

MOE Waiver Request

Florida

On behalf of my State, I request a waiver of the following State maintenance of effort (MOE) requirements for the following fiscal years:

- ✓ FY 2023 MOE requirement for elementary and secondary education under section 2004(a) of the ARP Act.
- ✓ FY 2023 MOE requirement for higher education under section 2004(a) of the ARP Act.

Data for State support and overall State spending

	State support for elementary and secondary education	State support for higher education	Overall State spending	State support elementary and secondary education as a proportion of overall State spending	State support higher education as a proportion of overall State spending
FY 2017	\$11,355,704,370	\$4,375,033,008	\$46,288,077,650	24.53%	9.45%
FY 2018	\$11,876,044,977	\$4,583,694,966	\$46,577,325,145	25.50%	9.84%
FY 2019	\$12,115,836,160	\$4,731,853,800	\$51,289,240,229	23.62%	9.23%
3-year baseline average				24.55%	9.51%
FY 2020	\$12,448,093,364	\$4,797,636,798	\$43,323,535,741		
FY 2021	\$12,834,507,695	\$4,907,674,996	\$27,819,371,093		
FY 2022	\$12,843,639,699	\$5,111,527,975	\$49,313,506,341	26.04%	10.37%
FY 2023	\$17,062,291,861	\$5,502,048,535	\$69,835,058,092	24.43%	7.88%

1. A description of the extent to which the State experienced fiscal burdens in preventing, preparing for, and responding to coronavirus and an explanation of how those fiscal burdens affected the State's ability to maintain fiscal effort (e.g. the status of and any changes to the State's rainy day fund, whether the State experienced a decline in revenues, or an increase in other emergency expenses resulting from the pandemic, such as expenses related to health care, unemployment insurance, or support for small businesses):

The legislature has strictly followed constitutional provisions requiring that budget surplus and additional revenues be used in certain ways to respond to future emergencies and safeguard investments in infrastructure.

State General Fund revenues have rebounded to above pre-pandemic levels. FY 2023 state general fund collections totaled \$47.3 billion, exceeding the 3-year baseline state General Fund collections by over \$16 billion. Over this same time period, the state has made substantial increased investments in state support for both K-12 education and higher education, increasing state support above pre-pandemic levels.

Despite these new investments in both K-12 education and higher education, overall state spending has outpaced growth for K-12 education support, resulting in the FY 2023 support for K-12 education as a share of overall state spending falling below the baseline ratio as required for the

Elementary and Secondary Schools Emergency Relief (ESSER) Fund and the Governor's Emergency Education Relief (GEER) Fund. However, the state's ability to direct the increased revenues to K-12 support was both restricted and limited by the constitutional requirements, debt obligations, and fiscal policy. To understand these restrictions and limitations as related to the MOE requirements, a background on the Florida Education Finance Program (FEFP) as state support for K-12 education is necessary.

