



## Florida Education Finance Program (FEFP)

### What is the Florida Education Finance Program?

The Florida Education Finance Program is the funding formula adopted by the Legislature in 1973 to allocate funds appropriated to school districts for K-12 public school operations.<sup>1</sup> The FEFP implements the constitutional requirement for a uniform system of free public education<sup>2</sup> and is an allocation model based on individual student participation in educational programs. The purpose of the funding system (originally stated in law as legislative intent), is “to guarantee to each student in the Florida public educational 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.”<sup>3</sup>

In order to equalize funding among the school districts, the FEFP takes into account:

- ❖ The local property tax base.
- ❖ Costs of educational programs.
- ❖ District cost differential (DCD).
- ❖ Sparsity of student population.<sup>4</sup>

### How are funds allocated?

The FEFP allocates funds to each school district based on actual student enrollment.<sup>5</sup> The FEFP uses a unit of measurement for each student called a full-time equivalent (FTE). One FTE equals one school year of instruction provided to a student.<sup>6</sup> Generally, one FTE equals at least 720 hours of instruction in grades K-3 and at least 900 hours of instruction in grades 4-12.<sup>7</sup>

Surveys are taken twice during the regular school year<sup>8</sup> in each school to determine the number of students (unweighted FTEs) enrolled in one or more of seven programs, which include basic education programs; exceptional student education (ESE) programs; programs for students with limited English proficiency; and career education programs.<sup>9</sup> Two additional surveys are taken during the summer to determine the number of FTEs for Department of Juvenile Justice (DJJ) and Florida Virtual School students.<sup>10</sup> Each program has an associated cost factor that adds weight to an FTE. The program cost factors reflect the relative cost of serving students in each

<sup>1</sup> Chapter 73-345, L.O.F.

<sup>2</sup> Section 1(a), Art. IX of the State Constitution.

<sup>3</sup> *Supra* note 1.

<sup>4</sup> Florida Department of Education, *2009-10 Funding for Florida School Districts, at 1* (2010), available at <http://www.fldoe.org/fefp/pdf/fefpdist.pdf>.

<sup>5</sup> See s. 1011.62(1)(d)1., F.S.

<sup>6</sup> Section 1011.61(1)(a), F.S.

<sup>7</sup> Section 1011.61(1)(a)1., F.S.

<sup>8</sup> See s. 1011.62(1)(a), F.S.; rule 6A-1.0451, F.A.C.

<sup>9</sup> See s. 1011.62(1)(c), F.S.

<sup>10</sup> Section 1011.61(1)(c)2., F.S.

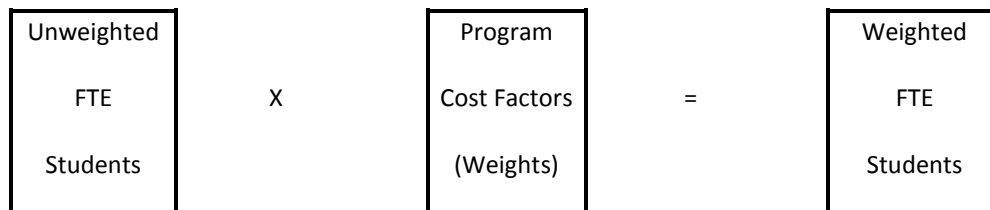
FEFP program. Weighting increases the amount of funds a district is eligible to receive since the FTE is multiplied by the program cost factor.<sup>11</sup>

<b>FY 2010-11 Cost Factors<sup>12</sup></b>	
GROUP 1	
BASIC PROGRAMS	COST FACTOR
Grades K-3	1.089
Grades 4-8	1.000
Grades 9-12	1.031
GROUP 2	
PROGRAMS FOR EXCEPTIONAL STUDENTS	
ESE Support Level 4	3.523
ESE Support Level 5	4.935
ESOL	
English for Speakers of Other Languages	1.147
CAREER EDUCATION PROGRAMS	
Grades 9-12 Career Education	1.035

After the incorporation of the FTE surveys into the FEFP, FTE funding for Group 2 programs is limited to the district’s aggregate Group 2 weighted FTE (FTE x Cost Factors) as determined in the FEFP Conference Report. In addition, any remaining weighted FTE above the Conference Report is converted to unweighted FTE by dividing the weighted FTE by the program cost factor and is funded at a weight of 1.0.<sup>13</sup>

