

# How Schools are Funded in Florida

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THE SCHOOL DISTRICT  
OF PALM BEACH COUNTY

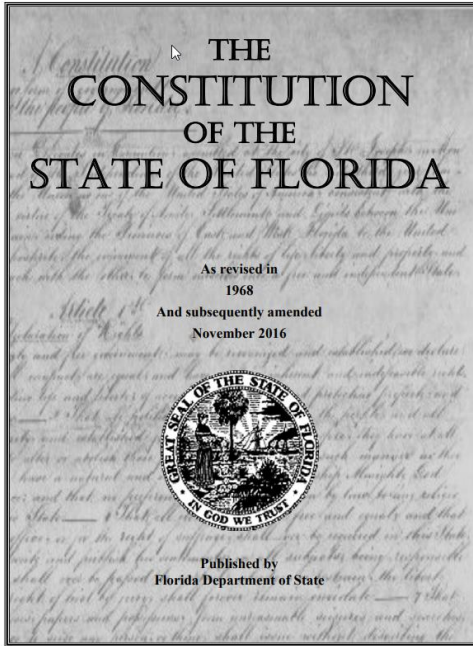


# How Schools are Funded in Florida



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# Funding for Florida School Districts



Article IX, section 1 of the Florida Constitution establishes the State of Florida’s commitment to funding kindergarten through grade 12 education, as follows:

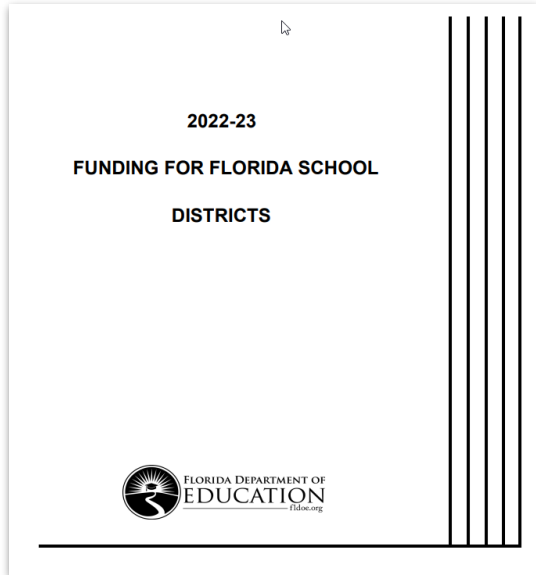
“The education of children is a fundamental value of the people of the State of Florida. It is, therefore, a paramount duty of the state to make adequate provision for the education of all children residing within its borders. Adequate provision shall be made by law for a uniform, efficient, safe, secure and high quality system of free public schools that allows students to obtain a high quality education...”



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# Florida Education Finance Program (FEFP)



- In 1973, the Florida Legislature enacted the Florida Education Finance Program (FEFP) 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 or her educational needs that are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors.
- To equalize educational opportunities, the FEFP formula recognizes: (1) varying local property tax bases; (2) varying education program costs; (3) varying costs of living; and (4) varying costs for equivalent educational programs due to sparsity and dispersion of the student population
- The FEFP is the primary mechanism for funding the operating costs of Florida school districts.

