



### UNDERSTANDING THE FEFP

“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

As expressed above, the state 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." Funding for the FEFP combines state funds – primarily generated from sales tax revenue – and local funds – generated from property tax revenue. Although it has changed considerably over the years, Florida’s FEFP is often cited as a national model for funding equity.

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 prekindergarten programs – is provided in separate allocations and is not included in the FEFP.

The FEFP is a fairly simple mathematical equation. In order to provide equal educational opportunities for all children, many of the components of the equation attempt to adjust education funding to meet the particular needs and conditions of each of Florida's 67 school districts. 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

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

## 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 a student. 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 2016 - 2017, Florida public schools are expected to serve more than 2,800,000 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 extra costs. Cost Factors are based on district reports of actual costs of providing each program that are "filtered" using demographics, historical expenditures, and other factors. Multiplying the FTE enrolled in a program by its cost factor produces Weighted FTE (WFTE). For 2016-2017, this calculation on 2,800,000 FTE produces a total of more than 3,033,000 WFTE .

<b>Group 1. Basic Programs</b>	<b>2016-2017 Cost Factor</b>
A. Grades K-3	1.103
B. Grades 4-8	1.000
C. Grades 9-12	1.001
<b>Group 2. Exceptional Student Programs</b>	
A. Support Level 4	3.607
B. Support Level 5	5.376
<b>Group 2. ESOL/Intensive English</b>	1.194
<b>Group 2. Career Education Programs (grades 9-12)</b>	1.001

## 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 calculated after most other FEFP program funding decisions are made. As a result, the BSA often is increased or decreased based on available funding rather than actual costs. For 2016-2017, the Base Student Allocation is set at \$4,160.71.

## 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 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 goods and services in each district. The DCD also adjusts funding by an "amenity factor" based on wage data that takes the desirability of living in an area into account. Multiplying WFTE X BSA X DCD = Base Funding

## **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, 25% of the decline is multiplied by the base funding per FTE and added to the district allocation. For 2016-2017, 21 of 67 school districts qualified for the Declining Enrollment Supplement with a statewide total of \$4,177,420.

## **SPARSITY SUPPLEMENT**

The sparsity supplement is provided to sparsely populated districts to help ensure that the full range of services and course offerings is available in sparsely populated districts, particularly at the high school level. The sparsity supplement is based on FTE and the number of high schools in each district. The supplement is provided to districts with 24,000 or fewer FTE and the allocation adjusted by various factors including a reduction in the allocation in wealthier districts. About half (33) of Florida's districts qualify for this supplement. For 2016-2017, the Sparsity Supplement is \$52,800,000.

## **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, 67% is allocated based on the latest Florida Crime Index published by Florida Department of Law Enforcement and 33% is allocated based on FTE. For 2016-2017, the Safe Schools allocation is \$64,456,019 with a minimum base allocation to each district of \$62,660.

## **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. These funds are provided in addition to the funds generated by each student's basic program funding. 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 2016-2017, the ESE Guaranteed Allocation is \$1,055,304,496.

## **SUPPLEMENTAL ACADEMIC INSTRUCTION (SAI)**

The Supplemental Academic Instruction allocation is used for remediation, drop out prevention, summer school programs, extended school year, and similar programs for at-risk and low-performing students. For the past several years, a portion of the SAI funding has been earmarked to be used, along with funds from the Reading Allocation, to provide an additional hour of reading instruction for students in schools in low performing elementary schools as identified by statewide assessment results. Increases in funding are based on increases in FTE. For 2016-2017, the SAI allocation is \$706,662,699, with \$75,000,000 earmarked for instruction in the 300 lowest performing elementary schools in 36 school districts.

## **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 2016-2017, the Reading Allocation is \$130,000,000 with a minimum base allocation to each district of \$115,000.

## **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 2016-2017, the DJJ Supplement is \$7,447,387.

## **VIRTUAL EDUCATION CONTRIBUTION**

The Virtual Education Contribution supports virtual instruction for eligible students enrolled in virtual instruction programs. The total allocation is based on a statutory formula based on the sum of various FEFP allocations and divided by total FTE enrollment. For 2016-2017, the total virtual education contribution is \$14,597,593 and provides \$5,230 per student.

## **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 minimum allocation and the balance is allocated based on enrollment. For 2016-2017, the total Digital Classrooms Allocation is \$60,000,000 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. A portion of the allocation is earmarked for purchase of instructional content, electronic devices, and technology equipment and infrastructure. The remainder is for core subject instructional materials including library media materials, science lab materials and supplies, dual enrollment instructional materials, and digital instructional materials for students with disabilities. The funds are allocated to the districts based on a statutory formula that takes into account the cost of instructional materials and growth in total FTE. For 2016-2017, the total Instructional Materials allocation is \$228,792,422 with \$165,000,000 earmarked for instructional content, electronic devices, and technology equipment and infrastructure.

## **STUDENT TRANSPORTATION**

In general, these funds are used to transport students living more than 2 miles from school. Funding is based on enrollment, but the statutory allocation formula adjusts the funding to take into account students with special transportation needs, efficient bus utilization, hazardous walking conditions, rural populations, and other factors. For 2016-2017, the Student Transportation allocation is \$435,164,782.

## **TEACHER CLASSROOM SUPPLY ASSISTANCE**

These funds are distributed to classroom teachers for the purchase of classroom materials and supplies. The allocation to each district is based on enrollement. Teachers are required to account for the use of these funds. For 2016-2017, the Teacher Lead Allocation is \$45,286,750.

## **FEDERALLY CONNECTED STUDENT SUPPLEMENT**

The Federally Connected Student Supplement was created to provide supplemental funding for school districts to support the education of students connected with federally owned military installations, NASA property, and Indian lands. The total allocation is comprised of a student allocation and an exempt property allocation. The student allocation is calculated based on the number of students reported for federal Impact Aid Program funds multiplied by a percentage of the base student allocation plus an additional amount calculated for students with disabilities. The exempt property allocation is equal to the tax-exempt value of federal impact aid lands multiplied by the local capital outlay millage. For 2016-2017, the Federally Connected Student Supplement is \$12,136,893.

## **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 and related operating costs. Compliance is measured at the October student survey. If a district school board determines that it is impractical, unsound, or disruptive to meet class size requirements when students enroll after the October student survey, a limited number of students may be temporarily assigned to a class in excess of the maximums. In such cases, the school board must develop a plan to be in full compliance by the next October student survey. For 2016-2017, the Class Size Reduction allocation is \$3,071,776,008.

## **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 earns an "A" grade, improves at least one performance grade from the previous year, or sustains the previous year's improvement of more than one letter grade. 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 2016-2017, 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 contribute to the FEFP with local property tax revenue. This is called the Required Local Effort. The Legislature sets the total statewide amount that school districts must contribute and the statewide average millage rate necessary to generate the total RLE amount. Since districts with higher property values are able to generate more funding than districts with low property values, the statewide average millage rate is adjusted for each district to limit the amount of total FEFP funding that a district with high property values must contribute and state revenue is used to augment the property tax contribution from districts with lower property values. For 2016-2017, the total amount to be generated by the Required Local Effort is \$7,605,418,567 based on a statewide average Required Local Effort millage rate of 4.638 mills.

## **DISCRETIONARY LOCAL EFFORT**

In addition to the RLE, districts may choose to levy an additional, non-voted property tax for local discretionary use. 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. For 2016-2017, the maximum Discretionary Local Effort millage rate is set at 0.748 mills which generates \$1,272,283,473. The state provides \$209,805,026 to 48 school districts for the Compression Adjustment.