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INTRODUCTION

In 1973, the Florida Legislature enacted the Florida Education Finance Program (FEFP) as the method for funding public school education and established the state policy on equalized funding to guarantee to each student in the Florida Public Education System the availability of programs and services appropriate to his/her educational needs which are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors.

Conceptually, the FEFP is a simple formula. The number of students in each program is multiplied by cost factors to determine weighted FTE, which are then multiplied by a base student allocation and by a district cost differential. Additional factors for declining enrollment, sparsity, safe schools, and other adjustments are then made to determine total FEFP funding. School districts of Florida receive funding primarily from state funding and from local sources.

To provide equalization of educational opportunity, the FEFP formula recognizes:

- (1) varying local property tax bases;
- (2) varying program cost factors;
- (3) district cost differentials; and
- (4) differences in per student cost for equivalent educational programs due to sparsity and dispersion of student population.

FLORIDA EDUCATION FINANCE PROGRAM (FEFP)

LEGAL AUTHORIZATION

Part II of Chapter 1011, F.S.

REQUIREMENTS FOR PARTICIPATION

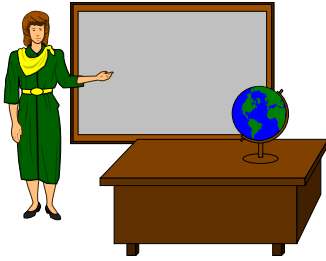
1. Maintain adequate and accurate records.
2. Operate schools for a term of at least 180 actual days or the equivalent on an hourly basis.
3. Provide written contracts and require not less than 196 days of service.
4. Expend funds for salaries in accordance with a salary schedule
5. Observe all requirements of the State Board relating to the preparation, adoption, and execution of budgets for the district school system.
6. Levy the required local effort millage rate.
7. Maintain an ongoing systematic evaluation of the educational program needs of the district and develop a comprehensive annual and long-range plan for meeting the needs.
8. Comply with the minimum classroom expenditure requirements and associated reporting pursuant to Section 1011.64, F.S.

FEFP COMPONENTS

- Unweighted FTE by Major Program Group
- Cost Factors
- Base Student Allocation
- Weighted FTE by Major Program Group
- Total Weighted Funded FTE
- District Cost Differential
- Declining Enrollment Adjustment
- Sparsity Supplement
- Safe Schools
- .25 Mill Discretionary Equalization Allocation
- .51 Compression
- Supplemental Academic Instruction Allocation
- ESE Guaranteed Allocation
- Reading Allocation
- Teacher Compensation
- Required Local Effort (RLE) Taxes
- Lottery Enhancement/School Recognition
- Categoricals

FEFP FORMULA SIMPLIFIED

	FTE STUDENTS	x			PROGRAM WEIGHTS	=	WEIGHTED FTE STUDENTS
x	BASE STUDENT ALLOCATION	x			DISTRICT COST DIFFERENTIAL	=	BASE FUNDING
x	DECLINING ENROLLMENT SUPPLEMENT	+	SPARSITY SUPPLEMENT	+	SAFE SCHOOLS ALLOCATION	+	.25 MILL DISCRETIONARY TAX EQUALIZATION
							0.51 MILL
+	SUPPLEMENTAL ACADEMIC INSTRUCTION ALLOCATION	+	ESE GUARANTEED ALLOCATION	+	READING ALLOCATION	+	TEACHER COMPENSATION = STATE & LOCAL FEFP DOLLARS
-	REQUIRED LOCAL EFFORT	=	NET STATE FEFP DOLLARS	+/-	FUNDING ADJUSTMENT	=	NET STATE FEFP ALLOCATION
+	DISTRICT DISCRETIONARY LOTTERY FUNDS/ SCHOOL RECOGNITION	+	CATEGORICAL PROGRAMS FUNDS			=	TOTAL STATE FINANCE PROGRAM



WHAT IS AN FTE?

FTE is an acronym for Full-Time Equivalent Student.

FTE student accounting is a component of the Florida Education Finance Program (FEFP). The FEFP is the state method of funding student enrollment to school districts.

FTE accounting properly allocates student participation in the various educational programs offered by districts, while also recognizing that the programs are unique and costs will vary depending on the nature of the program.

HOW ARE FTE'S CALCULATED?