<https://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>



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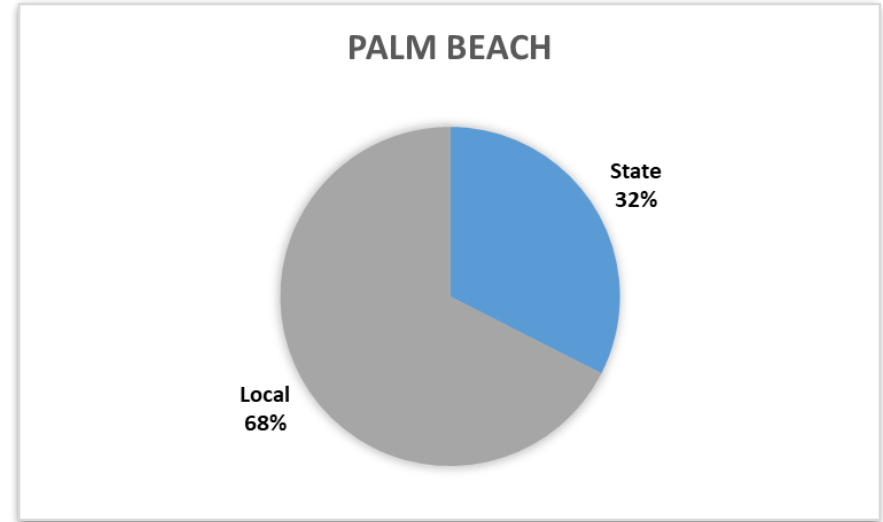
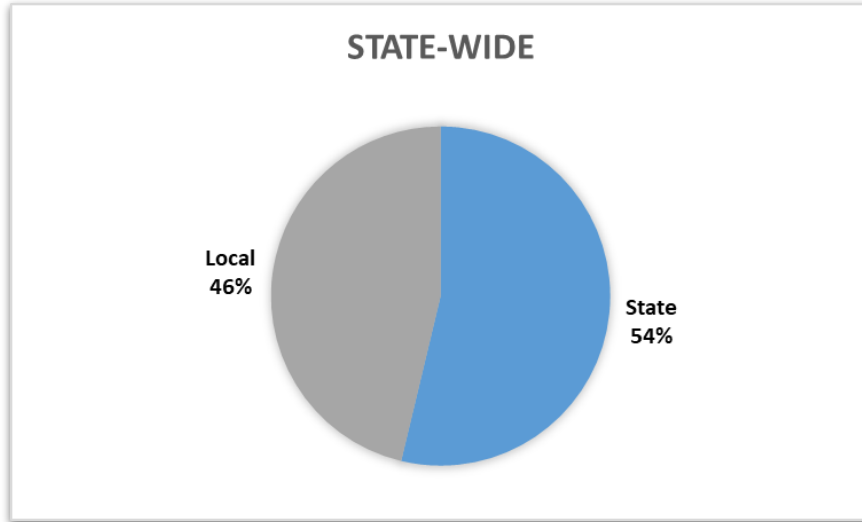


# Florida Education Finance Program (FEFP)

- A key feature of the FEFP is that it bases financial support for education upon the individual student participating in a particular educational program rather than upon the number of teachers or classrooms.
- FEFP funds are primarily generated by multiplying the number of full-time equivalent (FTE) students in each of the funded education programs by cost factors to obtain weighted FTE students.
- Scholarship programs are included with FEFP such as Family Empowerment Scholarship.



# Primary Revenue Drivers of FEFP - State and Local



**Local** = Property Taxes  
**State** = Primarily State Sales Tax

**Palm Beach County = Donor County**



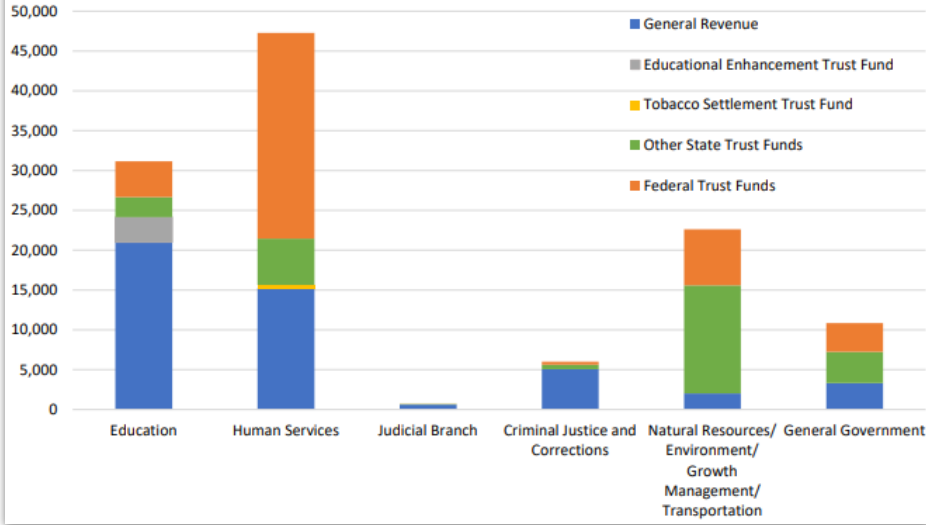
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Note: FEFP only, does not include referendum



