
0.12017%	0.12025%	0.11992%	0.11564%	0.1290%	0.0142%	0.1101
0.80172%	0.80752%	0.82787%	0.83535%	0.8191%	0.0423%	0.0516
0.10609%	0.10659%	0.10669%	0.10880%	0.1133%	0.0102%	0.0902
1.04503%	1.04090%	1.02795%	1.02646%	1.0329%	0.0140%	0.0135
6.44521%	6.39955%	6.25659%	6.23041%	6.7161%	0.2989%	0.0445
0.03109%	0.03055%	0.03080%	0.02739%	0.0343%	0.0055%	0.1589
0.22854%	0.22821%	0.21240%	0.21339%	0.2436%	0.0220%	0.0905
0.32298%	0.31591%	0.32025%	0.30612%	0.3228%	0.0232%	0.0718
0.55058%	0.53819%	0.51982%	0.51539%	0.5896%	0.0729%	0.1236
0.22927%	0.22175%	0.22486%	0.20912%	0.2546%	0.0266%	0.1045
0.32965%	0.33240%	0.32836%	0.32236%	0.3142%	0.0123%	0.0391
0.44572%	0.43767%	0.42998%	0.41904%	0.4490%	0.0176%	0.0392
0.16101%	0.16413%	0.16112%	0.15751%	0.1728%	0.0179%	0.1034
0.05792%	0.05825%	0.05916%	0.05746%	0.0634%	0.0087%	0.1377
0.23507%	0.22225%	0.22213%	0.21874%	0.2524%	0.0302%	0.1197
0.08671%	0.08812%	0.07889%	0.08217%	0.0861%	0.0085%	0.0989
0.44330%	0.44038%	0.46269%	0.45400%	0.4503%	0.0110%	0.0244
0.11154%	0.10992%	0.10119%	0.09498%	0.1222%	0.0183%	0.1497
7.82339%	7.79864%	7.90701%	7.91131%	7.9575%	0.1996%	0.0251
0.04530%	0.04131%	0.04177%	0.03915%	0.0584%	0.0142%	0.2422

Table 3. Trend in the Fiscal Capacity Index, FY 1993-FY 2005 (continued)

County Area	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Lauderdale	0.30735%	0.32710%	0.33167%	0.29242%	0.29415%	0.29172%	0.28104%	0.28563%	0.29065%
Lawrence	0.54660%	0.54519%	0.53937%	0.55193%	0.56300%	0.55682%	0.56242%	0.56182%	0.55245%
Lewis	0.11451%	0.10521%	0.10732%	0.10790%	0.10928%	0.11098%	0.11050%	0.10985%	0.10385%
Lincoln	0.38052%	0.42338%	0.41168%	0.39473%	0.37408%	0.36860%	0.35954%	0.35265%	0.35189%
Loudon	0.56268%	0.52184%	0.53245%	0.51938%	0.53680%	0.52734%	0.53682%	0.52326%	0.51723%
McMinn	0.99414%	0.84290%	0.84319%	0.78784%	0.80185%	0.77455%	0.75422%	0.75290%	0.72541%
McNairy	0.33684%	0.28958%	0.30424%	0.28792%	0.28822%	0.27719%	0.26711%	0.26756%	0.26650%
Macon	0.20661%	0.19162%	0.18494%	0.19134%	0.19565%	0.18741%	0.17797%	0.17088%	0.17079%
Madison	1.58778%	1.78120%	1.76628%	1.82075%	1.79118%	1.80367%	1.84148%	1.88461%	1.93021%
Marion	0.47060%	0.37046%	0.35110%	0.36082%	0.36227%	0.36182%	0.36335%	0.35684%	0.35220%
Marshall	0.43344%	0.42184%	0.42348%	0.42534%	0.44377%	0.44425%	0.43748%	0.43084%	0.41984%
Maury	1.10762%	1.30713%	1.36831%	1.15720%	1.13234%	1.18478%	1.20145%	1.21628%	1.15598%
Meigs	0.10241%	0.08404%	0.08951%	0.07969%	0.07487%	0.07416%	0.07027%	0.06904%	0.06523%
Monroe	0.53103%	0.45364%	0.43018%	0.41163%	0.43802%	0.43912%	0.44802%	0.44429%	0.42780%
Montgomery	1.68631%	1.71222%	1.74418%	1.72255%	1.75503%	1.81235%	1.87359%	1.95540%	1.97897%
Moore	0.09629%	0.06442%	0.06090%	0.06064%	0.06377%	0.06067%	0.06003%	0.05949%	0.05686%
Morgan	0.19277%	0.16857%	0.15745%	0.14353%	0.13951%	0.12627%	0.11505%	0.11085%	0.11001%
Obion	0.61586%	0.55097%	0.53266%	0.56000%	0.55991%	0.55924%	0.56137%	0.55075%	0.53851%
