

# Finding the True Cost of Public Education in Florida

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**David Mann**  
Chairman of the Board of Trustees

**Dominic M. Calabro**  
President & Chief Executive Officer

Dear Fellow Taxpayer:

Florida's Constitution recognizes the value of a well-educated populace, and makes it a "paramount duty" of the state to provide a uniform, efficient, safe, secure, and high-quality system of free public schools that allows students to obtain a high-quality education. Funding Florida's system of public schools poses a significant and recurring challenge for state and local governments.

K-12 public education makes up a significant part of state and local budgets. As a barometer for K-12 spending, government officials use the measure "per-student spending." For the 2016-17 school year, the Florida Legislature appropriated \$7,178 per student, the largest per-student appropriation in Florida history. This money is appropriated through the Florida Education Finance Program (FEFP), the primary means of funding the operating costs of Florida school districts. But this figure can be misleading since it does not reflect *total* spending per student --- there are other categories of expenditures (e.g., debt service, capital outlay, etc.) necessary for the operation of public schools that are reported separately from FEFP funds.

To be good stewards of education dollars, it is critical that taxpayers have a clear understanding of how much education revenue is available, how that revenue is spent, and what it is spent on. Without this understanding, taxpayers and policymakers will be unable to determine whether their state and local K-12 education investments are cost-effective. Without this understanding, parents will be unable to make informed decisions regarding educational programs and services that best meet their children's needs.

In this paper, Florida TaxWatch looks at those excluded categories of education expenditures to calculate the "true cost" of educating a K-12 public school student in Florida. It is my hope that this will make all education budgeting more transparent and permit Florida taxpayers to hold their K-12 public school system more accountable.

Sincerely,

Dominic M. Calabro  
President & CEO

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## EXECUTIVE SUMMARY

Per-student spending is an easy-to-use measure by which taxpayers can evaluate public school spending and efficiency. Most taxpayers, however, have little or no idea how much is spent per student in public schools. The most commonly reported per-student spending figures in Florida are based solely on funding provided through the Florida Education Finance Program (FEFP). For the 2016-17 school year, Florida public schools will spend an average of \$7,178 “per student” in FEFP funding.

But this figure, which is published in legislative budget summaries and widely cited by the media, can be misleading since it does not reflect *total* spending per student. Funding for a number of other programs and services (e.g., debt service, school construction, etc.) is provided to school districts in addition to FEFP funding and is reported separately.

The Florida Department of Education (FLDOE) calculated an average expenditure per unweighted FTE based on reported District expenditures for the Fiscal Year 2015-16 of \$10,308, which includes expenditures such as debt service, capital outlay, and other funds that are reported separately from FEFP funds. Why is it important to include debt service, capital outlay, and other K-12 funds in per student spending calculations? Because taxpayers should have a thorough understanding of how their tax dollars are being spent. A more thorough and informed understanding of funding sources makes school funding more transparent to taxpayers. Transparency helps to promote accountability, and Florida taxpayers have every right to see how government spends their tax dollars.

TaxWatch also compared the true cost of traditional district schools to the true cost of two

of the largest learning options the state currently provides to parents and their students: charter schools and private school scholarships. The comparison suggests these alternatives are quite cost-effective. TaxWatch estimates the true cost per charter school student for Fiscal Year 2015-16 to be \$7,307. The average maximum scholarship available through the Florida Tax Credit Scholarship Program, which allows children from low-income and working class families to attend private schools, for Fiscal Year 2015-16 is \$5,643.

It is critical that taxpayers have a clear and complete understanding of how much education revenue is available, how that revenue is spent, and what it is spent on. Without this understanding, taxpayers and policymakers will be unable to determine whether their state and local K-12 education systems are cost-effective. Parents will be unable to make informed decisions regarding educational programs and services that best meet their children’s needs.

The landscape of public education in the U.S. has been changing over the past several decades as parents’ options have expanded. Being able to choose from a number of high-quality options and to select what is best for their child are options that should be available to all parents.

## PURPOSE

The purpose of this independent research study is to determine how much taxpayer money is actually spent on each child in the public education system and to create a framework to fairly compare the investment in student learning across the education spectrum. The best available existing data on per-student spending are from the FY 2015-16 school year.