# Primary Revenue Drivers of FEFP - State Sources

PROGRAM AREA BY FUND SOURCE



Program Area (Section of General Appropriations Act)	General Revenue	Educational Enhancement Trust Fund	Tobacco Settlement Trust Fund	Other State Trust Funds	Federal Trust Funds	All Funds
Education	20,992.6	3,156.1	-	2,529.3	4,478.4	31,156.5
Human Services	15,232.7	-	404.1	5,822.8	25,828.7	47,288.2
Judicial Branch	603.4	-	-	95.8	11.6	710.7
Criminal Justice and Corrections	5,067.6	-	-	575.4	361.9	6,004.9
Natural Resources/Environment/ Growth Management/ Transportation	2,034.4	-	-	13,558.5	7,021.4	22,614.3
General Government	3,321.7	-	-	3,931.0	3,600.7	10,853.4
<b>Total</b>	<b>47,252.4</b>	<b>3,156.1</b>	<b>404.1</b>	<b>26,512.8</b>	<b>41,302.6</b>	<b>118,628.1</b>

Note: Subtotals and totals may not add due to rounding.

Revenue Source	Dollars	Percent
Sales Tax	34,372.9	76.2%
Corporate Income Tax	5,201.7	11.5%
Insurance Premium Tax	1,591.9	3.5%
Documentary Stamp Tax	961.1	2.1%
Corporate Filing Fees	574.4	1.3%
Service Charges	351.9	0.8%
Highway Safety Fees	344.8	0.8%
Intangibles Tax	344.5	0.8%
Counties' Medicaid Share	329.4	0.7%
Beverage Taxes	324.8	0.7%
Earnings on Investments	306.3	0.7%
Tobacco Taxes	132.9	0.3%
Article V Fees and Transfers	94.5	0.2%
Other Nonoperating Revenues	91.4	0.2%
Other Taxes and Fees	67.3	0.1%
<b>Total Recurring General Revenue</b>	<b>45,089.8</b>	<b>100.0%</b>
Less: Refunds	(552.1)	
<b>Net Recurring General Revenue</b>	<b>44,537.7</b>	

Note: Subtotals and totals may not add due to rounding.



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# Primary Revenue Drivers of FEFP - Property Taxes

	2022-23	2023-24	Increase/(Decrease)	
Total Palm Beach County Gross Taxable Value*	\$ 287,272,655,931	\$ 332,828,757,631	\$ 45,556,101,700	15.86%
<b>Millage Rates</b>				
<b>By State Law</b>				
Required Local Effort (RLE)	3.265	3.201	(0.064)	
Prior Period RLE Adjustment	0.006	0.008	0.002	
<b>Sub-total State</b>	<b>3.271</b>	<b>3.209</b>	<b>(0.062)</b>	
<b>By Local Board</b>				
Discretionary Operating	0.748	0.748	-	
Local Capital Improvement	1.500	1.500	-	
<b>Sub-total Local</b>	<b>2.248</b>	<b>2.248</b>	<b>-</b>	
<b>Voted Millage</b>				
Additional Operating	1.000	1.000	-	
<b>Total Millage Rate</b>	<b>6.519</b>	<b>6.457</b>	<b>(0.062)</b>	<b>-0.95%</b>
*Gross Taxable Value as of Budget Adoption - Final Certification \$286,434,999,987				

The millage rate is either set by state law, capped by state law or requires voter approval.

**Voted Millage**  
**Operating:** The additional operating millage must be approved by voters ever four years.  
**Capital:** The district also levies a penny sales tax, for capital infrastructure, that is shared with the county and municipalities, that must be approved by the voters.





## Local School Board authority is limited

- Discretionary Operating Millage capped at 0.748 mills (included in FEFP).
- Capital Improvement Millage capped at 1.500 mills.
- Voter Referendum
  - Operating or Capital Millage requires voters approval every two years.
  - Additional Operating Millage requires voters approval every four years. Levies established by the school board may not in total exceed 10 mills:
    - Voters overwhelmingly approved an additional levy in 2014, 2018, and 2022
  - Debt Service
  - Sales Surtax for capital
    - Local Government Infrastructure Surtax (LGIS) limited to .5 or 1 cent penny tax - shared with county and municipalities - may not be levied for more than 15 years.
      - Voters approved a LGIS in 2016
    - School Capital Outlay Surtax limited to .5 cent
      - Going to voters in November 2024



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## Referendum Dollars are tied to voter approved language Countywide School Question – Nov. 8, 2022

### REFERENDUM TO APPROVE AD VALOREM LEVY FOR SCHOOL SAFETY, TEACHERS AND OPERATIONAL NEEDS

Shall the Palm Beach County School Board have continued authority to levy 1.00 mills of ad valorem millage for operational needs of public schools dedicated to funding school safety; school police; mental health services; arts, music, physical education, career and choice program teachers; and improved teacher pay beginning July 1, 2023 and automatically ending June 30, 2027, with oversight of all funds by an independent committee of citizens and experts?

