

# **Public Schools**

## **Funding/Finance**



**Education Council**  
**Florida Education Finance Program**  
**(FEFP)**

**Fact Sheet**

January 2006

<p><b>1. What is the Florida Education Finance Program?</b></p>	<p>The Florida Education Finance Program (FEFP) is the funding formula adopted by the Legislature in 1973 to allocate funds appropriated to school districts for K-12 public school operations. The FEFP implements the constitutional requirement for a uniform system of free public education and is an allocation model based on individual student participation in educational programs. In order to ensure equalized funding, the FEFP takes into account:</p> <ul style="list-style-type: none"> <li>• the local property tax base.</li> <li>• costs of education programs.</li> <li>• district cost differential or DCD.</li> <li>• sparsity of student population.</li> </ul>																						
<p><b>2. How are funds allocated?</b></p>	<p>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. 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.</p> <p>Surveys are taken twice during the regular school year in each school to determine the number of students (unweighted FTEs) enrolled in one or more of seven programs, which include basic education programs; programs for students with limited English proficiency; exceptional student education (ESE) programs; and vocational education programs (two more surveys are taken during the summer to determine the number of FTEs for Department of Juvenile Justice students).</p> <p>Each program has an associated cost factor that adds weight to an FTE. The program cost factor reflects the relative cost of serving students in each FEFP program. Weighting increases the amount of funds a district is eligible to receive since the FTE is multiplied by the program cost factor. FTEs and the related cost factors for FY 2005-06 are broken into the following two groups.</p> <table border="0" style="width: 100%;"> <tr> <td colspan="2"><b>GROUP 1:</b></td> </tr> <tr> <td><u>BASIC PROGRAMS</u></td> <td style="text-align: right;"><u>COST FACTOR</u></td> </tr> <tr> <td>Grades K – 3</td> <td style="text-align: right;">1.018</td> </tr> <tr> <td>Grades 4-8</td> <td style="text-align: right;">1.000</td> </tr> <tr> <td>Grades 9-12</td> <td style="text-align: right;">1.113</td> </tr> <tr> <td colspan="2"> <b>GROUP 2:</b></td> </tr> <tr> <td><u>EXCEPTIONAL STUDENT EDUCATION</u></td> <td style="text-align: right;"><u>COST FACTOR</u></td> </tr> <tr> <td>ESE Support Level 4</td> <td style="text-align: right;">3.818</td> </tr> <tr> <td>ESE Support Level 5</td> <td style="text-align: right;">5.190</td> </tr> <tr> <td colspan="2"> <u>ESOL</u></td> </tr> <tr> <td>English for Speakers of Other Languages</td> <td style="text-align: right;"><u>COST FACTOR</u> 1.318</td> </tr> </table>	<b>GROUP 1:</b>		<u>BASIC PROGRAMS</u>	<u>COST FACTOR</u>	Grades K – 3	1.018	Grades 4-8	1.000	Grades 9-12	1.113	 <b>GROUP 2:</b>		<u>EXCEPTIONAL STUDENT EDUCATION</u>	<u>COST FACTOR</u>	ESE Support Level 4	3.818	ESE Support Level 5	5.190	 <u>ESOL</u>		English for Speakers of Other Languages	<u>COST FACTOR</u> 1.318
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## Florida Education Finance Program (FEFP)

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<p><b>3. How is the FEFP calculated?</b></p>	<p>FEFP funds are <b>determined</b> by multiplying the number of unweighted full-time equivalent students (FTEs) in each of the educational programs by cost factors to obtain weighted FTEs. Weighted FTEs are then multiplied by a base student allocation, as determined by the Legislature (\$3,742 for FY 2005-2006), and by a district cost differential to determine the Base Funding from State and Local FEFP Funds. The following factors are added to the base funding to determine Total Funds (state and local FEFP dollars).</p> <p><b>Declining Enrollment Supplement</b> - assists districts that have a declining student enrollment by providing half the revenue that would have been lost to the district with the decline in the number of students served.</p> <p><b>Sparsity Supplement</b> - assists rural districts with sparse student populations (20,000 or fewer students).</p> <p><b>ESE Guaranteed Allocation</b> – provides lump sum guaranteed funds for mildly to moderately handicapped or gifted exceptional student education services.</p> <p><b>Safe Schools Allocation</b> - provides funds for school safety based on student numbers and the Florida Department of Law Enforcement Crime Index.</p> <p><b>Supplemental Academic Instruction Allocation</b> – provides flexible funds for districts to provide supplemental instruction in any manner and at any time during or beyond the regular school year. Funds may be used for strategies including: class size reduction, extended school year, summer school, after school classes, mentoring, tutoring, peer assistance, supplemental intensive reading instruction, and any other use determined by the school district to assist students in receiving a year's worth of knowledge in a year's time.</p> <p><b>Reading Instruction Allocation</b> – provides funds for a K-12 comprehensive, district-wide system of research-based reading instruction. The amount of \$50,000 is allocated to each district and the remaining balance is allocated based on each district's proportion of the same state total K-12 base funding (FTE x Cost Factors x Base Student Allocation x DCD).</p>				