**How is the FEFP calculated?**

FEFP funds are determined by multiplying the number of unweighted FTEs in each of the educational programs by cost factors to obtain weighted FTEs.<sup>14</sup>



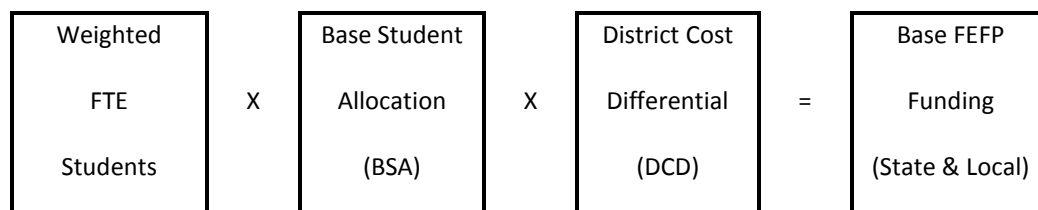
<sup>11</sup> *Supra* note 4, at 12.

<sup>12</sup> Specific Appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

<sup>13</sup> Section 1011.62(1)(d)3., F.S.

<sup>14</sup> *Supra* note 4, at 7.

Weighted FTEs are then multiplied by a base student allocation, as determined by the Legislature<sup>15</sup> (\$3,623.76 for FY 2010-11),<sup>16</sup> and by a district cost differential,<sup>17</sup> which is a geographic index incorporating both a wage index based on the labor market and a price level index for the cost of goods and services that represents the cost of hiring equally qualified personnel across differing school districts,<sup>18</sup> to determine the Base Funding from State and Local FEFP Funds.<sup>19</sup>



The following allocations are added to the Base Funding to determine Total Funds (state and local FEFP dollars).

**Declining Enrollment Supplement.** Assists districts that have declining student enrollment by providing a portion of the revenue that would have been lost to the district due to the decline in the number of students served. The percentage of the decline in student enrollment funded for any district will be set annually in the General Appropriations Act. For FY 2010-11 25% of the decline in student enrollment is provided for districts with declining enrollment at the prior year FEFP Base Funding (WFTE x BSA x DCD) per unweighted FTE amount.<sup>20</sup> The total appropriation for declining enrollment for FY 2010-11 is \$5.8 million.<sup>21</sup>

**Sparsity Supplement.** Provides supplemental funds (\$35.8 million for FY 2010-11) to small school districts (20,000 or fewer students) to compensate for diseconomies of scale. Funds are allocated based on the total number of FTE in a district per high school center (capped at 3 high school centers) and adjusting for the wealth of the school district based on the district's total potential funds per FTE. If a district's sparsity supplement is less than \$100 per FTE the supplement is increased to equal \$100 per FTE or the minimum amount as determined in the General Appropriations Act. Approximately half of the 67 school districts receive a sparsity supplement for FY 2010-11.<sup>22</sup>

**ESE Guaranteed Allocation.** Lump sum guaranteed funding to provide special education services for students without a matrix of service who have mild to moderate disabilities and students who are classified as gifted. Funds provided for high school gifted programs are limited

<sup>15</sup> Section 1011.62(1)(b), F.S.

<sup>16</sup> Specific Appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

<sup>17</sup> Section 1011.62(2), F.S.

<sup>18</sup> Florida Department of Education, *2009 Florida Price Level Index*, 2 (Jan. 26, 2010), available at [https://www.bebr.ufl.edu/system/files/FPLI\\_SP+2009+Final.pdf](https://www.bebr.ufl.edu/system/files/FPLI_SP+2009+Final.pdf).

<sup>19</sup> Section 1011.62(1)(s), F.S.

<sup>20</sup> Section 1011.62(8), F.S.; specific appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

<sup>21</sup> Florida House of Representatives, *Conference Report on Public Funding – The Florida Education Finance Program (FEFP)*, 20 (April 27, 2010), available at 2010 Regular Session Budget Conference Documents at <http://www.myfloridahouse.gov/Sections/Documents/publications.aspx>.