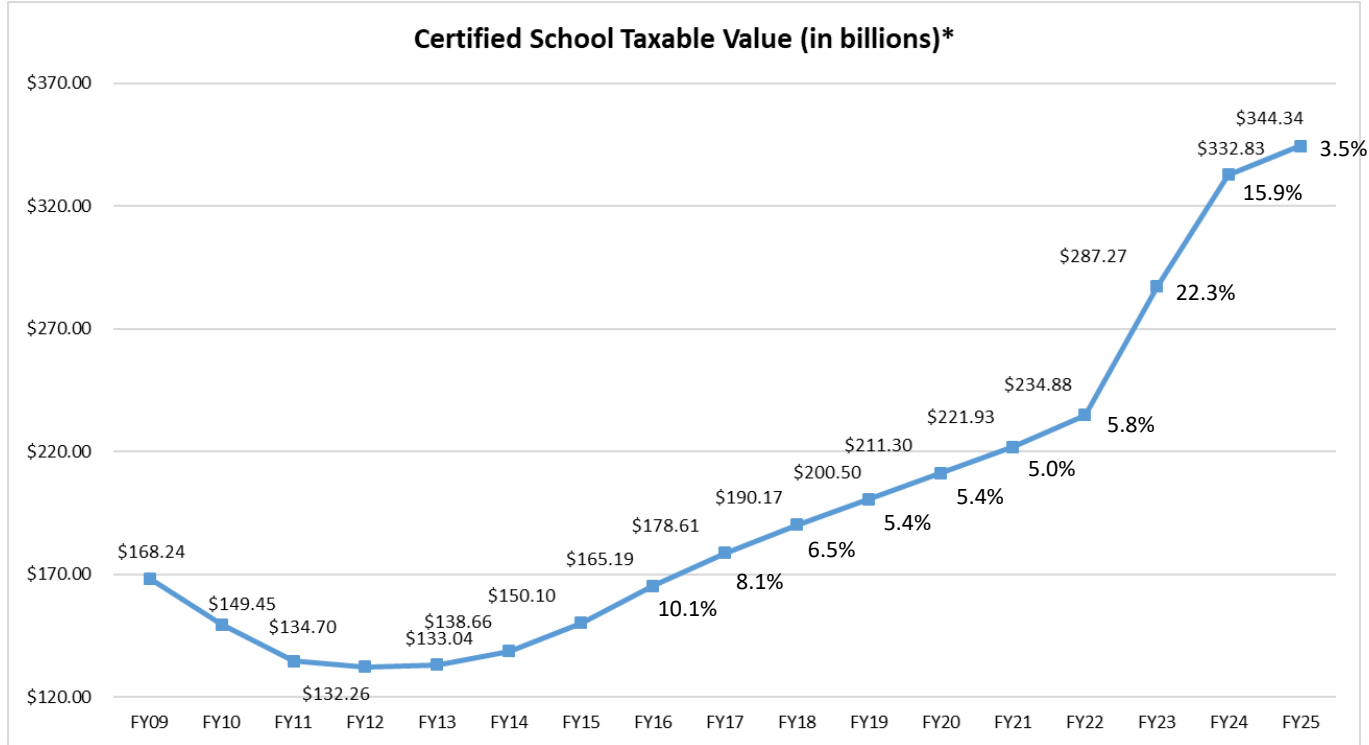
**Approved with 74.02%**



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# Certified School Property Values



No more double digit increases in school taxable values, EDR projections range from a low of 3.5% to a high of 5.0%.