A student's day is divided into instructional time segments (classroom hours) which correspond to programs the student is involved in during the school day. Each segment is then evaluated to determine time requirements and compliance with state categories of programs. After time and program elements have been evaluated, program weights are assigned. The program weights are values that have been assigned by the State and reflect the relative cost of the program as compared to the regular basic program. Students enrolled all day in the basic program in grades 4, 5, 6, 7, or 8 are used as the base, and have a weight of 1.000. All other program weights are then assigned in relation to the base.

WHAT IS THE DIFFERENCE BETWEEN UNWEIGHTED AND WEIGHTED FTE?

An unweighted FTE (UFTE) accounts for the various segments of time of a student during the school day, whereas the weighted FTE (WFTE) accounts for the student by program participation during the school day.

EXAMPLES:

	<u>UFTE</u>	<u>PROGRAM WEIGHT</u>	<u>WFTE</u>
Student A			
Grade 3 Basic (all day)	1.000	1.035	1.035
Student B			
Grade 3 Basic (1/2 day)	.500	1.035	.518
ESE Level 4 (1/2 day)	<u>.500</u>	3.734	<u>1.867</u>
TOTAL	1.000		3.420

FULL TIME EQUIVALENT (FTE)

Full Time Equivalent (FTE) is one student in one or more FEFP programs for a school year or its equivalent.

(1) Standard School

- a. Student in Kindergarten through Grade 3 or an authorized pre-Kindergarten exceptional program has 720 hours of instruction.
- b. Student in Grades 4 through 12 and adult has 900 hours of instruction.

(2) Double session school or a school utilizing an experimental calendar.

- a. Student in Kindergarten through Grade 3 has 630 hours of instruction.
- b. Student in Grades 4 through 12 has 810 hours of instruction.

COST FACTORS (PROGRAM WEIGHTS)

Program cost factors serve to assure that each program receives its equitable share of funds in relation to its relative cost per student. Through the annual program cost report, districts report the cost of each FEFP program. The cost per FTE student of each program is used to produce an index of relative costs. Thus, program cost factors are the statewide average cost per FTE in each program. In order to protect districts from rapid changes in program cost factors, the Legislature has adopted a three-year averaging method in computing cost factors.

Multiplying the FTE students for a program by its cost factor produces “weighted FTE”.

Program cost factors provide differentiated funding for each program based on the program’s relative cost.

The cost factors used in the FEFP are established annually in the General Appropriations Act to reflect the desired relative cost differences between programs.

2006-2007 PROGRAM COST FACTORS

<u>Program Number</u>	<u>Program Title</u>	<u>Cost Factor</u>
Basic Program		
101	Basic Education Grades K-3	1.035
102	Basic Education Grades 4-8	1.000
103	Basic Education Grades 9-12	1.088
English For Speakers of Other Languages		
131	ESOL/Intensive English Grades K-12	1.275
Exceptional Programs		
254	Support Level 4	3.734
255	Support Level 5	5.201
Grades 9-12 Vocational		
300	Vocational Education Grades 9-12	1.159

FLORIDA EDUCATIONAL FINANCE PROGRAM

History of the Base Student Allocation

<u>YEAR</u>	<u>BASE STUDENT ALLOCATION</u>
1973-74	\$ 570.44
1974-75	745.00
1975-76	745.00
1976-77	765.62
1977-78	827.00
1978-79	911.66
1978-79	924.04
1979-80	981.86
1980-81	1,101.38
1981-82	1,238.99
1982-83	1,397.34
1983-84	1,510.34
1984-85	1,614.06
1985-86	1,782.79
1986-87	2,013.10
1987-88	2,160.43
1988-89	2,372.08
1989-90	2,538.26
1990-91	2,608.75
1991-92	2,423.65
1992-93	2,412.40
1993-94	2,501.05
1994-95	2,558.17
1995-96	2,854.20
1996-97	2,912.14
1997-98	3,034.96
1998-99	3,223.06
1999-00	3,227.74
2000-01	3,416.73
2001-02	3,298.48
2002-03	3,537.11
2003-04	3,630.03
2004-05	3,670.26
2005-06	3,742.42
2006-07	3,981.61

The Base Student Allocation (BSA) is determined annually by the Legislature in the General Appropriations Act Authority s.1011.62, F.S.

DISTRICT COST DIFFERENTIAL

Section 1011.62(2), F.S., requires the Commissioner of Education to annually compute district cost differentials by adding each district's Florida Price Level Index for the most recent three years and dividing the sum by 3. The result is multiplied by 0.0008 and 0.200 is added to the product to obtain the DCD. This serves to limit the factor's adjustment to 80 percent of the index, i.e., the approximate percentage of district salary costs to total operating costs. The three-year averaging reduces the immediate impact of sudden changes in the index.

