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 boarders. 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 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 prekindergarten 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, 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

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\text{Funding} = \text{Full Time Equivalent} \times \text{Cost Factors} \times \text{Base Student Allocation} \times \text{District Cost Differential} + \text{Declining Sparsity} + \text{Supplementary Instruction} + \text{Reading Instruction} + \text{DJI Supplementation} + \text{Instructional Materials} + \text{Student Transportation} + \text{Classroom Supplies} + \text{Virtual Education} + \text{Digital Classrooms} + \text{Federal Supplementation} + \text{Compression Allocation} + \text{Class Size Reduction} + \text{School Recognition} + \text{Required Local Effort} + \text{Discretionary Local Effort}.
\]
FULL TIME EQUIVALENT (FTE)

The primary basis for education funding is student enrollment. In general, one student is roughly 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 2018 - 2019, Florida public schools are expected to serve more than 2,834,000 FTE

COST FACTORS

All students are enrolled in one or more of the seven 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). For 2018-2019, this calculation on 2,834,582 FTE produces a total of more than 3,091,838 WFTE.

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<thead>
<tr>
<th>Group 1. Basic Programs</th>
<th>2018-2019 Cost Factor</th>
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<tr>
<td>A. Grades K-3</td>
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<td>B. Grades 4-8</td>
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<td>C. Grades 9-12</td>
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| Group 2. ESOL/Intensive English | 1.185 |

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<th>Group 3. Exceptional Student Programs</th>
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<td>A. Support Level 4</td>
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<td>B. Support Level 5</td>
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| Group 4. Career Education Programs (grades 9-12) | 1.000 |

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 often is increased or decreased based on available funding and/or funding policy decisions rather than actual costs. For 2018-2019, the Base Student Allocation is set at $4,204.42.

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 represents the cost of hiring comparable personnel across school districts and 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 in order to live in that area.

Weighted FTE X Base Student Allocation X District Cost Differential = 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 2018-2019, 31 of 67 school districts qualified for the Declining Enrollment Supplement with a statewide total of $9,375,029.

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 2018-2019, the Sparsity Supplement is $52,800,000.

SAFE SCHOOLS

Funding and policy for the Safe Schools allocation was significantly revised in 2018 as one of several efforts to respond to the tragic school shooting at Marjory Stoneman Douglas High School that occurred while the Legislature was in session that year. As a result, a portion of the total Safe Schools funding for 2018-2019 is allocated in accordance with the policies in existence prior to that tragedy and a portion is allocated in accordance with new policy initiatives implemented after the tragedy occurred. Under the prior policy, Safe Schools funding could be applied to a variety of allowable uses with priority given to establishing a school resource officer program. Under the prior policy, each district receives a minimum base allocation of $62,260 that is intended to meet the basic salary needs of a school resource officer and, of the remaining balance, two-thirds is allocated based on the latest Florida Crime Index published by Florida Department of Law Enforcement and one-third is allocated based on FTE. Under the new policy, the minimum base allocation is increased to $250,000 and the remaining balance is distributed based on FTE and is used exclusively for hiring or contracting for school resource officers. For 2018-2019, $64,456,019 is allocated under the prior policy and $97,500,00 is allocated under the new policy for a total Safe Schools allocation of $161,956,019.

MENTAL HEALTH ASSISTANCE ALLOCATION

The Mental Health Assistance Allocation is another new funding and policy initiative established in 2018 as one of several efforts by the Legislature to respond to the tragic school shooting at Marjory Stoneman Douglas High School. The allocation is created to provide funding to assist school districts in establishing or expanding school-based mental health care. Each school district receives a minimum allocation of $100,000 with the remaining balance allocated based on FTE. At least 90% of the allocation must be used for the provision of mental health assessment, diagnosis, intervention, treatment, and recovery services to students with one or more mental health or co-occurring substance abuse diagnoses and students at high risk of such diagnoses and for coordination of such services with a student’s primary care provider and with other mental health providers involved in the student’s care. The school district must develop and submit a detailed plan outlining the local program and planned expenditures to the district school board for approval. For 2018-2019, the Mental Health Assistance Allocation is $69,237,286.
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. The total allocation are based on projected growth in the district’s total enrollment in all programs in comparison to growth in ESE enrollment and is subject to recalculation during the year. For 2018-2019, the ESE Guaranteed Allocation is $1,067,088,437