## Florida Education Finance Program (FEFP)

	<p><b>.51 Millage Compression</b> – provides a supplement to districts that levy the full .51 mills and generate less than \$200 per FTE so that the supplement and the revenue raised by the .51 millage achieves \$200 per FTE.</p> <p><b>.25 Millage Equalization</b> – provides a supplement to districts that levy the full .25 mills and generate less than \$100 per FTE so that the supplement and the revenue raised by the .25 millage levy achieves \$100 per FTE. However, districts may not levy a millage rate that generates more than \$100 per FTE. To be eligible for the supplement, a district must levy the full .51 millage levy.</p> <p><b>Minimum Guarantee Allocation</b> - ensures a minimum level of funding per student for each school district.</p> <p>Total funds are comprised of state and local dollars. State funds are primarily generated from general revenue (sales tax revenue), while local funds are primarily generated from property tax revenue and are referred to as required local effort.</p> <p>Required local effort is the amount of funds the district receives from levying the state certified local effort millage rate on the district's ad valorem property. 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. Section 1011.62(4), F.S., directs the Commissioner to adjust required local effort millage rates if the millage would produce more than 90% of a district's total base FEFP entitlement. The millage rates of eight districts are reduced by this provision.</p> <p>The amount of required local effort that each district must provide to participate in the FEFP is subtracted from the total State &amp; Local FEFP dollars to determine state FEFP dollars. If a district has low property values, then the state funding, as a result of this subtraction, is greater. The converse is true if a district has high property values. This subtraction step equalizes the funding per student. [All local effort remains in the district, only state funds are adjusted to equalize funding.]</p>
<p><b>4. What are categorical program funds?</b></p>	<p>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.</p>

## Florida Education Finance Program (FEFP)

	<p>The following categorical programs receive funding allocations during the current, 2005-2006, fiscal year:</p> <ul style="list-style-type: none"> <li>• Instructional materials-\$248.0 million;</li> <li>• Public school technology-\$49.9 million;</li> <li>• Student transportation-\$451.4 million;</li> <li>• Teacher training-\$18.0 million;</li> <li>• Teachers lead program (teacher stipend for classroom supplies)-\$17.9 million; and</li> <li>• Class size reduction \$1,528.4 million.</li> </ul>
<p><b>5. Can a school district use monies allocated for specific categorical programs to fund other types of instructional activities?</b></p>	<p>Yes, but <b>only</b> if a school district meets the criteria listed below.</p> <p>The school board must adopt a resolution at a regular school board meeting declaring that funds for specific categorical programs are needed to maintain other classroom instructional activities.</p> <p>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 categorical programs and the specific instructional activities for which the transferred funds were expended.</p> <p>A school district may <b>only transfer funds</b> from the following categorical programs in order to maintain other instructional activities:</p> <ul style="list-style-type: none"> <li>• Public school technology.</li> <li>• Student transportation.</li> <li>• Teacher training.</li> </ul> <p>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 increase teacher salaries.</p> <p>Additionally, a school district may <b>only transfer funds</b> from the following FEFP supplements in order to maintain other instructional activities:</p> <ul style="list-style-type: none"> <li>• Safe Schools allocation.</li> <li>• Supplemental Academic Instruction allocation.</li> </ul>
<p><b>6. What are the applicable statutes and rules?</b></p>	<p>Section 1011.60, F.S. -- District Requirements for the FEFP.          Section 1011.61, F.S. -- Definitions.          Section 1011.62, F.S. -- FEFP Formula.</p> <p>Ch. 2005-70, L.O.F. -- General Appropriations Act</p>
<p><b>7. Where can I get additional information?</b></p>	<p>Florida Department of Education          Office of Funding and Finance          (850) 245-0405</p>

## **Florida Education Finance Program (FEFP)**

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	<p>Florida House of Representatives Fiscal Council (850) 488-6204</p> <p>Florida House of Representatives Education Council (850) 488-7451</p>
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## Education Council

# Equity in School-Level Funding Act

## Fact Sheet

January 2006

<p><b>1. Why did the Legislature create the Equity in School-Level Funding Act?</b></p>	<p>Prior to the creation of this legislation, the law did not require school boards to allocate funds to local schools in a specified manner. The decision of how much money each school in the state received of public school funds was completely up to local school boards, and often schools were not funded equally.</p> <p>The 2000 Legislature created the Equity in School-Level Funding Act (Ch. 2000-181, L.O.F.) to ensure that schools within a district receive at least an equitable percentage of Florida Education Finance Program (FEFP) funds based upon their student population. <b>(Refer to the Florida Education Finance Program Fact Sheet.)</b></p>
<p><b>2. What is the Equity in School-Level Funding Act?</b></p>	<p>Section 1011.69, F.S., requires each school district to allocate <u>FEFP</u>, <u>lottery</u> and <u>discretionary local revenue</u> to schools based on each school's share of the revenue earned.</p>
<p><b>3. When and how is the program to be implemented?</b></p>	<p>The Equity in School-Level Funding Act was originally to be phased in over a four-year period beginning with the 2000-2001 school year. School boards were required to provide each school within the district <u>at least</u> a certain percentage of the funds generated by that school based upon the FEFP.</p> <p>However, the 2003 Legislature amended s. 1011.69, F.S., to require district school boards to allocate to schools within the district an average of 90% of the funds generated by all schools and guarantee that each school receives at least 80% of the funds generated by that school. Funds for supplemental academic instruction and the class size reduction operating categorical are excluded from this requirement.</p>
<p><b>4. Is there an incentive in the Equity in School-Level Funding Act for principals to save funds at the school level?</b></p>	<p>Yes. Prior to the Equity in School-Level Funding Act, any funds that an innovative principal saved during a particular school year could be taken back at the end of the school year by the district. There was no financial incentive for principals to be efficient. The Equity in School-Level Funding Act provides an incentive by specifying that funds allocated to a school that are unused at the end of the fiscal year do not revert to the district. Instead these funds may be used for any purpose provided by law at the discretion of the school principal.</p>

