

The Key to the BEP



Tennessee Comptroller of the Treasury
February 7, 2017



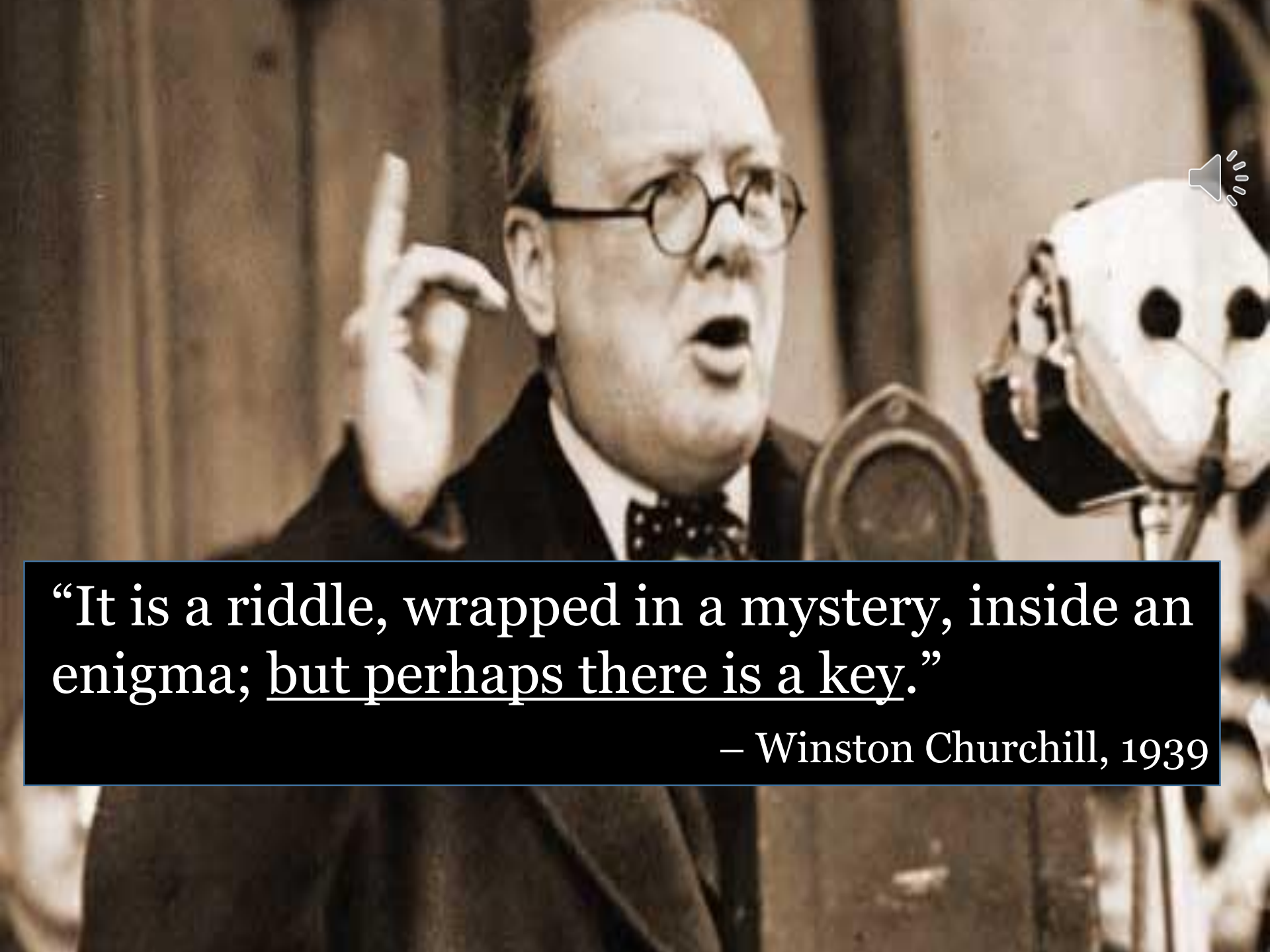
The BEP is a lot of money



\$4.4+ billion
state dollars



of general fund
revenues



“It is a riddle, wrapped in a mystery, inside an enigma; but perhaps there is a key.”

– Winston Churchill, 1939



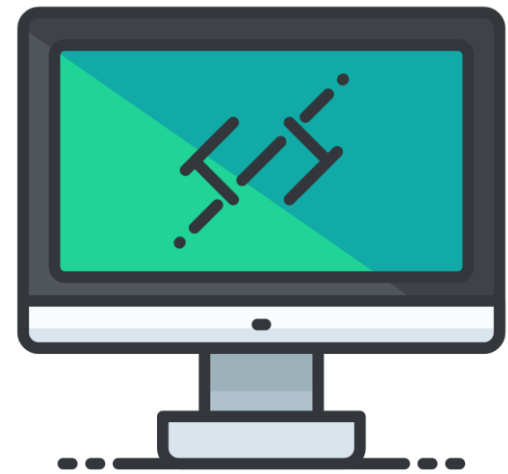
“It is in the best interest of all Tennesseans that the BEP formula be **verifiable, transparent, and understandable.**”

– Justin P. Wilson



Presentation Overview

1. BEP refresher
2. Guided tour of the BEP Policy Portal
3. BEP Calculator demonstration
4. Results of OREA's BEP verification



