

FEFP 101

“The education of children is a fundamental value of the people of the State of Florida. It is, therefore, a paramount duty of the state to make adequate provision for the education of all children residing within its borders. Adequate provision shall be made by law for a uniform, efficient, safe, secure, and high quality system of free public schools that allows students to obtain a high quality education”

– Article IX, Section 1, Florida Constitution

Although education funding has always been a combination of local, state and federal dollars, the state legislature is primarily responsible for ensuring that adequate funding for education is provided and that it is properly allocated. In 1973, the Florida Legislature enacted the Florida Education Finance Program (FEFP) as its method for funding public education in a manner that would "guarantee to each student in the Florida public education system the availability of programs and services appropriate to his or her educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors." Although it has changed considerably over the years, Florida's FEFP is often cited as a national model for funding fairness and equity.

Funding for the FEFP combines state funds – primarily generated from sales tax revenue – and local funds – generated from property tax revenue. It is important to note that the FEFP is only the centerpiece of the total funding for education. Funding for a variety of programs and services – such as school construction, workforce development and pre-school programs – is provided in addition to the funds allocated through the FEFP.

The FEFP is a fairly simple mathematical equation. In order to provide equal educational opportunities for all children, each component of the equation attempts to adjust education funding to meet the particular needs and conditions of each of Florida's 67 counties. During each legislative session, every component of the equation is subject to debate and adjustment by our legislators. Existing equation components may be amended, new components may be added and old or unpopular components may be deleted in response to the state's political and economic climate and in the ongoing effort to meet the changing needs of Florida's diverse population. The main components of the FEFP equation are outlined below.

THE FEFP EQUATION

$$\begin{aligned} & \frac{\text{FULL TIME}}{\text{EQUIVALENT}} \times \frac{\text{COST}}{\text{FACTORS}} \times \frac{\text{BASE STUDENT}}{\text{ALLOCATION}} \times \frac{\text{DISTRICT COST}}{\text{DIFFERENTIAL}} + \frac{\text{DECLINING}}{\text{ENROLLMENT}} \\ & + \frac{\text{SPARSITY}}{\text{SUPPLEMENT}} + \frac{\text{SAFE}}{\text{SCHOOLS}} + \frac{\text{ESE}}{\text{GUARANTEE}} + \frac{\text{SUPPLEMENTAL}}{\text{INSTRUCTION}} + \frac{\text{READING}}{\text{ALLOCATION}} \\ & + \frac{\text{DJJ}}{\text{SUPPLEMENT}} + \frac{\text{DIGITAL}}{\text{CLASSROOMS}} + \frac{\text{INSTRUCTIONAL}}{\text{MATERIALS}} + \frac{\text{STUDENT}}{\text{TRANSPORTATION}} + \frac{\text{CLASSROOM}}{\text{SUPPLIES}} \\ & + \frac{\text{CLASS SIZE}}{\text{REDUCTION}} + \frac{\text{SCHOOL}}{\text{RECOGNITION}} + \frac{\text{REQUIRED}}{\text{LOCAL EFFORT}} + \frac{\text{DISCRETIONARY}}{\text{LOCAL EFFORT}} = \text{TOTAL FUNDING} \end{aligned}$$

FULL TIME EQUIVALENT (FTE)

The primary basis for education funding is student enrollment. In general, one student is equal to one FTE. However, it's important to understand that FTE actually represents the hours of instruction provided to those students. In a standard school, a student in kindergarten through grade 3 must receive 720 hours of instruction (20 hours per week; 4 hours per day) to equal one FTE. A student in grades 4-12 must receive 900 hours of instruction (25 hours per week; 5 hours per day) to equal one FTE. 900 hours is the maximum number of hours of instruction that will be funded per student for the school year. Each year, FTE is estimated based on demographic and school district projections. Once the school year begins, FTE is revised by actual counts of students in October and February. For 2014 - 2015, Florida public schools are expected to serve 2,722,134.53 FTE

COST FACTORS

All students are enrolled in one or more of the four instructional program groups listed below. Since some instructional programs are more expensive than others, Cost Factors are used to supplement funding to cover the cost of providing the more expensive programs. Cost Factors are based on district reports of actual costs of providing each program. The district reports are then "filtered" using demographics, historical expenditures, forecast patterns, prevalence, and ratios. Multiplying the FTE enrolled in a program by its cost factor produces Weighted FTE (WFTE).