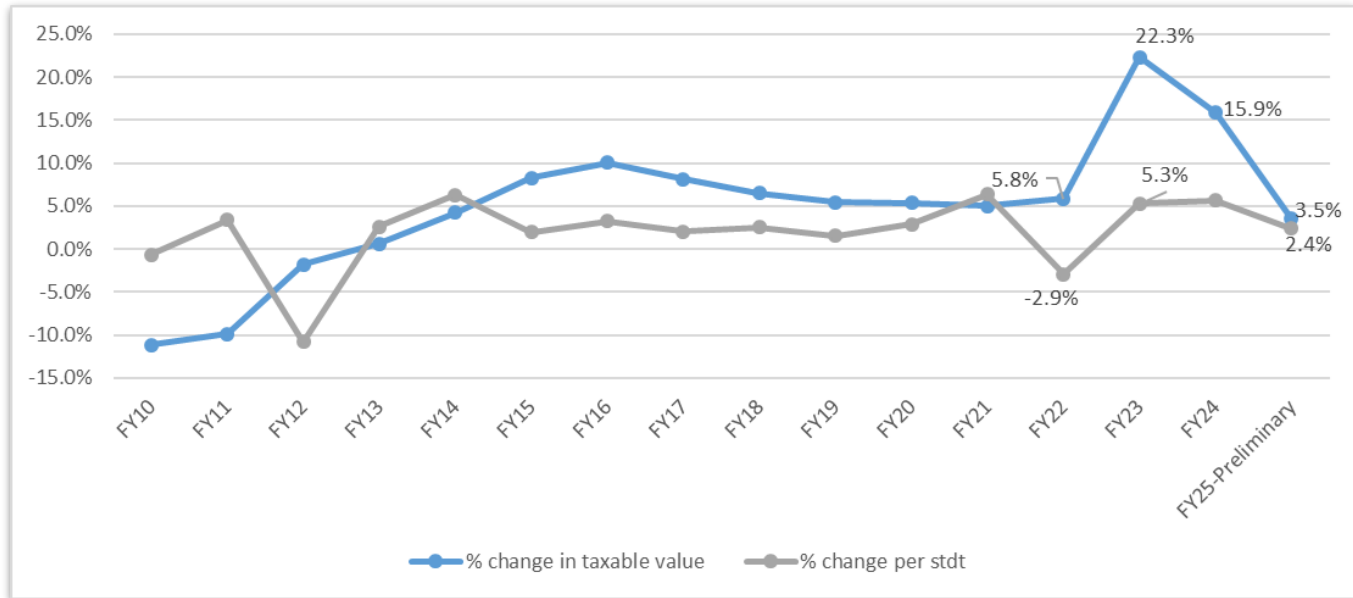


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\* Gross Taxable Value as of Budget Adoption



## Unlike municipalities, an increase in taxable value does not equal an increase in per student funding



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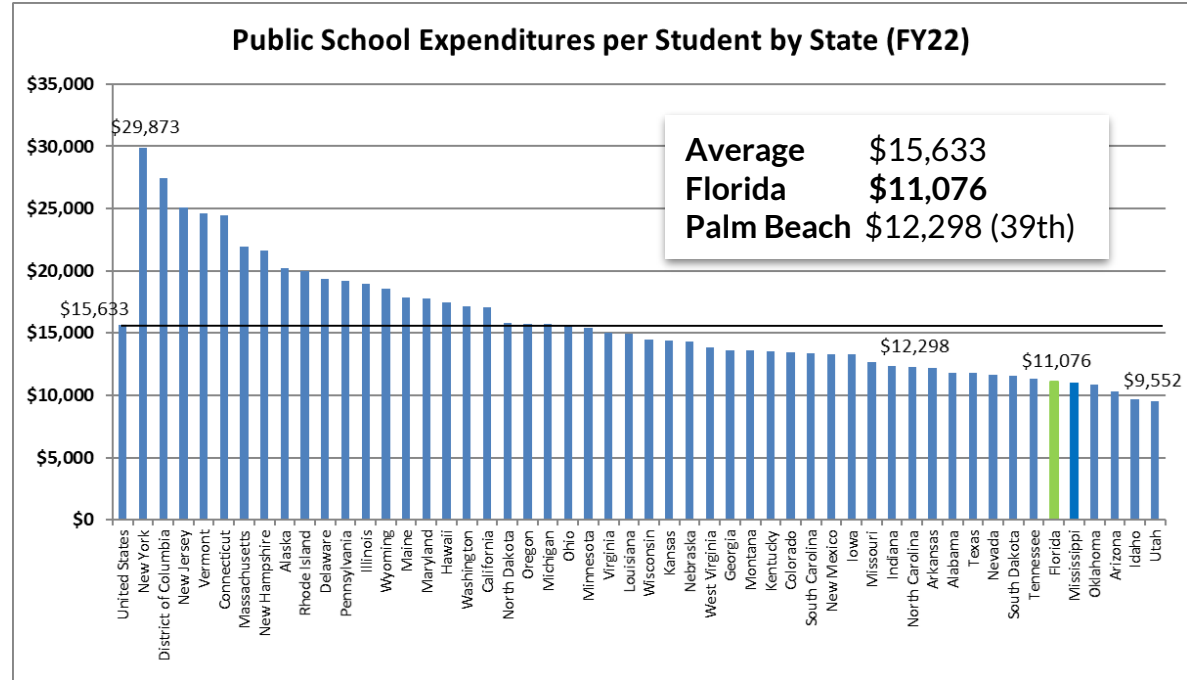