Overton	0.19544%	0.17639%	0.16845%	0.17300%	0.17047%	0.16523%	0.16448%	0.16235%	0.16199%
Perry	0.07579%	0.07943%	0.07895%	0.07442%	0.07891%	0.07758%	0.07554%	0.07709%	0.07753%
Pickett	0.04158%	0.03644%	0.03480%	0.04470%	0.04446%	0.04350%	0.04189%	0.04039%	0.03951%
Polk	0.21066%	0.16478%	0.15995%	0.14942%	0.14999%	0.14890%	0.14670%	0.14140%	0.13905%
Putnam	0.98532%	1.02442%	1.01802%	1.00582%	1.02759%	1.04726%	1.05525%	1.05914%	1.06360%
Rhea	0.39731%	0.37928%	0.38856%	0.31880%	0.29754%	0.30271%	0.29698%	0.29489%	0.29284%
Roane	0.94520%	0.85359%	0.79773%	0.77930%	0.77038%	0.75827%	0.73955%	0.71594%	0.69952%
Robertson	0.65560%	0.57500%	0.59597%	0.63061%	0.63094%	0.64933%	0.66755%	0.67052%	0.68401%
Rutherford	2.55177%	2.46340%	2.56248%	2.66918%	2.76490%	2.94235%	3.04267%	3.13941%	3.17790%
Scott	0.28948%	0.23077%	0.23122%	0.19297%	0.20448%	0.20887%	0.21276%	0.21828%	0.21487%
Sequatchie	0.11757%	0.11667%	0.11305%	0.11370%	0.11381%	0.11070%	0.10900%	0.11083%	0.10850%
Sevier	1.15983%	1.33501%	1.35131%	1.42790%	1.48959%	1.57994%	1.58241%	1.66892%	1.69375%
Shelby	19.59822%	20.70917%	20.82684%	20.93217%	20.82268%	20.62770%	20.94693%	20.78297%	21.19584%
Smith	0.19949%	0.24285%	0.24374%	0.22283%	0.21744%	0.20930%	0.20866%	0.20824%	0.21038%
Stewart	0.10443%	0.11456%	0.10324%	0.09783%	0.09404%	0.09675%	0.09486%	0.09042%	0.08300%
Sullivan	3.59930%	3.22834%	3.24925%	3.39129%	3.13620%	2.98551%	2.91126%	2.88763%	2.87122%
Sumner	2.03070%	1.77567%	1.82366%	1.81561%	1.81607%	1.80169%	1.81712%	1.79659%	1.80434%
Tipton	0.45266%	0.45798%	0.46398%	0.45672%	0.46337%	0.46225%	0.45631%	0.47313%	0.48693%
Trousdale	0.09757%	0.08046%	0.07917%	0.06487%	0.06484%	0.06304%	0.06358%	0.06322%	0.06341%
Unicoi	0.24329%	0.21834%	0.22189%	0.21701%	0.20873%	0.19245%	0.18526%	0.17995%	0.17869%
Union	0.12067%	0.12060%	0.11412%	0.10666%	0.09135%	0.09778%	0.09880%	0.09586%	0.09456%
Van Buren	0.04216%	0.03501%	0.03267%	0.03027%	0.02813%	0.02732%	0.02648%	0.02596%	0.02456%
Warren	0.53347%	0.56250%	0.54248%	0.54158%	0.54226%	0.54750%	0.53809%	0.55396%	0.55229%
Washington	1.92861%	1.90135%	1.89281%	1.83964%	1.83698%	1.81783%	1.82927%	1.84607%	1.84662%
Wayne	0.16242%	0.14615%	0.14487%	0.13907%	0.14160%	0.13981%	0.13276%	0.12567%	0.11608%
Weakley	0.48018%	0.51091%	0.50034%	0.46266%	0.44115%	0.43928%	0.43272%	0.42825%	0.41680%
White	0.31099%	0.28627%	0.27741%	0.24700%	0.24460%	0.24405%	0.23956%	0.23642%	0.23127%
Williamson	2.00461%	2.13632%	2.25632%	2.51139%	2.70005%	2.80299%	2.87067%	2.96832%	3.06052%
Wilson	1.20772%	1.12874%	1.15395%	1.15993%	1.16411%	1.17451%	1.17972%	1.20095%	1.22925%
Highest	19.59822%	20.70917%	20.82684%	20.93217%	20.82268%	20.62770%	20.94693%	20.78297%	21.19584%
Lowest	0.03792%	0.03501%	0.03267%	0.03027%	0.02813%	0.02732%	0.02648%	0.02596%	0.02456%

(Continued)

FY 2002	FY 2003	FY 2004	FY 2005	Average	Standard Deviation	Coefficient of Variation