Group 1. Basic Programs	2014-2015 Cost Factor
A. Grades K-3	1.126
B. Grades 4-8	1.000
C. Grades 9-12	1.004
Group 2. Exceptional Student Programs (ESE Matrix)	
A. Support Level 4	3.548
B. Support Level 5	5.104
Group 3. English for Speakers of Other Languages	1.147
Group 4. Career Education Programs (grades 9-12)	1.004

BASE STUDENT ALLOCATION (BSA)

The Base Student Allocation is the amount of money allocated to each FTE. Minimally, the BSA should be based on the previous year's BSA plus an appropriate increase to reflect inflation and program needs. However, in practice, the BSA is often "backed into" in that it is determined after most other funding decisions are made. As a result, the BSA often is increased or decreased based on available funding rather than actual costs. For 2014-2015, the Base Student Allocation is set at \$4,031.77.

DISTRICT COST DIFFERENTIAL (DCD)

The District Cost Differential is a factor used to adjust funding to reflect each district's cost of living. The DCD for each district is computed annually based on a three year average of the Florida Price Level Index (FPLI) as adjusted by various factors. The FPLI compares the cost of purchasing a specific list of 100 goods and services in each county. The DCD also adjusts funding by an "amenity factor" based on wage data that assumes that the desirability of living in an area makes employees willing to accept lower salaries.

DECLINING ENROLLMENT SUPPLEMENT

The declining enrollment supplement is provided to soften the impact of the lost revenue from having fewer students between one year and the next. The declining enrollment allocation is determined by comparing the FTE in the current year with the FTE of the prior year. In those districts where there is a decline, a percentage of the decline is multiplied by the base funding per FTE and added to the district allocation. For 2014-2015, the Declining Enrollment Supplement is \$4,357,114.

SPARSITY SUPPLEMENT

The sparsity supplement is provided to sparsely populated districts primarily to help ensure that the full range of services and course offerings can be offered in rural high schools. The sparsity supplement is based on FTE and the number of high schools in each district. The supplement is provided to districts with 20,000 or fewer FTE and the allocation is reduced for wealthier districts. About half of Florida's districts qualify for this supplement. For 2014-2015, the Sparsity Supplement is \$48,318,959.

SAFE SCHOOLS

Safe Schools funding can be used for a variety of allowable uses, including after-school care for middle school students, alternative programs for disruptive students, bullying and suicide prevention, and school resource officers. From the total allocation, each district receives a minimum base allocation that is intended to meet the basic salary needs of a school resource officer. Of the remaining balance, 2/3 is allocated based on the latest Florida Crime Index published by Florida Department of Law Enforcement and 1/3 is allocated based on FTE. For 2014-2015, the Safe Schools allocation is \$64,456,019.

ESE GUARANTEED ALLOCATION

The Exceptional Student Education (ESE) Guaranteed Allocation provides supplemental funding for students who have low to moderate handicapping conditions and/or are gifted students. Year-to-year increases in the allocation are based on projected growth in the district's total enrollment in all programs in comparison to growth in ESE enrollment. For 2014-2015, the ESE Guaranteed Allocation is \$950,781,688.

SUPPLEMENTAL ACADEMIC INSTRUCTION (SAI)

The Supplemental Academic Instruction allocation is used to remediate students who are falling behind to avoid the need for retention. In general, school districts have a great deal of flexibility to use these funds for a variety of programs such as mentoring, tutoring, technology, after school programs, class size reduction, extended school year, and summer school. In recent years, SAI funding is also used to provide an additional hour of reading instruction in schools identified as low performing. Increases in funding are based on increases in FTE. For 2014-2015, the SAI allocation is \$642,089,342.

