

Required Local Effort

THE TAXWATCH TAKE

Education funding is one of the most critical investments Florida can make. The Legislature must ensure that Pre K – 20 education is adequately funded to ensure that Florida's workforce can compete in the global economy.

It is vital in education funding that the taxpayer money appropriated to education goes into the classroom in ways that improve student learning and achievement.

The Class Size Reduction efforts have placed an undue burden on Florida's education budget, and reforms are necessary if the state is to live up to its promises to students and ensure a competitive workforce. TaxWatch has recommended that Class Size requirements be reformed to provide more flexibility to the Legislature and local school districts. For more information, see *Taking a Fresh Look at Florida's Class Size Limits*.

The Required Local Effort (RLE) is the amount of funding that each district provides annually toward the cost of the Florida Education Finance Program (FEFP) for grades K-12. Each local school district generates its RLE by levying a state-approved millage rate on ad valorem property within the district.

The aggregate RLE for all school districts is prescribed by the Legislature as a specific line item in the annual General Appropriations Act. The RLE, combined with the Net State FEFP, makes up the Gross State and Local FEFP Funding Total.

How is the RLE Allocation Calculated?

In July of each year, the Florida Department of Revenue sends to the Commissioner of Education a certified estimate of the taxable value of all property within each school district and the total for all school districts within the state. The Commissioner then calculates a millage rate that, when applied to 96 percent of the estimated state total taxable property value, would generate the prescribed aggregate required local effort for that year for all districts.¹

The Commissioner also certifies this millage rate to each district's school board as the minimum rate necessary to generate the required local effort. For the 2014-15 school year, the statewide average millage rate is 5.183 mills.²

Developmental research schools (lab schools) at state universities are classified for funding as special school districts,

1. s.1011.62(4), Florida Statutes.

2. 2014-15 Florida Education Finance Program (FEFP), FAMIS Summer Conference, June 17, 2014, <http://www.famisonline.org/wp-content/uploads/2014/06/14-15FAMISFEFP.pdf>.

as is the Florida Virtual School. Because these special districts have no taxing authority, there is no required local effort. The state entirely funds these special school districts.

Adjustments to the Calculated Required Local Effort

The Commissioner is authorized to use assessment ratios to adjust the statewide average millage rate to equalize the effect of differing levels of property appraisal in the districts on the FEFP. The certified millage rates for the 67 districts ranged from 4.741 mils to 5.592 mils in fiscal year 2013-14 due to the use of assessment ratios.³

The Commissioner is also authorized to adjust the millage rate to make sure no district's required local effort exceeds 90 percent of that district's total FEFP entitlement.

The total adjusted required local effort amount for the 2014-15 school year is approximately \$7.18 billion.⁴

Prior Period Funding Adjustment Millage

Although not part of a district's FEFP allocation, if a district fails to collect the full amount of required local effort in a prior year because of changes in property values, the Commissioner is authorized to calculate the millage rate necessary to generate the amount of uncollected funds and add this levy to the district's required local effort amount. Any funds that are generated through this levy are not considered to be part of a district's FEFP allocation.

3. 2013-14 Funding for Florida School Districts, Statistical Report, Florida Department of Education.

4. Florida Education Finance Program (FEFP) Calculations, <http://www.fldoe.org/fefp/offrfefp.asp>.

For more information:

Florida Department of Education website:
<http://www.fldoe.org/fefp>

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The TaxWatch Center for Florida Citizenship works to educate citizens on the policies and operations of their state and local governments, in order to encourage an informed electorate capable of effectively holding those elected to positions of power accountable. The Center also operates the Florida Citizenship Institute, an applied learning program that prepares participants to understand how government action impacts their business.

ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs.

Florida TaxWatch is supported by voluntary, tax-deductible donations and private grants, and does not accept government funding. Donations provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves for the last 34 years.

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