<sup>22</sup> Section 1011.62(7), F.S.; specific appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

to the 2006-07 funding level. Funds are not recalculated throughout the year. The total appropriation for FY 2010-11 is \$980.6 million.<sup>23</sup>

**Safe Schools.** For the FY 2010-11, districts receive a minimum allocation of \$65,263 for school safety and the remaining balance is allocated based on student enrollment and the Florida Department of Law Enforcement Crime Index. Funds may be used for Safe Schools activities including: after school programs for middle school students, improvements to enhance the learning environment including implementation of conflict resolution strategies, alternative school programs for adjudicated youth, suicide prevention programs, and other improvements to make the school a safe place to learn. The total appropriation for FY 2010-11 is \$67.1 million.<sup>24</sup>

**DJJ Supplemental Allocation.** Provides supplemental funds for students in juvenile justice education programs in an amount equal to what DJJ programs would have received if they were required to participate in class size reduction. Funds are allocated based on weighted FTE, the state average class-size-reduction factor, and the district's cost differential (WFTE x CSR factor x DCD).<sup>25</sup> The total DJJ supplement for FY 2010-11 is \$9.2 million.<sup>26</sup>

**Supplemental Academic Instruction .** Lump sum funding for districts to provide remedial or supplemental instruction for students who are in danger of falling behind. Districts have some degree of flexibility in the expenditure of these funds as they can be used for modifying curriculum, mentoring, tutoring, reading instruction, after-school instruction, class size reduction, extending the school year, traditional summer school instruction, or for other methods of improving student achievement. First priority for expenditure of funds is for supplemental intensive instruction in reading and math for students in Grades 3 and 10 who have scored FCAT Level 1. Funds are allocated on a per FTE student basis and are not recalculated throughout the year. The total appropriation for FY 2010-11 is \$639.3 million.<sup>27</sup>

**Reading Instruction Allocation.** Provides funds for a K-12 comprehensive, district-wide system of research-based reading instruction. The amount of \$87,017 is allocated to each district and the remaining balance is allocated based on each district's share of state total K-12 Base Funding (WFTE x BSA x DCD). The total appropriation for FY 2010-11 is \$101.7 million. Funds may be used for reading coaches, professional development for teachers in scientifically based reading instruction, summer reading camps for students who score at Level 1 on FCAT Reading, supplemental reading instructional materials, and intensive interventions for middle and high school students reading below grade level.<sup>28</sup>

**Merit Award Program (MAP).** Provides performance pay funding to participating school districts to award instructional personnel and school-based administrators. MAP funds are allocated based on each district's share of the prior year state total K-12 base funding (FTE x Cost Factors x Base Student Allocation x DCD) and are appropriated in the fiscal year following

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<sup>23</sup> Section 1011.62(1)(e), F.S.; specific appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

<sup>24</sup> Specific Appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

<sup>25</sup> Section 1011.62(10), F.S.

<sup>26</sup> Specific Appropriations 6, s. 1, and 78, s.2, ch. 2010-152, L.O.F. The allocation factor for the DJJ Supplemental Allocation for fiscal year 2010-2011 is \$905.97; Florida Department of Education, *Florida Education Finance Program, 2010-2011, Second Calculation*, 1 (July 15, 2010), available at <http://www.fldoe.org/fefp/pdf/08-09secondcalc-01.pdf> [hereinafter *FEFP Second Calculation*].

<sup>27</sup> Section 1011.62(1)(f), F.S.; 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

<sup>28</sup> Section 1011.62(9), F.S.; specific appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

the district's participation. MAP awards must be given to outstanding district personnel based on the performance of students assigned to the employee's classroom, school, or sphere of academic responsibility. Awards must be at least 5 percent, but no more than 10 percent of the district's average teacher salary. The total appropriation for FY 2010-11 is \$20 million.<sup>29</sup>

**.748 Millage Compression.** Provides a supplement to districts that levy the full .748 mills and generate less than the state average per FTE (\$369.70 per FTE for FY 2010-11) so that, when combined, the supplement and the revenue raised by the .748 millage achieves the state average per FTE. If any school district chooses to levy an amount not less than 0.498 mills but less than 0.748 mills, a compression supplement shall be calculated on a levy of 0.498. If a 0.498 levy generates an amount of funds per unweighted FTE that is less than the state average amount per unweighted FTE for 0.498 mills, the school district shall receive a discretionary millage compression supplement that, when added to the funds generated by a 0.498 mill levy, would be equal to the state average. The total compression supplement for FY 2010-11 is \$140 million.<sup>30</sup>