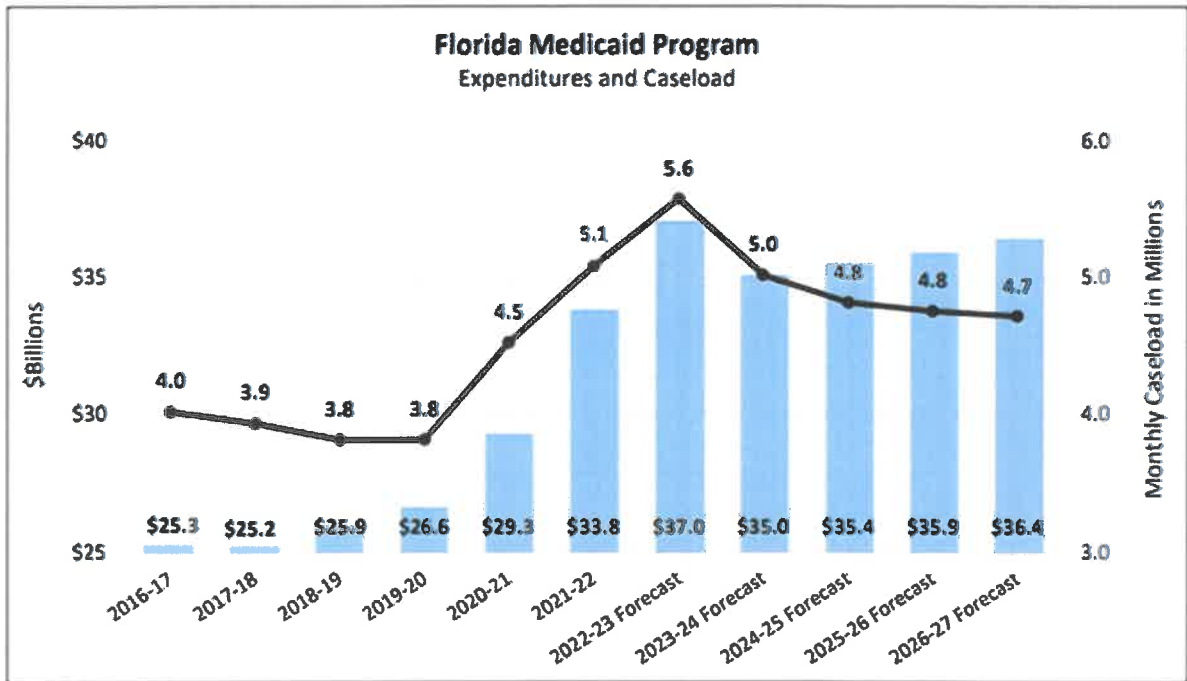
Each year, the Florida Legislature identifies and prioritizes the state's needs across all state agencies, including education, healthcare, social services, transportation, environment, agriculture and consumer services, etc., and appropriates funds to meet those needs. The appropriations for elementary and secondary education vary from year to year depending on enrollment growth, and the funding level of several components within the FEFP, which is the state's primary mechanism for funding school district operations, and ensures an equitable distribution of funding across school districts.

The FEFP is funded with both state and local property tax dollars, and increases or decreases in property values directly impact the level of state funding needed to fund the FEFP. In years with larger increases in property values across the state, a lower level of state funding is needed to fund the FEFP. Conversely, in years with smaller increases in property values, a larger amount of state funding is needed.

There are also local property tax levies that are separate from the FEFP which generate substantial funds for school districts. In years with larger property value increases, these levies generate larger amounts of revenue than the prior year. In years with lesser growth in property values, these levies generate little additional funds from one year to the next.

2. Documentation and data supporting the description of State's fiscal burdens (e.g., revenue data, appropriation tables, unemployment statistics, etc.) including any State action that impacted State revenue (e.g., tax increases or decreases).

The pandemic not only strained the state's medical system, but it also caused a 43.6 percent increase in caseloads in FY 2023 within the state's Medicaid system as compared to the baseline 3 years. This increase has cost the state approximately an additional \$1.5 billion in FY 2023 to match the Medicaid increase of \$11.5 billion.



3. In addition, in its waiver request, a State should submit information on the relevant factors listed below to support its request. The Secretary may ask for additional information after States submit the MOE waiver request form.

A. Has the State increased support for education?

1. Has total State funding for K-12 education and for higher education (calculated separately) increased from the prior fiscal year?

Yes

The table below illustrates the higher rate of overall state spending when compared to state support for K-12 education and higher education, and which caused the share of overall state spending on education to fall below the MOE baseline average.

	State Support K-12	State Support Higher Education	Overall State Spending
Baseline	\$11,782,528,502	\$4,563,527,258	\$48,051,547,675
FY 2023	\$17,062,291,861	\$5,502,048,353	\$69,835,058,092
Increase (\$)	\$5,279,763,358	\$938,521,094	\$21,783,510,417
Increase (%)	44.8%	20.6%	45.3%

Increased Support for K-12

Florida has significantly increased total state support for both K-12 and higher education over the MOE baseline years beginning with FY 2017. These increases have been consistent year-

over-year. The increased support is targeted and demonstrates a commitment to not only maintain, but increase, support for education statewide.

Florida has used the increased funding to support pay raises for teachers to increase their average pay from \$48,486 in FY 2019 to \$53,142 in FY 2023, which is an average annual increase of 2.40 percent.

Increased Support for Higher Education

Similar to the K-12 funding, Florida’s continues to provide significant investments for higher education over the MOE baseline years beginning with FY 2017. These investments increase year over year without increasing tuition at Florida’s public institutions.

- 2. Has per-pupil State funding for K-12 education and for higher education (calculated separately) increased over time (e.g., since baseline years)?

