



Policy Brief

Required Local Effort & Education Funding

Issue Summary

Increasing home values should not create an unnecessary burden on Florida homeowners. The Florida House is committed to a budget that isn't reliant on requiring Floridians to pay more in property taxes. To prevent a tax increase, we need to roll back the millage rate of the Required Local Effort, just as we did in 2016. If we choose to increase per pupil funding this year we can do so from existing state revenue.

Background

Required Local Effort (RLE) is the amount of funds each school district must provide annually toward its cost of the Florida Educational Finance Program (FEFP) for grades K-12. FEFP is a funding formula adopted by the Legislature in 1973 to equitably and uniformly allocate funds appropriated to school districts' public school operations.

The Legislature determines the total amount of revenue that must be generated from the RLE. Each July the Department of Revenue (DOR) sends the certified tax roll to Department of Education (DOE) and the Commissioner calculates each district's millage rate in order for each district to generate its share of the RLE. The statewide average millage rate is 4.638.

The aggregate RLE for all school districts is prescribed by the Legislature in the annual General Appropriations Act. The RLE combined with the total state funds comprise the total FEFP funds for public schools.

Each local school district generates, collects and retains its RLE by levying millage rates on ad valorem property in the district.

As Florida's economy has rebounded, property values have increased, along with property tax collections. So even though property tax (millage) rates have not increased, the increased property values have resulted in increased funding coming from local governments toward the FEFP.

In 2016, the Legislature decided to keep the aggregate amount of RLE at the same level as 2015, \$7.6 billion; this resulted in each district's millage rate being rolled back. Without this roll back, Floridians would have paid \$428 million in additional property taxes. The Legislature made up for this amount with general tax collections from other sources.

Governor Scott has proposed in his current budget that district millage rates remain the same as last year in order to pay for his proposed education funding. Doing so would bring the aggregate RLE to \$8.1 billion—a \$474.5 million tax increase for property owners.



HOUSE MAJORITY OFFICE

FLORIDA HOUSE OF REPRESENTATIVES



REPRESENTATIVE RAY RODRIGUES, MAJORITY LEADER

Messaging

- The Florida House is committed to a budget that is not reliant on requiring Floridians to pay more in property taxes.
- Keeping the millage at its current rate coupled with rising property values clearly amounts to an increase in taxes.
- Florida homeowners should not have to shoulder more of a tax burden to see an increase in public education funding when we have the opportunity to roll back the millage rate and absorb that cost into the state budget.
- If we want our economy to continue to thrive and grow, we should not increase the tax burden on Floridians.
- Increasing home values does not equate to increased spending power in Florida households.
- We agree with Governor Scott's push to reduce taxes and what better way to do that than to reduce the amount Floridians pay in property taxes.
- The Florida House has made it clear that it will **not** raise taxes on the citizens of Florida.

Counter Messaging/FAQs

Q: *If property values go up while the millage rate stays the same, how is that considered a tax increase?*

A: If the amount of money you have to pay in taxes rises, that is a tax increase. The Florida House will not raise taxes on the citizens of Florida.

Q: *If the millage rate is rolled back, how will the state make up for the loss of funds from the RLE?*

A: As the Legislature did in 2016, we will use funds from general tax collections from other sources.