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## BACKGROUND

The fiscal year 2016-17 budget for the state of Florida is \$82.3 billion, of which \$20.16 billion (16.6 percent) is appropriated for K-12 education. This includes \$7.6 billion provided by public school districts in the form of Required Local Effort (RLE), which is based on a state average millage rate of 5.442.<sup>1</sup> Only Medicaid (\$27.1 billion) receives a larger appropriation and has a greater cost to the state than K-12 education.<sup>2</sup>

In Florida, much attention is focused on “per-student spending,” which represents the average “unit cost” of one year of public schooling. Per-student spending is an easy-to-use measure by which taxpayers can evaluate public school spending and efficiency; however, per-student spending figures in Florida are based solely on funding provided through the Florida Education Finance Program (FEFP). For the 2016-17 school year, the Florida Legislature appropriated \$7,178 per student through the FEFP.

The FEFP allocates funds to school districts based on actual student enrollment, which may change over the course of the school year. The Florida Department of Education conducts surveys of student enrollment twice during each regular school year.

The original FEFP allocation has been recalculated twice during the FY 2016-17 school year --- from \$7,178 to \$7,184 in July 2016<sup>3</sup>, and from \$7,184 to \$7,205 in December 2016.<sup>4</sup> Funding for a number of other programs and services (e.g., school

construction, debt service, voter-approved general obligation bonds, pre-school programs, etc.) is provided to school districts in addition to the funds provided through the FEFP.

A 2010 study by the Cato Institute looked at public school spending in the nation’s five largest metro areas and the District of Columbia and found that, on average, the real or true per-pupil spending in these areas was 44 percent higher than officially reported.<sup>5</sup> Adding expenditures that are generally reported separately to commonly cited per-student figures nationwide to represent total expenditures and current-year dollars raises the average per-student spending figure by nearly 25 percent.<sup>6</sup>

Most taxpayers have little or no idea how much is spent per student in public schools. When asked how much was spent per student, only seven percent of Floridians guessed a figure that was close to the \$9,800 figure reported by the National Center for Education Statistics for that year. Sixty-three percent thought per-student spending in Florida was \$6,000 or less.<sup>7</sup>

## FLORIDA EDUCATION FINANCE PROGRAM

The Florida Education Finance Program (FEFP) is the funding formula used to provide operating funds to school districts. The FEFP is designed to equalize funding across school districts and to make sure that every student has access to programs and services that are appropriate to their educational needs and “substantially equal” to programs and services available to similar students in any other district.

1 Florida Department of Education, “2016-17 Florida Education Finance Program 2016-17 Second Calculation,” July 15, 2016, retrieved from [www.fldoe.org/core/fileparse.php/7507/urlt/16172ndCalc.pdf](http://www.fldoe.org/core/fileparse.php/7507/urlt/16172ndCalc.pdf), March 10, 2017.

2 Florida TaxWatch, “The Taxpayer’s Pocket Guide to Florida’s FY 2016-17 State Budget,” June 2016.

3 Supra, see footnote 1.

4 Florida Department of Education, “2016-17 Florida Education Finance Program 2016-17 Third Calculation,” December 5, 2016, retrieved from [www.fldoe.org/core/fileparse.php/7507/urlt/16173rdCalc.pdf](http://www.fldoe.org/core/fileparse.php/7507/urlt/16173rdCalc.pdf), March 10, 2017.

5 Adam Schaeffer, “They Spend WHAT? The Real Cost of Public Schools,” Policy Analysis No. 662, Cato Institute, March 10, 2010.

6 Ibid.

7 Ibid.



To equalize funding, the FEFP considers local property tax bases; educational program costs; district cost differentials; and the sparsity of the student population.<sup>8</sup>

The process for calculating the \$20.1 billion FEFP allocation for the 2016-17 school year is outlined in Appendix A. Dividing the 2016-17 FEFP allocation by the number of unweighted full-time equivalent student enrollment (2,800,009.16)<sup>9</sup> as of December 2016 produces a per-student spend of \$7,205.