Yes

K-12

The base-per-pupil state funded amount maintained by the FEFP formula increased by 8.5 percent from FY 2019 to FY 2023 from \$4,188.20 to \$4,542.73.

FEFP State Pupil Funding

FY 2019	\$4,188.20
FY 2023	\$4,542.93
Increase (\$)	\$ 354.73
Increase (%)	8.5%

- 3. Has the State appropriated an increase in State funding for K-12 education and for higher education for the future years?

Yes

K-12 state funding

Fiscal Year	State Funded Appropriations	Increase
FY 2023	\$17,062,291,861	
FY 2024	\$17,504,032,084	\$441,740,222

Higher education state funding

Fiscal Year	State Funded Appropriations	Increase
FY 2023	\$5,502,048,353	
FY 2024	\$6,490,053,323	\$988,004,970

B. Are there exceptional circumstances that caused the State to be unable to maintain support for education?

Despite the increased state funding and expansion of services and supports for schools and students, Florida is unable to achieve the MOE technical requirements for FY 2023. The proportional level of state's support for elementary and secondary education relative to Florida's overall spending declined in FY 2023 because of the state's necessary investments in addressing other urgent priorities. During 2021, Florida sustained damage from three hurricanes. In addition, the state had a record number of people migrate to the state. As a result of these events, in FY 2023 the state funded one-time initiatives in specifically targeted areas, including post-hurricane disaster recovery, accelerated transportation projects and land acquisition for conservation. The most significant of these one-time initiatives in FY 2023 are as follows:

Environmental sector

- \$850 million non-recurring state funding for the Department of Environmental Protection (DEP) to purchase lands for the Florida Wildlife Corridor
- \$251.5 million non-recurring state funding in 2022 Special Session A for DEP Disaster Relief related to Hurricanes Ian and Nicole.
- \$177.9 million increase in funding for State Park maintenance and repair, with \$130.5 million included to address the backlog of repair at State Parks.
- \$136 million increase for Waste Cleanup Programs (Petroleum, Dry-cleaning and Hazardous Waste).
- \$428.1 million increase, for a total of more than \$1 billion, for Everglades restoration and the protection of water resources.
- \$300 million, for a total of \$500 million, for the Resilient Florida Grant Program for implementation of statewide resilience projects, including fully funding Florida's first ever 3-year Statewide Flooding Resilience Plan.
- \$144.2 million for Drinking Water and Wastewater Emerging Contaminants (BIL) funding.

Transportation and Economic Development sector

- \$4 billion non-recurring state funding to the Department of Transportation for the Moving Florida Forward Plan to accelerate completion of selected road projects and provide traffic congestion relief in the state.
 - This was a 22-23 FCO appropriation; not all of the \$4 billion was expended in FY 2023.
- \$350 million non-recurring GR appropriated in 2022 Special Session A to Department of Emergency Management to provide the match requirement for Public Assistance Program grants for Hurricanes Ian and Nicole.
- \$150 million non-recurring state funding in 2022 Special Session A for the Florida Housing Finance Corporation's Affordable Housing for Hurricane Recovery related to Hurricanes Ian and Nicole.

- \$100 million non-recurring state funding for the Florida Housing Finance Corporation to implement a competitive assistance loan program for new affordable housing construction projects
- \$100 million non-recurring state funding to establish the Florida Hometown Hero Housing Program to provide down payment and closing cost assistance to eligible homebuyers.
- \$2.2 billion increase in the Transportation Work Program

C. Has the State used or will it use ESSER, GEER, or Higher Education Emergency Relief (HEER) funding to replace State funding for education?

No. The state has not, nor does it intend to use ESSER, GEER, or Higher Education Emergency Relief (HEER) funding to replace State funding for education. All ESSER, GEER, and HEER funds were allocated for new supplemental educational activities over and above what the state funding formulas provided.

To the best of my knowledge and belief, all of the information in this MOE data submission are true and correct and the failure to submit accurate data may result in liability under the False Claims Act, 31 U.S.C. 3729 et seq.; OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR part 180, as adopted and amended as regulations of the Department in 2 CFR part 3485; and 18 USC 1001, as appropriate, and other enforcement actions:

Manny Diaz, Jr., Commissioner, Florida Department of Education

(850) 245-0073

APrafer OBO

Signature

5-28-24

Date