The District Cost Differential (DCD) is a factor in the Florida Education Finance Program (FEFP) used to adjust each district's share of FEFP funds to reflect the differing costs of living or price level differences faced by each school district's employees. The DCD is based on a three-year average of the Florida Price Index then applying the average to 80% of the funding. Included in the calculation of the DCD is an "amenity" adjustment based on wage data.

The Florida Price Level Index annually measures the cost of purchasing a specific market basket of goods and services in each county. There are 27 items included in the survey and each item is placed into one of five categories: food, housing, transportation, apparel and health, recreation and personal services.

<u>YEAR</u>	<u>CLAY COUNTY DCD</u>
1997-98	0.9631
1998-99	0.9670
1999-00	0.9675
2000-01	0.9676
2001-02	0.9617
2002-03	0.9597
2003-04	0.9539
2004-05	0.9673
2005-06	0.9798
2006-07	0.9977

SPARSITY SUPPLEMENT

The FEFP recognizes that small districts have additional costs that are not recognized by the basic formula. Therefore, a sparsity index was statutorily created to recognize these additional costs. The formula considers each district's unweighted FTE and the number of permanent high school centers (not to exceed three).

Proviso language in the 2006-07 General Appropriations Act limits participation to districts with 20,000 or fewer FTE. This supplement is limited to \$35,000,000 statewide.

The Clay County School District does not receive Sparsity Funds.

Authority: s.1011.62, F.S.

Funding Summary:	2005-06	\$35,000,000
	2006-07	\$35,000,000

SAFE SCHOOLS

An amount of \$75,350,000 was appropriated for Safe Schools for the 2006-07 fiscal year. The program provides for after-school care for middle school students, alternative school programs for adjudicated youth, and other improvements to enhance the learning environment. A minimum of \$50,000 is established for every district. The funds are distributed as follows:

- 67% of the total is allocated based on the latest official crime report published by FDLE, and
-
- 33% is allocated based on total district unweighted FTE.
- Clay County School District's allocation:

<u>Year</u>	<u>Funding</u>
2000-01	\$545,311
2001-02	562,513
2002-03	605,983
2003-04	574,755
2004-05	580,790
2005-06	568,360
2006-07	609,147

Authority: Appropriations Act

REQUIRED LOCAL EFFORT (RLE)

Each year in the General Appropriations Act, a dollar amount is set that is to be collected for required local effort (RLE). The district's Required Local Effort (RLE) is subtracted from the gross calculation of Florida Education Program (FEFP) dollars. In calculating the FEFP each year, each district's deduction for RLE will be certified millage to be levied against 95 percent of the non-exempt assessed property valuation of the district. Districts receive state funds on a net basis after deduction of the yield of RLE property taxes. Millage rates are also adjusted because required local effort may not exceed 90 percent of a district's total FEFP entitlement.

<u>YEAR</u>	<u>ASSESSED VALUE</u>	<u>REQUIRED LOCAL EFFORT MILL LEVY</u>
1997-98	\$3,363,821,616	6.827
1998-99	3,654,782,195	6.696
1999-00	3,934,410,876	6.266
2000-01	4,280,721,417	6.181
2001-02	4,777,089,729	6.012
2002-03	5,175,164,435	5.951
2003-04	5,718,929,199	5.871
2004-05	6,440,362,037	5.723
2005-06	7,482,833,967	5.453
2006-07	9,122,880,536	5.248

DISCRETIONARY TAXES

School Boards may set discretionary tax levies of the following types:

- (1) Capital Outlay and Maintenance - School Boards may levy up to 2.0 mills as prescribe in Section 1011.71(2), F.S. for new construction and remodeling, sites and site improvement or expansion to new cities, existing sites, auxiliary facilities, athletic facilities or ancillary facilities; maintenance, renovations, and repairs to existing school plants or of leased facilities.
- (2) Current Operations - Section 1011.71(1), F.S., allows each school district to levy a non-voted current operating discretionary millage. The maximum nonvoted discretionary millage which may be levied pursuant to the provisions of section 1011.71(1), Florida Statutes, by district school boards in 2006-2007 shall be:
 - 1) 0.51 mills, and
 - 2) An additional levy, not to exceed 0.25 mills, that will raise an amount not to exceed \$100 per full-time equivalent student (FTE).