## CALCULATING THE TRUE COST OF PUBLIC EDUCATION

Each school district is required to submit to the Florida Department of Education (FLDOE) annual financial reports<sup>10</sup> that include federal, state, and local revenue and expenditures. Expenditures were reported for the following fund types for Fiscal Year 2015-16:<sup>11</sup>

- General fund—used to account for and report all financial resources not accounted for and reported in another fund;
- Debt service funds—used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, or that are being accumulated for principal and interest maturing in future years;

- Special revenue funds—used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects; and
- Capital projects funds—used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The FLDOE calculated an average expenditure per unweighted FTE based on reported District expenditures for the Fiscal Year 2015-16 of \$10,308, which includes expenditures such as debt service, capital outlay, and other funds that are reported separately from FEFP funds. This figure is \$3,218 (45 percent) higher than the \$7,090 final FEFP calculation for Fiscal Year 2015-16.<sup>12</sup>

Why is it important to include debt service, capital outlay, and other K-12 funds in per-student spending calculations? Because taxpayers should have accurate information regarding how their tax dollars are being spent, and because taxpayers need a more thorough and informed understanding of funding sources for the operation of public schools, for capital improvements, and other purposes.

A fundamental premise of self-government is that citizens and elected officials are sufficiently informed to make sound decisions about public policy. To satisfy this condition, it is necessary that government agencies provide accurate and timely data about their activities in a manner that is accessible and understandable to the average citizen.<sup>13</sup>

8 Florida TaxWatch, "The Florida Education Finance Program," Center for Florida Citizenship, Issue 1.501, retrieved from [www.floridatxwatch.org/resources/pdf/FEFP-Final.pdf](http://www.floridatxwatch.org/resources/pdf/FEFP-Final.pdf), September 30, 2016.

9 Supra, see footnote 4.

10 Sections 1011.60(1) and 1010.20, Florida Statutes; SBE Rule 6A-1.0071, Florida Administrative Code.

11 Florida Department of Education, "Financial and Program Cost Accounting and Reporting for Florida Schools 2015," retrieved from [www.fldoe.org/core/fileparse.php/7507/urlt/2015RedBook.pdf](http://www.fldoe.org/core/fileparse.php/7507/urlt/2015RedBook.pdf), March 9, 2017.

12 Florida Department of Education, "Florida Education Finance Program 2015-16 Final Calculation," October 4, 2016, retrieved from [www.fldoe.org/core/fileparse.php/7507/urlt/1516FEFPFinalCalc.pdf](http://www.fldoe.org/core/fileparse.php/7507/urlt/1516FEFPFinalCalc.pdf), March 9, 2016.

13 Cato Institute, "Why Fiscal Transparency Matters," 2013, retrieved from [www.cato.org/cracking-books/why-financial-transparency-matters](http://www.cato.org/cracking-books/why-financial-transparency-matters), December 20, 2016.



Since K-12 public education spending is generally one of the largest expenditure in states' budgets, it is especially imperative that state departments of education provide complete, timely, and understandable financial data to the public. Without a complete and informed understanding of how public schools are funded, taxpayers are deprived of the ability to make informed decisions about public school funding.

At a time when state and local budgets are severely strained, it is crucial that spending decisions reflect sound and informed judgment.<sup>14</sup>

## COMPARISONS OF PER-STUDENT SPENDING

### *Traditional Public Schools, Charter Schools, and Private Schools*

The above analysis suggests that a truer cost of educating a K-12 student in a traditional public school is \$10,308 annually. To help taxpayers and policymakers determine how best to allocate the resources across all K-12 learning options, there is value in comparing this cost estimate to the cost of educating a K-12 student in a public charter school or with a private school scholarship. This determination will also enable parents to make informed decisions regarding educational programs and services that best meet their children's needs.

Charter schools are public schools that are created and operated under the terms of an agreement ("charter") between the school and the local district school board. The charter frees these schools from many regulations created for traditional public schools, while holding them accountable for academic and financial results. As a result, charter schools are generally given

greater freedom to provide innovative learning opportunities relative to traditional district schools.

Charter schools are public schools of choice and, as such, provide Florida parents an opportunity to pick the school most suitable for their child's educational well-being. The number of charter schools in Florida has increased from 334 in fiscal year 2005-06<sup>15</sup> to 652 in fiscal year 2015-16.<sup>16</sup> Enrollment in charter schools has increased from 98,755 students to 270,301 students (173 percent) during the last 10 years.<sup>17</sup>

Because charter schools are public schools, they receive operating funds through the FEFP, just like traditional public schools, based on the number of full-time students enrolled. This funding includes both state (General Revenue, lottery funds and the State School Trust Fund) and local funding. The local funding comes from property taxes levied by the school districts—both Required Local Effort (RLE) and discretionary levies. Charter schools are entitled to their proportionate share of categorical program funds for eligible students and programs.<sup>18</sup>

Studies have shown that, nationwide, charter schools continue to receive significantly less in revenue than traditional public schools. A 2014 survey by the Center for Education Reform concluded that charter schools nationwide are funded at approximately 64 percent of their district's traditional public schools, averaging \$7,131 per student compared to the average per student expenditure of \$11,184 in the traditional public schools.<sup>19</sup>

<sup>14</sup> Supra, see footnote 12.