READING ALLOCATION

These funds are to be used for comprehensive, district-wide, research based reading instruction, including the additional hour of reading instruction in schools identified as low performing. Each district receives a minimum base allocation intended to meet the basic salary needs of reading coaches and the balance of the appropriation is allocated based upon the district's proportion of total state K-12 base funding. For 2014-2015, the Reading Programs allocation is \$130,000,000.

DJJ SUPPLEMENT

The DJJ Supplement is provided to school districts to supplement other sources of funding for students in juvenile justice education programs. The allocation to each district is determined by multiplying the number of weighted FTE in juvenile justice education programs by the state average class-size reduction factor and the district cost differential. For 2014-2015, the DJJ Supplement is \$7,260,453.

DIGITAL CLASSROOMS ALLOCATION

These funds are used to implement district plan for digital classrooms and may be spent on infrastructure, instruction, professional development, accommodations, assessments, digital tools, devices, and security. Each district receives a minimal allocation and the balance is allocated based on enrollment. For 2014-2015, the total Digital Classrooms Allocation is \$40,000,000 with a minimum allocation to each district is \$250,000.

INSTRUCTIONAL MATERIALS

These funds are used for the purchase and maintenance of instructional materials for students, for library media materials, for science labs materials and supplies, and for digital instructional materials. In addition, the funds are used for the instructional materials for students in dual enrollment programs. The appropriation is allocated based on the cost of instructional materials and growth in total FTE. For 2014-2015, the Instructional Materials allocation is \$223,382,911.

STUDENT TRANSPORTATION

These funds are used to transport students living more than 2 miles from school, certain students with disabilities, students enrolled in prekindergarten programs, students enrolled in certain programs, and elementary students who would, otherwise, have to walk in areas labeled as hazardous. Funding is based on enrollment but is adjusted by several factors including, but not limited to, bus capacity, rural population, and exceptional student population. For 2014-2015, the Student Transportation allocation is \$424,875,855.

TEACHER CLASSROOM SUPPLY ASSISTANCE

These funds are distributed to classroom teachers for the purchase of classroom materials and supplies. Teachers are required to account for the use of these funds. For 2014-2015, the Teacher Lead Allocation is \$45,286,750.

CLASS SIZE REDUCTION

Class size reduction funds are used for the operating costs of compliance with the class size requirements in state law and the Florida Constitution. Typically, these funds are primarily directed toward personnel costs. A school district that has meet the maximum class size requirement may use the funds for any lawful operating expenditure. For 2014-2015, the Class Size Reduction allocation is \$3,031,103,776.

DISTRICT LOTTERY & SCHOOL RECOGNITION

The funding for this allocation is drawn from Lottery revenue. The first priority for the use of these funds is to provide \$100 per student to each school that qualifies for the Florida School Recognition Program, which is based on school grades. Any remaining funds are allocated to school districts based on each district's base funding and are used to provide up to \$5 per student to each School Advisory Council to support implementation of the School Improvement Plan. For 2014-2015, the allocation totaled \$134,582,877.

REQUIRED LOCAL EFFORT (RLE)

The FEFP is funded with both state revenue (primarily sales tax) and local revenue derived from property tax. In order to receive state funding, school districts must levy the local property tax millage set by the Legislature. This is called the Required Local Effort. Districts with higher property values will generate more funding than districts with low property values, but the amounts generated are supplemented by the state's contribution so that, if a district is property-poor, it will receive proportionally more state funding. Conversely, if a district is property-rich, it will receive proportionally less state funding. For 2014-2015, the total amount to be generated by the Required Local Effort is \$7,179,517,373 based on a statewide average Required Local Effort millage of 5.183 mills.

DISCRETIONARY LOCAL EFFORT

In addition to the RLE, districts may choose to levy an additional, non-voted property tax to add to that district's own coffers. The Legislature establishes the maximum millage that each district may levy. In any district where this discretionary levy generates less than the state average, the state allocates additional funds to that district to bring the total up to the state average. This additional allocation is called the Compression Adjustment. About two-thirds of Florida's school districts receive funds through the Compression Adjustment. For 2014-2015, the maximum Discretionary Local Effort millage rate is set at 0.748 mills which generates \$1,056,928,333. The state provides \$161,981,068 for the Compression Adjustment.