In addition, if a school board's 0.51 mill levy provides funds per unweighted FTE that are less than \$283.50, the school district shall received an amount from the funds, which, when added to the funds generated by the district's 0.51 mill levy, is equivalent to \$283.50.

District school boards that levy the entire additional 0.25 mills and raise less than \$100 per K-12 FTE shall receive, an amount that, combined with funds raised by the 0.25 mills, will provide \$100 per K-12 FTE. To be eligible for state funds provided in this paragraph, a district must levy the full 0.25 mills and the full 0.51 mills.

SUPPLEMENTAL ACADEMIC INSTRUCTION ALLOCATION

Supplemental funds are provided for remedial instruction and other services (e.g., modified curriculum, reading instruction, after-school instruction, tutoring, mentoring, class size reduction, extended school year, and intensive skills development in summer school) to ensure that students gain at least a year of knowledge for each year spent in school. The statewide allocation for fiscal year 2006-2007 is \$707,826,199.

<u>YEAR</u>	<u>CLAY COUNTY SAI</u>
2000-01	\$ 9,404,437
2001-02	\$ 9,260,089
2002-03	\$ 9,260,089
2003-04	\$ 9,554,923
2004-05	\$ 9,565,656
2005-06	\$ 9,577,330
2006-07	\$10,355,115

Authority: s.1011.62(1)(f), F.S.

READING ALLOCATION

For comprehensive, district-wide reading instruction; base allocation of \$50,000 with balance distributed based on base funding; prior to distribution of funds, district must submit a plan for approval by the Just Read! Florida Office.

The statewide allocation for fiscal year 2006-07 is \$111,800,000.

<u>YEAR</u>	<u>CCSD</u>
2004-05	\$ 305,567
2005-06	\$1,105,910
2006-07	\$1,473,983

Authority: s.1011.62, F.S.

TEACHER COMPENSATION

Provides funding (\$147,500,000 statewide) to assist school districts with implementation of performance and differentiated pay policies for instructional personnel in accordance with the requirements of law (Special Teachers are Rewarded – STAR).

Funding Summary:	2005-06	\$0
	2006-07	\$147,500,000

Funding Clay County School District	\$1,942,993
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Authority: Appropriations Act

ESE GUARANTEED ALLOCATION

Exceptional education services for students whose level of service is less than Support Levels 4 and 5 are funded through the ESE Guaranteed Allocation. The students generate FTE funding using the appropriate Basic Program weight for their grade level. The allocation provides for additional services needed. District allocations from the appropriation are not recalculated during the year. The statewide allocation for fiscal year 2006-2007 is \$1,101,383,681.

<u>YEAR</u>	<u>CLAY COUNTY ESE</u>
2000-01	\$12,051,332
2001-02	\$11,729,467
2002-03	\$11,779,000
2003-04	\$11,706,387
2004-05	\$11,894,173
2005-06	\$12,333,001
2006-07	\$13,751,336

Authority: s.1011.62(i)(e), F.S.

**DISTRICT LOTTERY AND SCHOOL
RECOGNITION PROGRAM**

Consolidates funding for District Discretionary Lottery Funds and School Recognition/Merit Schools; from the total appropriation, \$263,449,842. The first priority is to provide school recognition awards, (school awards equal to \$100 per student for each student in an “A” school or a school that has improved by one letter grade from the prior year).

<u>Fiscal Year</u>	<u>Lottery</u>	<u>School Recognition</u>	<u>Total</u>
2000-01	\$ 2,093,179		\$2,093,179
2001-02	\$ 2,555,765	\$1,198,169	\$3,753,934
2002-03	\$ 2,059,253	\$1,866,564	\$3,925,817
2003-04	\$ 1,414,793	\$1,894,291	\$3,309,084
2004-05	\$ 1,714,138	\$1,739,093	\$3,453,231
2005-06	\$ 1,600,423	\$1,936,050	\$3,536,473
2006-07	\$1,703,083	\$1,936,050	\$3,639,133

Authority: Appropriations Act and s.1008.36, F.S.