<sup>15</sup> Florida Department of Education, "Florida's Charter Schools Fact Sheet," October 2015.

<sup>16</sup> Florida Department of Education, "Florida's Charter Schools Fact Sheet," October 2016..

<sup>17</sup> Ibid.

<sup>18</sup> Florida Department of Education, "Frequently Asked Questions," retrieved from [www.fldoe.org/schools/school-choice/charter-schools/charter-school-faqs.html](http://www.fldoe.org/schools/school-choice/charter-schools/charter-school-faqs.html), July 27, 2016.

<sup>19</sup> The Center for Education Reform, "Survey of America's Charter Schools 2014."



Although the state per-student funding is equal, charter schools in Florida receive less money overall than traditional public schools. This is due to several factors. Local tax revenues collected by school districts for facility construction and maintenance are rarely shared with charter schools. In addition, charter schools typically receive a smaller share of state funds for facilities and capital outlay, and federal funds. Florida law also permits school districts to collect an administrative fee (not to exceed 5 percent of the funds from the state up to and including 250 students)<sup>20</sup> from charter schools for the provision of certain administrative and educational services, including:

- Contract management services;
- FTE and data reporting;
- Exceptional student education administration;
- Federal lunch program eligibility and reporting;
- Test administration services; and
- Information services.<sup>21</sup>

A 2014 study by the University of Arkansas concluded that Florida charter school students receive \$2,130 less in funding, on average, than students who attend traditional public schools.<sup>22</sup> A previous study by Florida TaxWatch concluded that charter schools received about 68 to 71 cents for every dollar traditional district schools received,<sup>23</sup> and a 2010 study by Ball State University found that Florida charter schools received about \$2,700 less per student than traditional district schools

(about \$2,000 of that difference was local tax revenues and the rest of the difference was federal funding).<sup>24</sup>

By adding the per student final FEFP calculation (\$7,090) and the per FTE charter school fixed capital outlay amount (\$217)<sup>25</sup>, Florida TaxWatch estimates the true cost per charter school student for Fiscal Year 2015-16 to be \$7,307. This represents approximately 71 percent of the true cost for students in traditional public schools.

Aside from charter schools, Florida also provides for scholarships that allow students in PreK-12 to attend privately operated schools.<sup>26</sup> The largest such program is called the Florida Tax Credit Scholarship (FTC). The FTC Program was established in 2001 to encourage private, voluntary contributions from corporate donors to non-profit scholarship funding organizations that award scholarships to children from low-income and working class families. Scholarship funding organizations, such as Step Up For Students and the AAA Scholarship Foundation, are responsible for the receipt and distribution of contributed funds to eligible low-income students to defray the tuition costs to attend a private school or assist with transportation costs to attend a public school in an adjacent district.

During the 2015-16 school year, the maximum amount of tax credit scholarships the state could award was \$447 million.<sup>27</sup> During Fiscal Year 2015-16, tax credit scholarships were awarded to 78,664

20 Subsection 1022.33(20)(a)2, Florida Statutes.

21 Subsection 1022.33(20)(a)1, Florida Statutes.

22 University of Arkansas, College of Education & Health Professions, "Charter School Funding: Inequity Expands," April 2014.

23 Florida TaxWatch, "How Charter School Funding Compares," January 2012.

24 Ball State University, "Charter School Funding: Inequity Persists," May 2010.

25 Florida Department of Education, Presentation to the Senate Appropriations Subcommittee on Pre-K - 12, February 8, 2017.

26 It should be noted that there are additional scholarship programs, such as the McKay Scholarships and Gardiner Scholarships that provide parents school choice funding options. Because these scholarships focus on a unique subset of the student population (students with disabilities), they have been excluded from this analysis.