## Equity in School-Level Funding Act

<b>5. Does this law encompass ALL state and local funds for education?</b>	No. Large amounts of money are left to be allocated to schools at the discretion of the local school boards, such as: technology funds, class size reduction operating categorical funds, construction funds, two-mill money, Supplemental Academic Instruction (SAI) funds, instructional materials funds, and transportation categorical funds. <b>(Refer to the Education Facilities Resources (K-12), the Two-Mill Money, the Supplemental Academic Instruction, and the Student Transportation Fact Sheets.)</b>
<b>6. Are there any exceptions to who must participate in the Equity in School-Level Funding Act?</b>	Yes. Districts that have applied for and been approved as academic performance-based charter districts are exempt from the act.
<b>7. What are the applicable statutes?</b>	Section 1011.69, F.S. -- Equity in School-Level Funding Act.
<b>8. Where can I get additional information?</b>	Florida Department of Education Office of Funding and Financial Reporting (850) 245-0405 <a href="http://www.firn.edu/doe/fefp.index.html">www.firn.edu/doe/fefp.index.html</a>  Florida House of Representatives Fiscal Council (850) 488-6204





**Education Council**  
**Supplemental Academic Instruction**

**Fact Sheet**

January 2006

<p><b>1. What is the Supplemental Academic Instruction (SAI) fund?</b></p>	<p>In 1999, the Legislature created the SAI fund as part of the A+ Education Plan (Ch. 99-398, L.O.F.). This fund was created as a categorical fund to assist districts in providing supplemental instruction to students in kindergarten through grade 12.</p> <p>In 2000, the SAI categorical fund was folded into the Florida Education Finance Program as a separate allocation. The flexible uses for the fund still remain.</p> <p>In the 2005-2006 General Appropriations Act, the Legislature appropriated \$670.3 million for supplemental academic instruction (Specific Appropriation 73, Chapter 2005-70, L.O.F.).</p>
<p><b>2. Why was the fund initially created?</b></p>	<p>The fund was created for two main reasons: 1) to address requests by school districts for more flexibility, and 2) to provide additional resources to districts to help students gain at least a year's worth of knowledge for each year in school. Before the creation of the SAI fund, districts were given resources for summer school and supplemental instruction with much more tightly controlled and restrictive funds.</p>
<p><b>3. For what purposes can SAI funds be used?</b></p>	<p>School districts have great flexibility with the use of the SAI funds. Districts may use the funds to provide supplemental instruction to any student in any manner at any time during or beyond the school year.</p> <p>Supplemental instruction strategies may include:</p> <ul style="list-style-type: none"><li>• modified curriculum</li><li>• reading instruction</li><li>• after-school instruction</li><li>• tutoring</li><li>• mentoring</li><li>• class size reduction</li><li>• extension of the school year</li><li>• intensive skills development in summer school</li><li>• other methods</li></ul>
<p><b>4. Has summer school funding been eliminated?</b></p>	<p>No. SAI funds may still be used to provide summer school. A district has discretion to use its own allocation of SAI funds in any manner and at any time it believes will best provide supplemental instruction for the district's students.</p>

## Supplemental Academic Instruction

<b>5. Are districts required to use the funds solely for remediation?</b>	<p>No. A district is not required to use the SAI funds solely for remediation.</p> <p>In s. 1001.42, F.S., the Legislature encourages school boards to prioritize the use of the SAI funds to improve student performance in schools graded “D” or “F.” However, this Legislative encouragement in no way restricts the local school board’s determination of the use of the funds.</p>
<b>6. What funding sources were initially used to create the fund?</b>	<p>In 1999, there were three funding sources that were combined to become a portion of the SAI Fund. These funds were: the K-8 summer school categorical, 9-12 FTE funds for summer school, and the weighted portion of dropout prevention funds.</p>
<b>7. What are the applicable statutes?</b>	<p>Section 1011.62(1)(f), F.S. — Supplemental Academic Instruction; s. 1001.42(c)4.</p>
<b>8. Where can I get additional information?</b>	<p>Florida Department of Education Office of Funding and Finance Reporting (850) 245-0405</p> <p>Florida House of Representatives Committee on Education Appropriations (850) 488-6204</p> <p>Florida House of Representatives Education Council (850) 488-7451</p>