

FADSS Budget Update

June 2026

FEFP Highlights

- ◇ BSA increase of \$85 per FTE, however half of BSA increase is for TSIA (\$201 million of \$413 million)
- ◇ TSIA : 10 years' full-time teaching experience in **a Florida school**, up to \$3,000. Then salary increases or “increased costs related to personnel compensation”
 - ◇ How creative can you be?
 - ◇ Must negotiate under accelerated timeline. Per SB 1296, TSIA is a “financial urgency” and districts must bargain the “impact” of that urgency. Management makes a decision to react to the urgency, and then the impact of that decision must be bargained.
 - ◇ Implementing Bill says do not worry about performance pay ramifications with TSIA dollars.
- ◇ ESE Guaranteed Allocation increase of \$94 million but no policy change
 - ◇ ESE workgroup
- ◇ No increase for School Safety and Mental Health
 - ◇ Impact of constitutional amendment?

Declining Enrollment

- ◆ For FY 2025-2026, \$79 million allocated to school districts in BOB
- ◆ For FY 2026-2027, 25% declining enrollment through Enrollment Stabilization Program
 - ◆ in Implementing Bill so only for 2026-27 unless codified next session)

Educational Enrollment Stabilization Program

- ◇ For 2026-27
 - ◇ Should prevent proration
 - ◇ 25% declining enrollment
 - ◇ Financial emergency – raise general fund balance up to 3%

Other

- ◆ FRS Rates
 - ◆ Regular Class rate went down slightly
 - ◆ Estimated \$70 million in savings for school districts
- ◆ School Recognition level funded at \$135 million
- ◆ HB 7031E Taxation
 - ◆ Settles the issue of commissions on all school millages, voted or nonvoted
 - ◆ Must either be paid by the board of county commissioners or waived by the tax collector

Proposed Constitutional Amendment

The proposed amendment would add a substantially larger exemption for non-school taxes:

- ◆ 2027: First \$150,000 of assessed value exempt
- ◆ 2028 onward: First \$250,000 exempt
- ◆ Estimated \$12 billion annual cost in 5th year.

Additional provisions:

- ◆ Individuals not classified as permanent Florida residents by December 31, 2026, would receive a reduced exemption for five years. Local governments could waive this waiting period by a two-thirds vote for a “critical local need,” but not before 2030.
- ◆ The current 10 percent annual cap on assessment increases for non-homestead property (non-school taxes) would be reduced to 5 percent beginning January 1, 2027. School district levies remain uncapped and continue to assess at just value.

Proposed Constitutional Amendment

Again, there is a school district carve-out.

- ◆ However, this carve-out does not eliminate indirect effects. Cities and counties are expected to experience significant losses in non-school property tax revenue and their capacity to share costs or provide support that schools currently rely upon could be reduced.
- ◆ Services such as safety, traffic control, health and human services, parks and recreation, libraries, and emergency preparedness and coordination may be adversely affected.

Proposed Constitutional Amendment

The proposal would constitutionally restrict counties and municipalities to using property tax revenue only for:

- ◆ Public safety (law enforcement, fire, EMS)
- ◆ Education and public schools
- ◆ Infrastructure (roads, bridges, stormwater)
- ◆ Natural resource and flood control projects
- ◆ Debt service and bonds
- ◆ Employee retirement obligations
- ◆ Operations and administration of constitutional officers and governing bodies “and the expenditures approved by such county officers or county or municipal governing bodies, except those expenditures prohibited by general law.”

Proposed Constitutional Amendment

Uses not listed would be prohibited. **Unclear whether this excludes:**

- ◆ Human services (e.g., hospitals, indigent care, disability services)
- ◆ Culture and recreation (e.g., libraries, parks, marinas)
- ◆ Economic services (e.g., housing, veterans' programs, job placement)
- ◆ Environmental services beyond stormwater (e.g., solid waste, utilities, conservation)