27 Step Up for Students, "2015-16 Step Up For Students Annual Report," retrieved from [www.stepupforstudents.org/wp-content/uploads/SU\\_AnnualReport15\\_FINAL\\_web.pdf](http://www.stepupforstudents.org/wp-content/uploads/SU_AnnualReport15_FINAL_web.pdf), March 9, 2017.



students enrolled in 1,602 participating Florida private schools.<sup>28</sup> The private school scholarships paid up to \$5,677 for the 2015-16 school year.<sup>29</sup>

The tax credit scholarships are awarded based on demonstrated financial need. The income requirements necessary to get one of the five levels of scholarships for the current year, 2016-17, are shown in Figure 1. As shown, a family of four with a total gross monthly household income of \$4,050 (\$48,600 annually) would qualify for a full (100 percent) scholarship. A family of four with a monthly income of \$5,265 (\$63,180 annually) would only qualify for a 50 percent scholarship.

Though the FTC Program is funded by private contributions that receive 100 percent tax credits, the amount of the maximum scholarship is tied to public school spending. Under current state law, the maximum is set at 82 percent of the average unweighted FTE student under the FEFP program.

For 2015-16, the formula was based on 80 percent of FEFP, which produced a maximum scholarship of \$5,677. But the average scholarship is less, because 1.8 percent of the students that year received a scholarship that, based on their higher household income, was reduced to either 75 or 50 percent of the maximum. As reported to TaxWatch by Step Up For Students, the scholarship organization that enrolled 99.4 percent of all FTC students in 2015-16, the average maximum scholarship was \$5,643.

The term “average maximum” is used because Step Up For Students does not take into account scholarships that are reduced because the law requires that scholarship organizations pay only the actual tuition and fees, if that amount is lower). At an average maximum scholarship of \$5,643, the average FTC per-student amount is 54.7 percent of the true cost of a traditional public school student and 77.2 percent of the true per student cost for charter schools.

28 Step Up for Students, “2015-16 Step Up For Students Annual Report,” retrieved from [www.stepupforstudents.org/wp-content/uploads/SU\\_AnnualReport15\\_FINAL\\_web.pdf](http://www.stepupforstudents.org/wp-content/uploads/SU_AnnualReport15_FINAL_web.pdf), March 9, 2017.

29 Ibid.

**FIGURE 1. FLORIDA TAX CREDIT SCHOLARSHIP ELIGIBILITY**

NUMBER OF PEOPLE IN HOUSEHOLD	TOTAL GROSS MONTHLY HOUSEHOLD INCOME FOR A 100% SCHOLARSHIP	MONTHLY MAXIMUM INCOME FOR AN 88% SCHOLARSHIP	MONTHLY MAXIMUM INCOME FOR A 74% SCHOLARSHIP	MONTHLY MAXIMUM INCOME FOR A 60% SCHOLARSHIP	MONTHLY MAXIMUM INCOME FOR A 50% SCHOLARSHIP
1	\$1,980	\$2,129	\$2,277	\$2,426	\$2,574
2	\$2,670	\$2,871	\$3,071	\$3,271	\$3,471
3	\$3,360	\$3,612	\$3,864	\$4,116	\$4,368
4	\$4,050	\$4,354	\$4,658	\$4,962	\$5,265
5	\$4,740	\$5,096	\$5,451	\$5,807	\$6,162

Source: [www.stepupforstudents.org/for-parents/income-based/how-the-scholarship-works/](http://www.stepupforstudents.org/for-parents/income-based/how-the-scholarship-works/), retrieved February 6, 2017.

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## CONCLUSIONS

Florida faces another period of seriously constrained revenue and continued budget pressures. After a string of three straight years with projected budget surpluses ranging from \$336 million to \$846 million, it is now estimated that during the 2017 legislative session there will be just enough money to fund a continuation budget for FY2017-18. What's more, significant budget shortfalls loom in subsequent years.<sup>30</sup> During periods of constrained revenue, it is important that every dollar is accounted for and spent wisely.

Based upon Florida TaxWatch's research, the following conclusions may be drawn: First, the "true" per-student cost of educating a K-12 student in a Florida public school is considerably higher than the \$7,205 officially reported. School district expenditures reported for Fiscal Year 2015-16 include sources of District funds other than FEFP funds (e.g., debt service, capital outlay, etc.) and reflect a "truer" per-student spending for a K-12 public education of \$10,308. A more complete and thorough understanding of school funding sources makes school funding more transparent to taxpayers. Transparency helps to promote accountability, and Florida taxpayers have every right to see how government spends their tax dollars.

