



# The Funding of Florida Public Education (K-12)

## Revenue and Enrollment Estimates Form the Basis of Florida’s Educational Funding Decisions

The state uses a number of consensus estimating conferences, which are set in statute, to assist the Legislature in its efforts to determine the anticipated number of students to be served during the next school year, and how much state and local revenue will be available to pay for public education services.

- A revenue estimating conference develops the official information necessary to anticipate revenue needed for state planning and budgeting.
- Education estimating conferences develop the information necessary to forecast pre-kindergarten through university student enrollments.

The **Florida Education Finance Program (FEFP)** is a state and local funding partnership. A formula allocates a combination of state and local funds, plus state supplements and special allocations, to local school boards for the day-to-day operation of K-12 public schools. Its purpose, according to the Education Funding Summary 2006-2007, 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.”

### FEFP Formula:

$$\text{Full Time Equivalent Students} \times \text{Program Cost Factors} \times \text{Base Student Allocation} \times \text{District Cost Differential} = \text{Base FEFP}$$

- Generally, one **Full Time Equivalent (FTE)** represents one student.
- **Program Cost Factors (PCF)** – costs assigned to grade levels and instructional programs
- **Weighted FTE (WFTE)** – Multiplying the FTEs by the Program Cost Factors produces Weighted FTEs.
- **Base Student Allocation (BSA)** – The dollar amount the Legislature provides per Weighted FTE.
- **A District Cost Differential (DCD)** is an index used to adjust FEFP funding to reflect the differing costs in each school district.

Once the **Base FEFP** is calculated, various **Supplements and Allocations** are added to arrive at a **Gross State and Local FEFP** funding total. These supplements have been created by the Legislature to address specific funding issues or to serve as incentives to encourage school boards to participate in new programs or funding options.

$$\text{Base FEFP} + \text{Supplements and Allocations} = \text{Gross State and Local FEFP}$$

The **Gross State and Local FEFP Funding** total represents the total potential funding available through the FEFP if every district participates in the basic program and each Supplement and Allocation for which it is eligible. This amount represents the total amount school districts will have for educational funding.

Dear Fellow Taxpayer,

This primer deals with how K-12 educational operating dollars, which pay for expenses such as salaries, are determined. It describes the Florida Education Finance Program (FEFP) and lists formulas that are used to figure out fund allocation.

Florida’s system for funding public education is nationally recognized for ensuring fairness and necessary flexibility in funding the state’s 67 school districts.

We hope this guide is helpful to you.

Respectfully,

*Michael A. Jennings*     *Dominic M. Calabro*

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As previously stated, the FEFP is a state-local funding partnership. School districts must levy a local property tax millage rate specified by the Legislature as a condition for participation in the FEFP. The taxing rate for this **Required Local Effort** is initially the same for all districts; however, the rate is reduced for some property wealthy districts so the revenue realized from their levies will not exceed 90 percent of their FEFP funding total.

The state share of the FEFP will vary from district to district depending on the nonexempt property wealth of a district’s county; however, no district required local effort may be less than 10 percent or more than 90 percent of the program total.

The **Required Local Effort** and the **Net State FEFP** represent the respective shares of the **Gross Total** paid by school districts and the state.

$$\text{Required Local Effort} + \text{Net State FEFP} = \text{Gross State and Local FEFP Funding Total}$$

**History of the FEFP**

Enacted by the Legislature in 1973, the FEFP replaced the state Minimum Foundation Program (MFP), a school funding system that had been in place since 1947. Based largely on a school funding formula developed in New York in the 1920s, the MFP used a combination of state and local revenue to provide a minimum level of funding for public schools. School boards could then supplement the basic program with revenue from discretionary millage levied on nonexempt property.

Dissatisfaction with the MFP began to grow in the late 1960s, as it became apparent that the formula lacked the flexibility necessary to meet the increasing education demands of a rapidly growing state. Over the years, numerous changes had been made to the formula in an effort to address varying needs among the districts, and what had begun as a fairly simple, straightforward funding formula had become an arcane procedure understood by very few.

In 1971, Governor Reuben Askew appointed the Governor’s Citizens’ Committee on Education. During the committee’s second year of work, it received a large grant from the Ford Foundation to conduct an in-depth study of education funding in Florida. It was this study-within-a-study, created in part as a response to national and state concerns about school funding equity, which produced findings and recommendations that led to the development of the Florida Education Finance Program.

The Governor’s Citizens’ Committee released its final report on March 15, 1973. Entitled, “Improving Education in Florida: A Report of the Governor’s Citizens’ Committee on Education,” the report also contained recommendations from the school funding study. Not all of the funding recommendations were embraced by the 1973 Legislature; however, the ones that were formed the basis of the FEFP.



**Mission**

To provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida Government.

**Values**

- Integrity
- Productivity
- Accountability
- Independence
- Quality Research

**Taxpayer’s Guide to**

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