Because of the voter approved 1.0 mill, Palm Beach average per student funding jumps to 39th to be more competitive and provide additional resources to students and teachers:

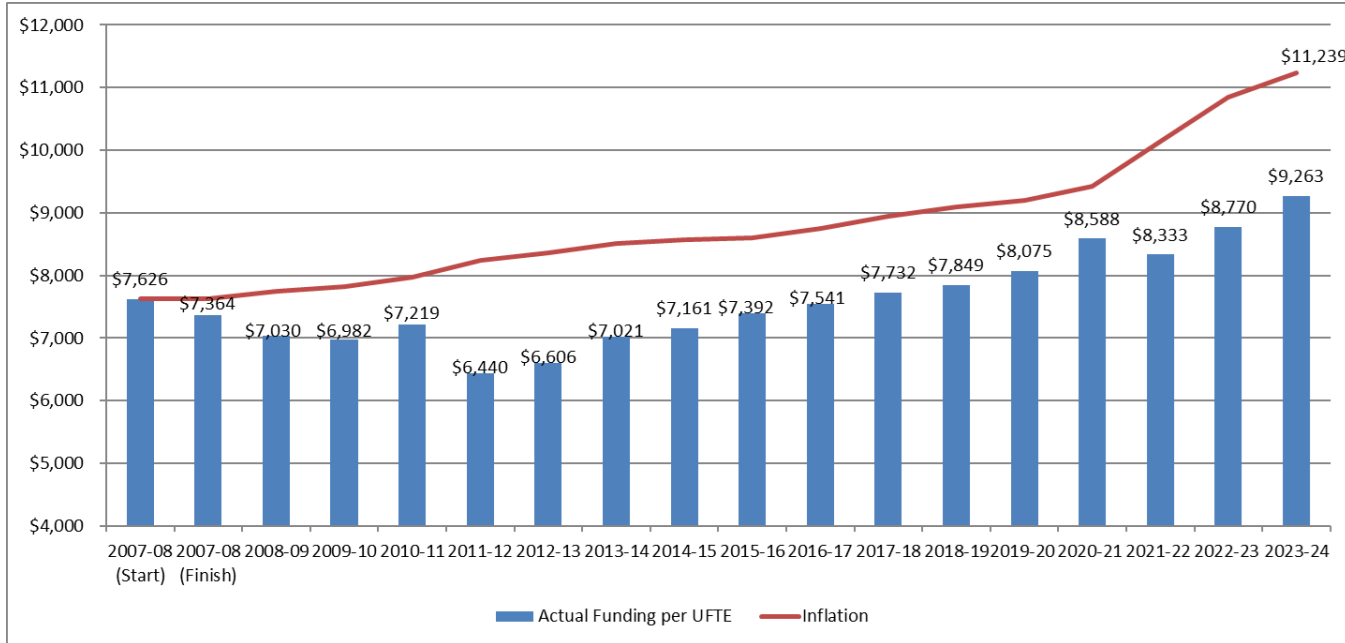
- Over 750 Art, Music, PE, Choice and Career education teacher positions.
- Over 12,000 teacher recruitment and retention supplements and teacher raises.
- A mental health professional in every school.
- Additional school police and security initiatives.

## Florida ranks 46th in the nation in per pupil spend



SOURCE: 2022 Annual Survey of School System Finances, U.S. Census Bureau. 2023 will be available in April/May 2025.

## Per student allocation has not kept pace with inflation



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SOURCE: Inflation - US Bureau of Labor Statistics - All items in South urban, all urban consumers, not seasonally adjusted