Second, charter schools and private school scholarships provide competitive alternatives to traditional district schools. For parents to make the most informed decisions regarding their children's education, they must have choices—not just about other schools, but about opportunities for their children to receive a high-quality education.

Parents must also consider available services when making decisions regarding their children's education. The true per student cost at a traditional public school may be higher than the true per student costs at charter or private schools because it includes important services not available at charter or private schools. Transportation is a good example. In Fiscal Year 2014-15, Florida school districts transported more than 998,000 eligible students, more than 40,000 of which were students with disabilities.<sup>31</sup>

Charter schools also have lower percentages of English Language Learners, students receiving free and reduced price lunches, and students with disabilities compared to traditional public schools.<sup>32</sup> It is reasonable, therefore, to expect the true cost per student at traditional public schools to be higher than the true cost per student at charter schools.

The landscape of public education in the U.S. has been changing over the past several decades as parents' options have expanded. Being able to choose from a number of high-quality options and to select what is best for their child are options that should be available to all parents.<sup>33</sup>

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30 Florida TaxWatch, "Projected Future Budget Shortfalls Require Immediate Attention," Budget Watch, September 2016.

31 Florida Department of Education, "Florida School District 2014-15 Transportation Profiles," retrieved from [www.fldoe.org/core/fileparse.php/7585/urlt/Profiles1415.pdf](http://www.fldoe.org/core/fileparse.php/7585/urlt/Profiles1415.pdf), March 9, 2017.

32 Florida Department of Education, "ESE and Charter Schools Rights and Responsibilities," retrieved from [www.fldoe.org/core/fileparse.php/5423/urlt/esecsr.pdf](http://www.fldoe.org/core/fileparse.php/5423/urlt/esecsr.pdf), March 9, 2017.

33 National Alliance for Charter Schools, "Demanding a Chance: Parents' Demand for Charter Public Schools Continues to Grow," 2016.



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# APPENDIX A

## *How is the FEFP Allocation Calculated?*

Information from the Florida Department of Education, "2016-17 Florida Education Finance Program 2016-17 Second Calculation," July 15, 2016, retrieved from [www.fldoe.org/core/fileparse.php/7507/urlt/16172ndCalc.pdf](http://www.fldoe.org/core/fileparse.php/7507/urlt/16172ndCalc.pdf), March 10, 2017.