**.25 Millage Compression.** Provides a supplement to districts that levy the full .250 mills and generate less than the state average per FTE (\$132.59 per FTE for FY 2010-11) so that, when combined, the supplement and the revenue raised by the .250 millage achieves the state average per FTE. The total compression supplement for FY 2010-11 is \$27.9 million.<sup>31</sup>

**Lab School Discretionary Contribution.** State funds provided to entities with no taxing authority, the lab schools and the Florida Virtual School, equivalent to the local revenue that otherwise would be generated from the .748 mill and .25 mill discretionary levies. The total amount appropriated for FY 2010-11 is \$14.8 million.<sup>32</sup>

**Instructional Materials.** Provides funds for core subject instructional materials, as well as library/media materials and science lab materials. The funding supports Florida's Next Generation Sunshine State Standards and a learning environment conducive to teaching and learning using appropriate educational materials. Funds are allocated on a per FTE basis. The total amount appropriated for FY 2010-11 is \$216.9 million.<sup>33</sup>

**Student Transportation.** Provides the equitable distribution of funds for safe and efficient transportation services in school districts in support of student learning. The formula for allocating the requested funds contains the following provisions: 1) base funding for each district is established by the district's proportionate share of the total statewide students eligible for transportation; and, 2) indices are applied that modify the base funding amount to reward more efficient bus utilization, compensate for rural population density, and adjust funding based on the cost of living. The total amount appropriated for FY 2010-11 is \$430.7 million.<sup>34</sup>

**Teachers Lead Program.** Provides funds to be used only by classroom teachers for the purchase of classroom instructional materials and supplies for use in teaching students. The funds are allocated to each school district is based on the prorated total of each school district's

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<sup>29</sup> Section 1012.225, F.S.; specific appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.; see Merit Award Program Fact Sheet.

<sup>30</sup> Section 1011.62(5), F.S.; *FEFP Second Calculation*, *supra* note 26, at 1 and 13.

<sup>31</sup> Specific Appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.; *FEFP Second Calculation*, *supra* note 25, at 1.

<sup>32</sup> *Id.*

<sup>33</sup> Sections 1006.28-1006.43, F.S.; specific appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

<sup>34</sup> Sections 1011.68, F.S.; specific appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

share of the total K-12 unweighted FTE student enrollment and are not recalculated during the year. The total amount appropriated for FY 2010-11 is \$33.2 million.<sup>35</sup>

**Minimum Guarantee.** Allocation of funds to school districts on a per FTE basis to guarantee that no district earns less funds than the previous year at a specified percentage. This provision is implemented to the extent funded in the General Appropriations Act. There is a -8% minimum guarantee of funding provided for FY 2010-11.<sup>36</sup>

