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

40% 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