1. Each school year, the number of students enrolled in specified educational programs is surveyed to determine the number of unweighted full time equivalents (FTEs). Additional surveys are taken to determine FTEs for Florida Virtual School (FVS) and Department of Juvenile Justice (DJJ) students. For the 2016-17 school year, there were 2,807,961.85 unweighted FTEs.
2. These unweighted FTEs are then multiplied by cost factors for each FEFP program, which reflect the relative costs of providing services to students enrolled in each program, to obtain the number of weighted FTEs. For the 2016-17 school year, there were 3,037,738.19 weighted FTEs.
3. The number of weighted FTEs is then multiplied by a base student allocation (BSA), which is determined annually by the Florida Legislature and included in the General Appropriations Act. The BSA for the 2016-17 school year is \$4,160.71.
4. The figure derived from step 3 above is then multiplied by a District Cost Differential (DCD), which incorporates wage and price level indices to represent the cost of hiring equally qualified personnel across different school districts, to determine the Base FEFP Funding (State & Local). The Base FEFP Funding level for the 2016-17 school year is \$12,648,878,443, which represents approximately 63 percent of total operating funds.
5. A number of adjustments to the Base FEFP Funding level are made, including a "sparsity supplement" for school districts with fewer than 24,000 unweighted FTEs to compensate for any diseconomies of scale. The sparsity supplement for the 2016-17 school year is \$52,800,000.
6. School districts with declining enrollments receive a portion (25%) of revenue that would have otherwise been lost because of the decline. The declining enrollment allocation for the 2016-17 school year is \$1,305,150.
7. Lab schools and the Florida Virtual School (FLVS) are considered to be separate school districts for the purpose of FEFP funding. The Legislature appropriated a discretionary contribution (in lieu of discretionary local tax revenue) of \$17,326,286 for the lab schools and FLVS for the 2016-17 school year.
8. Supplemental funds are provided to districts that levy the full 0.748 mills and generate less than the state average per FTE to achieve the state average per FTE. The Legislature appropriated \$201,930,875 for the 2016-17 school year to fund this difference.
9. Districts receive a minimum allocation for school safety, with the balance allocated based on enrollment and crime data. The Legislature appropriated \$64,456,019 for safe school activities for the 2016-17 school year, with a minimum allocation of \$62,660.
10. A lump sum is provided for remedial or supplemental instruction to students who are in danger of falling behind. For the 2016-17 school year, \$709,992,174 was appropriated for supplemental academic instruction, with \$52.9 million going to each of the 300 lowest performing schools.
11. Each school district receives funds for research-based reading instruction. The Legislature appropriated \$130,000,000 for the 2016-17 school year, with each district receiving a minimum of \$115,000. Specific funding in the amount of \$15 million is to be used to provide an additional hour of intensive reading instruction for students in the 300 lowest performing elementary schools.
12. A lump sum is provided for special education services for children who have mild to moderate disabilities and students who are classified as gifted. For the 2016-17 school year, \$1,055,304,496 was appropriated for exceptional student education.
13. Supplemental funds are provided for students in juvenile justice education programs. For the 2016-17 school year, \$7,575,527 was appropriated, based upon the number of weighted FTEs in the juvenile justice education programs multiplied by both the state average class size reduction factor (\$1,243.90) and the district cost differential.
14. Funding is provided for the safe and efficient transportation of students. For the 2016-17 school year, \$435,164,782 was appropriated, based upon each district's pro rata share of state transported students.
15. Funds are provided for core subject instructional materials, library & media materials, and science lab materials. For the 2016-17 school year, \$228,792,422 was appropriated.
16. Funds are provided for teachers to purchase classroom instructional materials and supplies. For the 2016-17 school year, \$45,286,750 was appropriated to purchase classroom materials and supplies used in the instruction of students in grades K-12.
17. Funds are provided on a per-FTE basis to support virtual education programs. For the 2016-17 school year, \$16,038,777 was appropriated to achieve an amount of \$5,230 per student as established in the General Appropriations Act.
18. Funds are provided for implementing district plans for digital classrooms. For the 2016-17 school year, the Legislature appropriated \$80,000,000. Each district receives

- a minimum allocation of \$500,000, which is to be spent on infrastructure, instruction, professional development, accommodations, assessments, digital tools, and security.
19. Supplemental funds are provided for students connected with federally owned military installations, National Aeronautics and Space Administration (NASA) property, and Indian lands. For the 2016-17 school year, the Legislature appropriated \$12,136,893 for eligible federally connected students.
  20. Adding all of the adjustments described in steps 5 through 19 to the Base FEFP Funding (State & Local) identified in step 4 produces a Gross State and Local FEFP of \$15,706,988,594.
  21. Required Local Effort (RLE) is the amount that each public school district is required by law to provide annually toward the cost of the FEFP. The RLE represents a state average millage rate of 5.442. The millage rate is reduced for any district with ad valorem tax proceeds exceeding 90 percent of the district's FEFP formula entitlement. The total adjusted amount for RLE for the 2016-17 school year is \$7,605,066,299.
  22. The RLE identified in step 21 above is subtracted from the Gross State and Local FEFP identified in step 20 to produce a Net State FEFP of \$8,101,922,295.
  23. Lottery funds are provided for the School Recognition Program to reward schools that improve one letter grade or achieve an "A" ranking. Allocations are based on up to \$100 per student in eligible schools. The balance is provided for discretionary use for enhancement by each school district. The Legislature appropriated \$134,582,877 for the School Recognition Program during the 2016-17 school year, with no discretionary funds appropriated.
  24. The Legislature appropriated \$3,074,633,009 to implement the Class Size Reduction provisions of Section 1, Article IX of the State Constitution during the 2016-17 school year.
  25. Adding the Discretionary Lottery/School Recognition funding (step 23) and the Class Size Reduction funding (step 24) to the Net State FEFP results in Total State Funding in the amount of \$11,311,138,181.
  26. When the RLE (step 21) and the \$1,240,719,648 generated by school districts through the levying of the 0.748 Mill Discretionary Local Effort are added to the Total State Funding, the Total FEFP Funding to be provided to school districts during the 2016-16 school year is \$20,156,924,128.

## MARCH 2017

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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The findings in this Report are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please feel free to contact us if you feel that this paper is factually inaccurate.

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