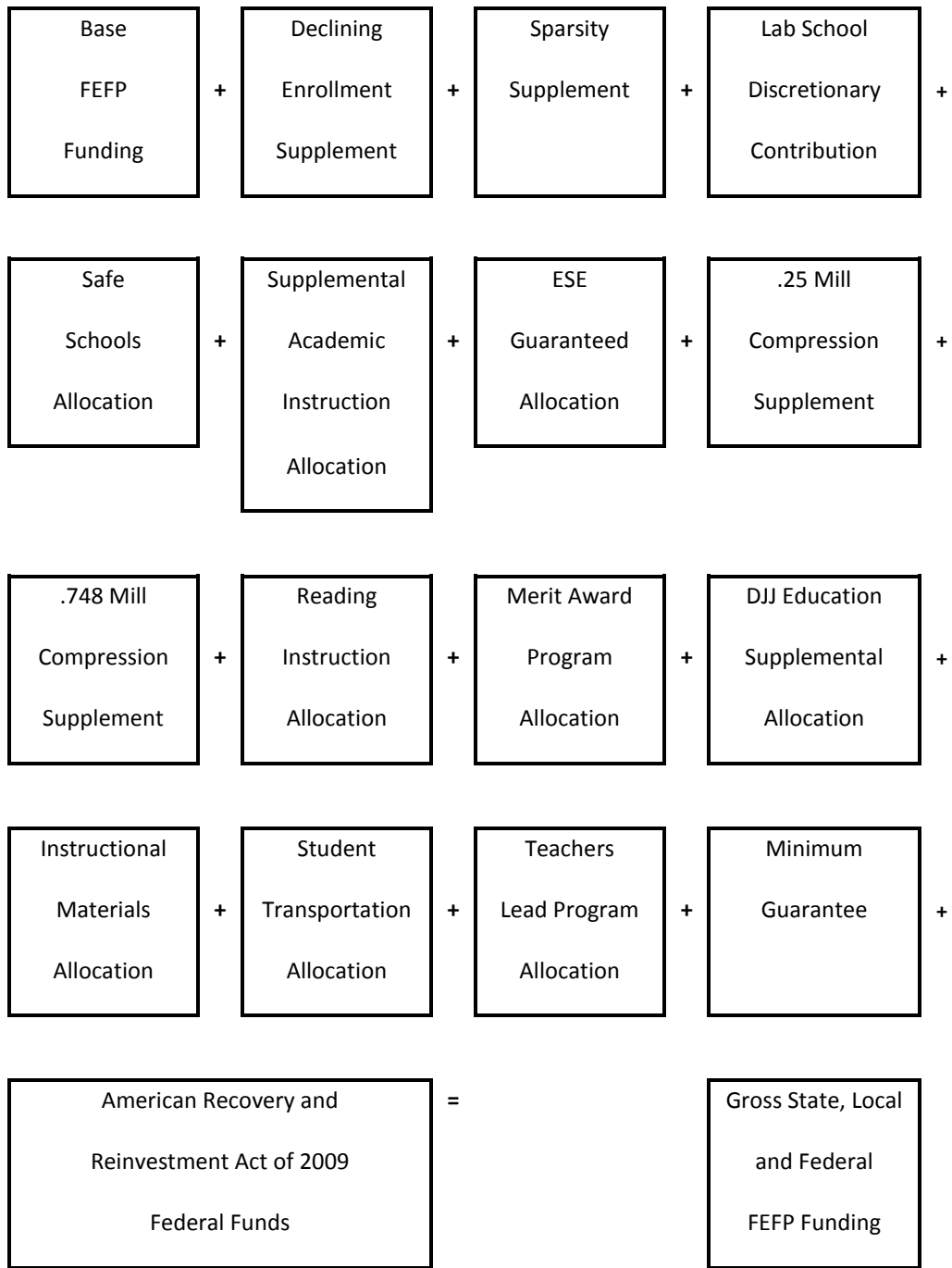
**American Recovery and Reinvestment Act of 2009 Federal Fund.** Allocation of funds to school districts based on the proportionate share of base funding. The American Recovery and Reinvestment Act (ARRA) became law on February 17, 2009. The total amount appropriated for FY 2010-11 is \$872.7 million from State Fiscal Stabilization Funds, which are intended to provide school districts with general assistance in stabilizing their budgets.

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<sup>35</sup> Section 1012.71, F.S.; specific appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

<sup>36</sup> Section 1011.62(11), F.S.; specific appropriations 6, s. 1, and 78, s. 2, ch. 2010-152, L.O.F.

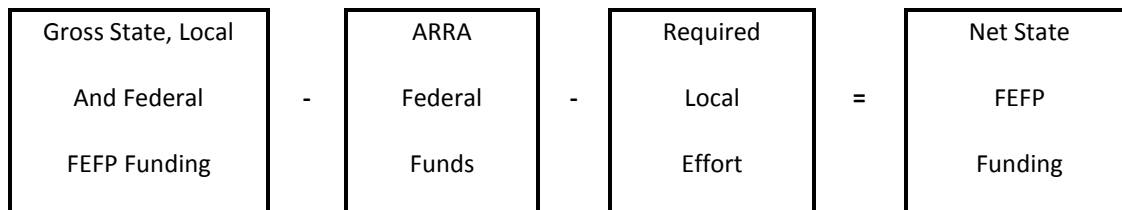
**Florida Education Finance Program**



Total FEFP funds are comprised of state and local dollars. State funds are primarily generated from general revenue (sales tax revenue). Local funds are generated from property tax revenue and are comprised of the .748 and .25 discretionary millage levies and the required local effort levy.