0.28222%	0.28303%	0.24593%	0.23240%	0.2881%	0.0272%	0.0943
0.53480%	0.51074%	0.49915%	0.48836%	0.5394%	0.0248%	0.0460
0.10097%	0.09338%	0.09401%	0.08978%	0.1044%	0.0077%	0.0738
0.35824%	0.35908%	0.34274%	0.34166%	0.3707%	0.0256%	0.0691
0.53597%	0.55569%	0.59304%	0.59044%	0.5425%	0.0256%	0.0471
0.70560%	0.69709%	0.70031%	0.68946%	0.7746%	0.0843%	0.1089
0.27018%	0.27537%	0.27756%	0.27150%	0.2831%	0.0196%	0.0694
0.17898%	0.18430%	0.18519%	0.18949%	0.1858%	0.0099%	0.0531
1.95792%	1.94026%	1.91634%	1.87528%	1.8382%	0.0990%	0.0539
0.34850%	0.34681%	0.34799%	0.34490%	0.3644%	0.0328%	0.0901
0.40970%	0.41141%	0.41840%	0.41980%	0.4261%	0.0112%	0.0262
1.13076%	1.06936%	1.05545%	1.02600%	1.1625%	0.0966%	0.0831
0.06870%	0.06780%	0.06262%	0.05851%	0.0744%	0.0120%	0.1615
0.42837%	0.43262%	0.42604%	0.42377%	0.4411%	0.0292%	0.0662
2.17140%	2.17385%	2.18827%	2.24007%	1.9242%	0.2072%	0.1077
0.05667%	0.05439%	0.05141%	0.05105%	0.0613%	0.0113%	0.1848
0.11023%	0.10706%	0.09948%	0.09738%	0.1291%	0.0294%	0.2276
0.52314%	0.50537%	0.51091%	0.50073%	0.5438%	0.0308%	0.0566
0.16735%	0.16735%	0.16986%	0.16790%	0.1700%	0.0086%	0.0508
0.07919%	0.07603%	0.07577%	0.07454%	0.0770%	0.0018%	0.0230
0.04008%	0.04034%	0.03845%	0.03606%	0.0402%	0.0031%	0.0781
0.13400%	0.13353%	0.12569%	0.12276%	0.1482%	0.0224%	0.1511
1.07858%	1.07275%	1.08404%	1.09303%	1.0473%	0.0327%	0.0313
0.28368%	0.28436%	0.28611%	0.27650%	0.3154%	0.0431%	0.1365
0.66987%	0.64337%	0.61436%	0.58861%	0.7366%	0.0984%	0.1336
0.69277%	0.70392%	0.74491%	0.72696%	0.6637%	0.0487%	0.0733
3.30618%	3.29639%	3.31652%	3.42836%	2.9740%	0.3364%	0.1131
0.21165%	0.21337%	0.22000%	0.21321%	0.2201%	0.0231%	0.1050
0.10208%	0.10101%	0.09804%	0.09668%	0.1086%	0.0070%	0.0641
1.75540%	1.77456%	1.87128%	1.88595%	1.5828%	0.2214%	0.1399
21.02496%	21.41346%	21.28034%	21.29828%	20.8815%	0.4564%	0.0219
0.20867%	0.20523%	0.20664%	0.20564%	0.2145%	0.0140%	0.0651
0.08246%	0.08221%	0.08233%	0.08268%	0.0930%	0.0104%	0.1118
2.79937%	2.70643%	2.66892%	2.65692%	3.0070%	0.2938%	0.0977
1.78682%	1.82302%	1.86988%	1.91348%	1.8365%	0.0685%	0.0373
0.46237%	0.45363%	0.44366%	0.45029%	0.4603%	0.0109%	0.0236
0.05999%	0.05914%	0.05919%	0.05631%	0.0673%	0.0116%	0.1723
0.18004%	0.17813%	0.17537%	0.17643%	0.1966%	0.0225%	0.1144
0.09043%	0.09322%	0.08179%	0.07792%	0.0988%	0.0134%	0.1359
0.02511%	0.02640%	0.02509%	0.02563%	0.0288%	0.0051%	0.1767
0.55897%	0.55263%	0.53626%	0.52474%	0.5451%	0.0108%	0.0198
1.82876%	1.81601%	1.82144%	1.83198%	1.8490%	0.0355%	0.0192
0.11106%	0.10939%	0.10533%	0.10313%	0.1290%	0.0186%	0.1444
0.41296%	0.39822%	0.37371%	0.36168%	0.4353%	0.0449%	0.1033
0.23060%	0.22244%	0.22334%	0.21744%	0.2470%	0.0278%	0.1127
3.29289%	3.49385%	3.72684%	3.89378%	2.9014%	0.5923%	0.2041
1.26826%	1.30951%	1.35106%	1.40426%	1.2255%	0.0841%	0.0686
21.02496%	21.41346%	21.28034%	21.29828%			
0.02511%	0.02640%	0.02509%	0.02563%			