CATEGORICALS

Instructional Materials	\$2,523,766	\$2,755,349	\$2,942,588	\$2,991,411	\$3,538,055	\$3,874,772
Student Transportation	5,766,289	6,242,548	6,299,906	6,672,055	6,948,230	7,388,490
Public School Technology	727,436	737,478	604,317	613,908	646,732	-0-
Teacher Lead Program	179,152	183,497	189,870	201,317	224,191	605,231
Teacher Training	420,512	425,371	435,755	444,837	233,173	-0-
Teacher Recruitment/Retention	1,769,804	-0-	-0-	-0-		
Class Size Reduction	<u>-0</u>	<u>-0</u>	<u>5,289,697</u>	<u>11,415,160</u>	<u>18,809,413</u>	<u>28,397,941</u>
TOTAL:	\$11,386,959	\$10,344,243	\$15,762,133	\$22,337,878	\$30,399,794	\$40,266,434

PROGRAM GROUPS

To provide for planned use of FEFP funds the Legislature has established the following combination of programs:

<u>GROUP</u>	<u>PROGRAM GROUP TITLE</u>
1	Basic and Basic Mainstream, except K-8 Summer School
2	Exceptional Student Education
3	Dropout Prevention Intensive English/ESOL 6-12 Vocational

Program groups two and three have established enrollment ceilings or caps. These caps are established based on each district's estimates of FTE in each FEFP program. District estimates are reviewed and approved by a state enrollment estimating conference. The appropriated FTE in each program is multiplied by the program's cost factor and the resulting weighted FTE aggregated by the program group is the group cap.

**SCHOOL DISTRICT OF CLAY COUNTY
1999-2000 ANNUAL BUDGET
ANALYSIS OF FEFP FUNDING**

<u>DESCRIPTION</u>	<u>ACTUAL 1997-98</u>	<u>FINAL ESTIMATED 1998-99</u>	<u>PROPOSED 1999-00</u>	<u>DIFFERENCE 1999-00 1998-99</u>
SAFE SCHOOLS	\$ 336,755	\$ 345,365	\$ 501,001	\$ 155,636
REMEDATION REDUCTION (1)	365,808	385,220	-0-	(385,220)

DISCRETIONARY TAX EQUALIZATION	580,746	518,554	449,171	(69,383)
DROPOUT PREVENTION (1)	317,616	319,766	-0-	(319,766)
DISPARITY COMPRESSION ADJ.	2,103,239	2,458,208	3,114,217	656,009
DISCRETIONARY LOTTERY	4,547,899	2,048,383	1,720,579	(327,804)
STUDENT TRANSPORTATION	5,076,181	5,342,815	5,476,951	134,136
INSTRUCTIONAL MATERIALS	1,832,810	2,138,080	2,241,789	103,709
PUBLIC SCHOOL TECHNOLOGY	918,308	922,544	735,354	(187,190)
GRADES K-8 SUMMER SCHOOL (1)	311,539	311,539	-0-	(311,539)
CLASS SIZE REDUCTION (1)	1,104,612	1,088,920	-0-	(1,088,920)
FULL SERVICE SCHOOLS (2)	136,694	-0-	-0-	-0-
TEACHER'S LEAD PROGRAM	-0-	151,570	173,779	22,209
CLASS SIZE/SUPP. INSTRUCTION	-0-	-0-	5,108,765	5,108,765
TEACHER TRAINING	-0-	-0-	400,576	400,576
ADULT (3)	443,385	444,710	443,602	(1,108)
PRE-KINDERGARTEN (3)	<u>603,082</u>	<u>613,427</u>	<u>627,519</u>	<u>14,092</u>
TOTALS:	\$18,678,674	\$17,089,101	\$20,993,303	\$3,904,202

- (1) Funds from these programs are consolidated into Class Size Reduction/Supplemental Instruction for Fiscal Year 1999-00.
- (2) Beginning with the 1998-99 fiscal year funding for Full Service Schools was transferred to Health Services in the Department of Health.
- (3) The Adult and Pre-Kindergarten allocations are not included in the 1999-00 FEFP funding formula. They will be allocated as direct allocations to school districts.

**SCHOOL DISTRICT OF CLAY COUNTY
1998-99 DISTRICT BUDGET
ANALYSIS OF FEFP TOTAL FUNDING CHANGES**

<u>DESCRIPTION</u>	<u>INCREASE</u>	<u>GROWTH</u>	<u>NEW FUNDING</u>	<u>NEW APPROP.</u>
FLORIDA EDUC. FINANCE PLAN	\$ 9,424,608	\$ 2,825,927	\$ 6,598,681	

DISCRETIONARY TAX	(57,805)	(57,805)		
SUPPLEMENTAL TAX	49,392	49,392		
CATEGORICALS	<u>(1,589,444)</u>	<u> </u>	<u> </u>	<u>151,570</u>
TOTAL:	\$ 7,826,751	\$ 2,817,514	\$ 6,598,681	\$ 151,570