

POLICY BACKGROUND:

EDUCATION BUDGET

2020-21 Budget: \$23.5B (25.2%)

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Topics covered in this backgrounder:

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K-12 Schools and the FEFP

Funding for K-12 public schools in Florida is most often measured by per-student spending. In 2020-21, that number was \$7,840 per student. While that's the highest it has ever been in absolute dollars, it is lower than it was about a decade ago when adjusting for inflation.

The main mechanism for paying for the operating costs of the K-12 system in Florida's school districts is the Florida Education Finance Program, or FEFP. It operates on the per-pupil metric, basing a major part of the formula for determining how much money each district gets from the state on student numbers. Some adjustments are made for differences between communities, such as cost of living, which affects the cost of hiring personnel in different districts. The idea behind the FEFP when it was created in 1973 was to generally equalize school spending so that schools were essentially funded the same, whether in a rich or poor part of the state.

While the FEFP is the central vehicle for the distribution of state money to schools, there are other sources of education funding, including various grant programs for special items. Examples of such non-FEFP programs include the School Hardening Grants Program, which goes to school security, or the [Gardiner Scholarship Program](#), which pays for scholarships for specialized services or private school tuition for students with certain disabilities.

[In the 2020-21 budget](#), the FEFP sends \$22.5 billion to school districts, up just under 3% from the previous year, including nearly \$9.7 billion in local funding. The per-student allocation of \$7,793 was higher by \$137 per student, or 1.8%, from the year before. The budget had to fund student enrollment growth of more than 30,000 new students.

Mental Health

In the 2020-21 state budget, Gov. Ron DeSantis approved \$100 million for the Mental

Health Assistance Allocation in the FEFP. That's a \$25 million increase over the previous budget. Student mental health funding became a focus after the Marjory Stoneman Douglas High School shootings and the passage of SB 7026 in 2018 that [appropriated more money for mental health services in schools](#). It has also been a priority of the governor's wife, First Lady Casey DeSantis. Recently, the state distributed [\\$2 million in federal funding](#) from the CARES Act that comes in addition to that \$100 million.

Teacher Pay Increase

The budget passed in the 2020 legislative session also spent [\\$400 million](#) to boost minimum teacher salaries and \$100 million for pay raises for veteran teachers. While the appropriations bill provided the funding increase, the [mechanism for how the additional money would be allocated](#) among teachers was passed in a regular bill ([HB 641](#)).

One school funding issue affected by the COVID-19 pandemic was the [Florida School Recognition Program](#), which ordinarily provides extra money on a per-student basis to schools that receive A+ ratings in the state's school grading system. The governor vetoed \$134 million for the program in 2020, making that money unavailable. The teacher pay raise was a top priority of Gov. Ron DeSantis.

Class Size Limits

In Florida, class sizes are limited because of a [2002 constitutional amendment](#) that also required the Legislature to appropriate the money necessary to keep sizes limited at certain maximums. Between 2003 and 2020, lawmakers appropriated more than \$43 billion in operating money for class size amendment requirements and more than \$2.5 billion in extra facilities costs attributable to the [amendment](#). School districts that don't comply with class-size requirements are penalized. [Section 1003.03\(4\), F.S.](#), requires the Department of Education to calculate a reduction in the district's class-size allocation if they don't meet the size limits and reallocate the money to districts that do.

Where the Education Money Comes From

Florida's public school districts receive about half their funding from local sources, including a "required local effort" that is part of the FEFP. That provision requires local communities to chip in money from property taxes for school funding. Almost all local revenue that goes to schools comes from property taxes levied by Florida's counties, each of which makes up a school district. In addition to the required local effort, school boards can also add discretionary taxes to boost local schools.

The districts get another 40% or so of their money from state sources, the majority of which is money in the FEFP. Almost all of the state money going to schools is sales tax revenue that comes through the state's general revenue fund.

The education budget also includes "capital outlay," or money spent to buy land, build buildings and perform school maintenance or repairs. The money for that largely comes from the Public Education Capital Outlay and Debt Service Trust Fund, also known as the PECO Trust Fund. The money in the trust fund comes from Florida's collection of the gross receipts tax on utilities. (The connection: the more people who move into a community, the more money is generally needed for schools. And the more people who move into a community, the higher the revenue from utility hookups.)

[The state has often issued PECO bonds](#), essentially borrowing against the future revenue from the tax. School districts, Florida colleges, state universities and other education agencies receive PECO funds to build, maintain and improve facilities. Some revenue from the tax on vehicle licenses also goes to education capital outlay funding.

Florida Educational Enhancement Trust Fund

Proceeds from the [Florida Lottery](#) also go [toward some education costs](#). After voters created the Lottery with a constitutional amendment in 1986, the Legislature passed the [Florida Public Education Lottery Act](#) setting out requirements for spending [Lottery revenue](#) on education. Taxes paid on slot machine revenue also provide money for the

[Educational Enhancement Trust Fund.](#)

School districts also get around 11% or so of their funding from federal sources.

Higher Education

The state's two-year colleges and four-year universities' education and general budgets are funded by a combination of general revenue, Lottery money, and student tuition and fees. This part of their budget goes for the core elements of the university mission - education and research. The Legislature establishes undergraduate tuition levels, though there [have been efforts](#) in the past to change that.

The main source of funding for university buildings in the state budget, as with K-12 schools, is PECO money, though many also are funded by donations.

The colleges and universities have several other sources of revenue, including gifts, money brought in by faculty (such as patient billings at university medical facilities and grants), and intercollegiate athletics revenue. Since 2014, schools in the university system [have also received extra money from the Legislature based on performance measures.](#)

The most recent budget, for the 2020-21 fiscal year, puts \$2.7 billion of state money into operating funding for Florida universities and \$1.3 billion of state money into state operating funding for Florida's colleges. Both were increases over the previous year and came without tuition increases.

State Scholarship and Grant Programs

The Florida Department of Education offers various types of financial aid for higher education. About 15 state-funded scholarship and grant programs have eligibility requirements and differing award amounts. The most common state-funded higher

education program is the [Florida Bright Futures Scholarship](#), which was created by the Legislature in 1997. It establishes Lottery-funded scholarships to reward Florida high school graduates for high academic achievement and community service. Types of awards in the Bright Futures Scholarship program include the Florida Academic Scholar award which covers 100% of tuition and applicable fees and the Florida Medallion Scholar award which covers 75% of tuition and applicable fees, among others. See: [Florida Student Scholarship and Grant Programs website](#).

The Law

[Educational Scholarships, fees, and financial assistance, Chapter 1009, Florida Statutes](#)
[The Florida K-20 Education Code, Chapters 1000-1013, Florida Statutes](#)

Additional Resources

[Florida Department of Education](#)

[Florida DOE 2020 Legislative Budget Request and Policy and Budget Update](#)

[Florida TaxWatch Budget Hub](#)

[The Urban Institute Education Spending Page](#)

[2020 OPPAGA Report on the “Capital Outlay Facilities Space of Florida's State University System.”](#)

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