The required local effort revenue is the amount of funds the district generates from levying the state certified local effort millage rate on the district’s ad valorem property.<sup>37</sup> All districts levy the required millage, which raises more or less dollars per student depending on the value of the local property. The percentage provided from local sources ranges from 10% to 90% of the total. Current law directs the Commissioner of Education to adjust a district’s required local effort millage rate so that the millage will produce no more than 90% of a district’s total base FEFP entitlement.<sup>38</sup> In the 2010-11 FEFP Second Calculation, the millage rates of seven districts are reduced by this provision.<sup>39</sup>

The amount of required local effort that each district must provide to participate in the FEFP is subtracted from the total Gross State & Local FEFP dollars to determine state FEFP dollars.<sup>40</sup> As a result of this subtraction, if a district has low property values, the state’s share of funds per student is greater than the district’s local share of funds. Conversely, if a district has high property values, the state’s share of funds per student is lower than the district’s local share of funds. This subtraction step equalizes the funding per student. All local effort remains in the district, only state funds are adjusted to equalize funding.



### **What are categorical program funds?**

Categorical program funds are state funding allocations earmarked for certain programs or initiatives that can only be spent for the specific purposes of those programs or initiatives. These funds comprise a portion of total state funds for public school operations and are in addition to base state FEFP funds.<sup>41</sup>

The following categorical programs received funding allocations during the 2010-11 FY:

- ❖ District Lottery and School Recognition Program<sup>42</sup> - \$129.9 million<sup>43</sup>
- ❖ Class size reduction<sup>44</sup> - \$2.9 billion.<sup>45</sup>

<sup>37</sup> Section 1011.62(4)(a)1.b., F.S.

<sup>38</sup> Section 1011.62(4)(b), F.S.

<sup>39</sup> Florida Department of Education, *Florida Education Finance Program, 2008-09, Second Calculation, 21-22* (July 16, 2008), available at <http://www.fldoe.org/fefp/pdf/08-09secondcalc-02.pdf>.

<sup>40</sup> Section 1011.62(12)(a), F.S.

<sup>41</sup> Section 1011.62(6)(a), F.S.

<sup>42</sup> Sections 1003.03 and 1011.685, F.S.

<sup>43</sup> Specific Appropriation 8, s. 1, ch. 2010-152, L.O.F.

<sup>44</sup> Section 1011.685, F.S.

<sup>45</sup> Specific Appropriations 7, s. 1, and 80, s. 2, ch. 2010-152, L.O.F.



***Can a school district use monies allocated for specific programs to fund other types of instructional activities?***

Yes, if under certain circumstances, the school board adopts a resolution at a regular school board meeting declaring that funds for specific programs are needed to maintain other classroom instructional activities.

The school board must include in its annual financial report to the Department of Education the amount of funds it transferred from each of the authorized programs and the specific instructional activities for which the transferred funds were expended.

A school district may only transfer funds from the following programs in order to maintain other instructional activities:

- ❖ Student transportation categorical.
- ❖ Safe Schools allocation.
- ❖ Supplemental Academic Instruction allocation.
- ❖ Research-based Reading Instruction allocation.
- ❖ Instructional materials categorical, if all instructional material purchases have been completed for that fiscal year.<sup>46</sup>

Class size reduction operating categorical funds must be used to fund class size reduction; however, when the district has met its class size requirements, the funds can be used for any lawful operating expenditure, with priority given to increasing teacher salaries.<sup>47</sup>

***Where can I get additional information?***

***Florida Department of Education***

Office of Funding and Financial Reporting  
(850) 245-0405  
<http://www.fldoe.org/fefp/>

***Florida House of Representatives***

Education Committee  
(850) 488-7451  
<http://www.myfloridahouse.gov>

***Florida House of Representatives***

Appropriations Committee  
(850) 488-6204  
<http://www.myfloridahouse.gov>

<sup>46</sup> Section 1011.62(6)(b) and (c), F.S.

<sup>47</sup> Section 1011.685, F.S.