BEP Refresher



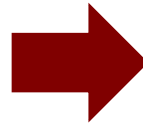
- main source of funding for K-12 education
- sets state and local shares of funding based on **fiscal capacity**



Driven by student enrollment



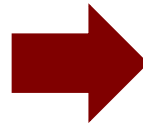
more students



more funding



fewer students



less funding

Four main categories



Instructional
Salary



Instructional
Benefits

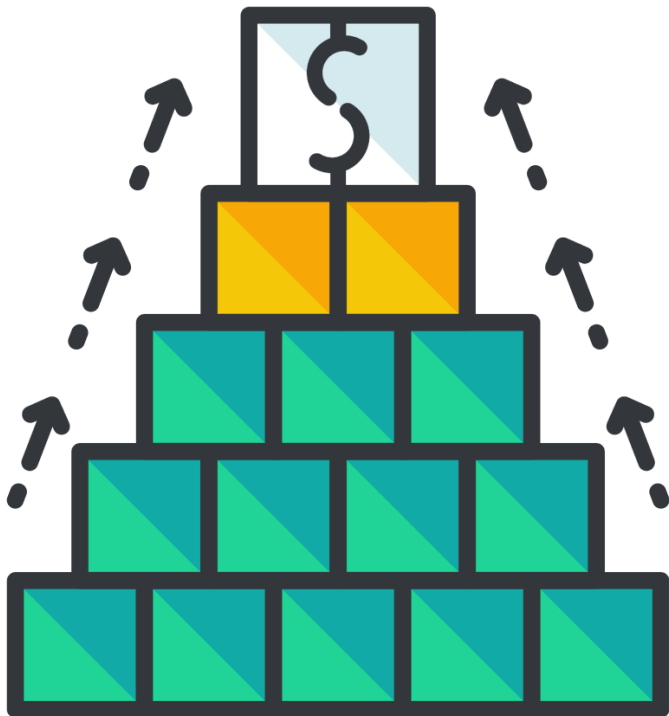


Classroom



Non-
Classroom

Remember . . . and Remember



The BEP is a **funding formula**, not a **spending plan**.



Verification Results – General

- The Department of Education's calculation was largely correct.
- TDOE will revise the formula in fiscal year 2017-18.





Verification Results – Specifics

0.00825%

percent difference
between OREA's
changes and TDOE's
calculation



\$362,000

net statewide increase
in state money



The Key as a Symbol

- To unlock what has been closed, hidden, or not understood
- Access to knowledge
- The answer to a puzzle or mystery



The Comptroller's Key to the BEP

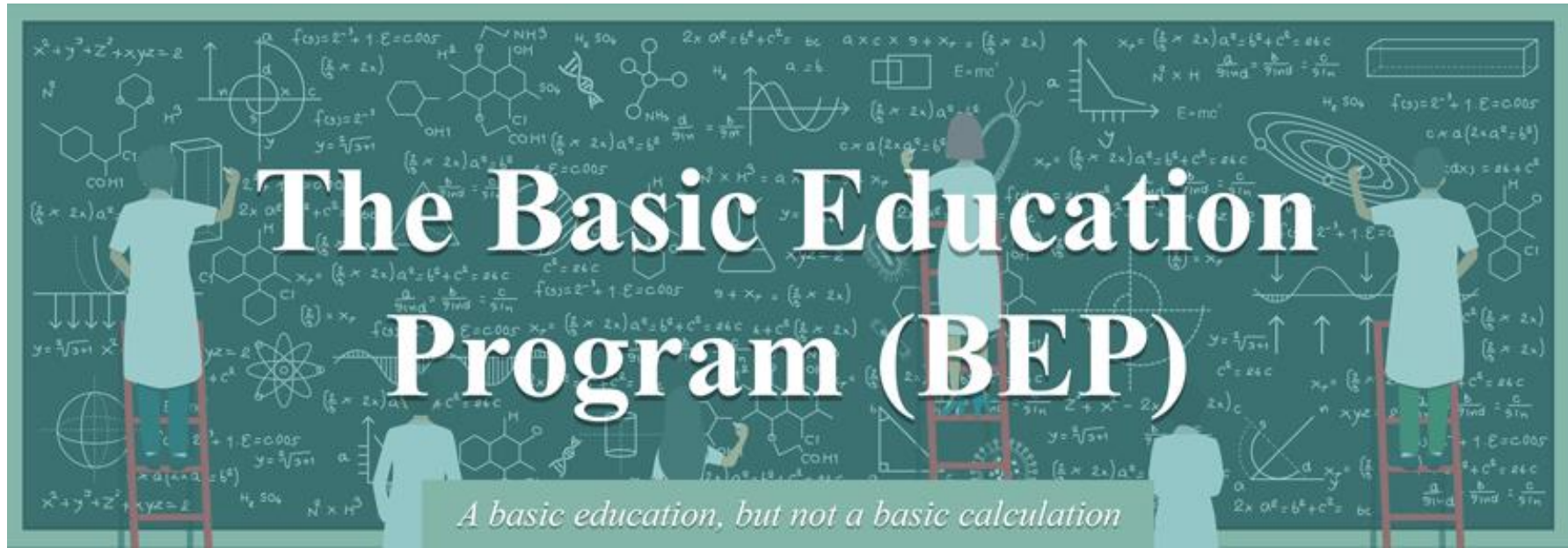


Verified

Transparent

Understandable





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