SUPPLEMENTAL ACADEMIC INSTRUCTION (SAI)

The Supplemental Academic Instruction allocation was significantly revised during the 2018 Legislative Session to be implemented the following year. For each school earning a grade of “D” or “F”, that school’s portion of the allocation must be used to implement intervention and support strategies for school improvement and for salary incentives or supplements. In addition, each of the 300 lowest-performing elementary schools must use that school’s portion of the allocation to provide an additional hour per day of intensive reading for the students in the school. For all other schools, the SAI allocation may be used for a variety of programs and services identified by the school to best help students to progress from grade to grade and to graduate. The total allocation consists of a base amount that is adjusted based on changes in FTE and is recalculated during the year. For 2018-2019, the SAI allocation is $713,952,686.

READING ALLOCATION

These funds are to be used for comprehensive, district-wide, research based reading instruction which may include the additional hour of reading instruction in schools identified as low performing. Other allowable uses of these funds include, but are not limited to, K-5 reading intervention teachers, reading coaches, professional development, summer reading camps, supplemental instructional materials, and intensive interventions for K-12 students who have a reading deficiency or who are reading below grade level. 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 2018-2019, the Reading Allocation is $130,000,000 with a minimum base allocation to each district of $115,000.

JUVENILE JUSTICE SUPPLEMENT

The Juvenile Justice 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 2018-2019, the Juvenile Justice Supplement is $7,445,780.

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 based on a statutory formula that takes into account the cost of instructional materials and growth in total FTE multiplied by an allocation factor. For 2018-2019, the total Instructional Materials allocation is $232,934,691.
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 2018-2019, the Student Transportation allocation is $443,043,407.

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 FTE. Teachers are required to account for the use of these funds. For 2018-2019, the Teacher Lead Allocation is $54,143,375.

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 divided by total FTE enrollment, and adjusted by the variance from a base of $5,230 per student. For 2018-2019, the total virtual education contribution is $11,326,500 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. In addition, a portion of the allocation may be used for professional development. Each district receives a minimum allocation and the balance is allocated based on enrollment. For 2018-2019, the total Digital Classrooms Allocation is $70,000,000 with a minimum allocation of $500,000 or $300 per FTE, whichever is less.

FEDERALLY CONNECTED STUDENT SUPPLEMENT

The Federally Connected Student Supplement provides 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 2018-2019, the Federally Connected Student Supplement is $12,136,893.

FUNDING COMPRESSION ALLOCATION

The Funding Compression Allocation was created during the 2018 Legislative Session to supplement funding for school districts in which the total funds per FTE in the prior fiscal year were less than the statewide average. The allocation provides 25% of the difference between the district’s prior year funds per FTE and the state average and is capped at $100 per FTE. For 2018-2019, the Funding Compression Allocation is $56,783,293.
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. Class size maximums apply only to core curricula courses in grades PreK-3, 4-8, and 9-12. The allocation is based on allocation factors for each of these grade groupings that are multiplied by weighted FTE and the District Cost Differential. Compliance with class size requirements 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 2018-2019, the Class Size Reduction allocation is $3,097,618,502.

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 2018-2019, 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 which, in turn, sets the statewide average millage rate necessary to generate the total RLE amount. For 2018-2019, the total amount to be generated by the Required Local Effort is $7,712,537,754 based on a statewide average Required Local Effort millage rate of 4.075 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 2018-2019, the maximum Discretionary Local Effort millage rate is set at 0.748 mills which generates $1,406,427,333 statewide. The state provides $241,880,132 for the Compression Adjustment.