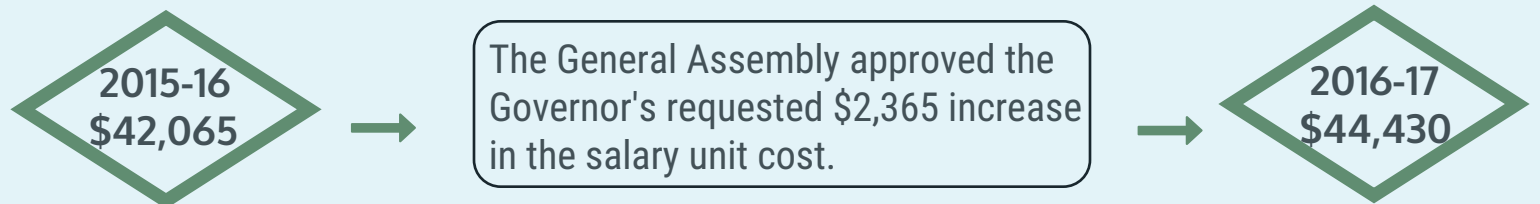


School Staffing Costs: From the BEP formula to paying teachers in the classroom

State Decisions: the BEP formula and funding requirements

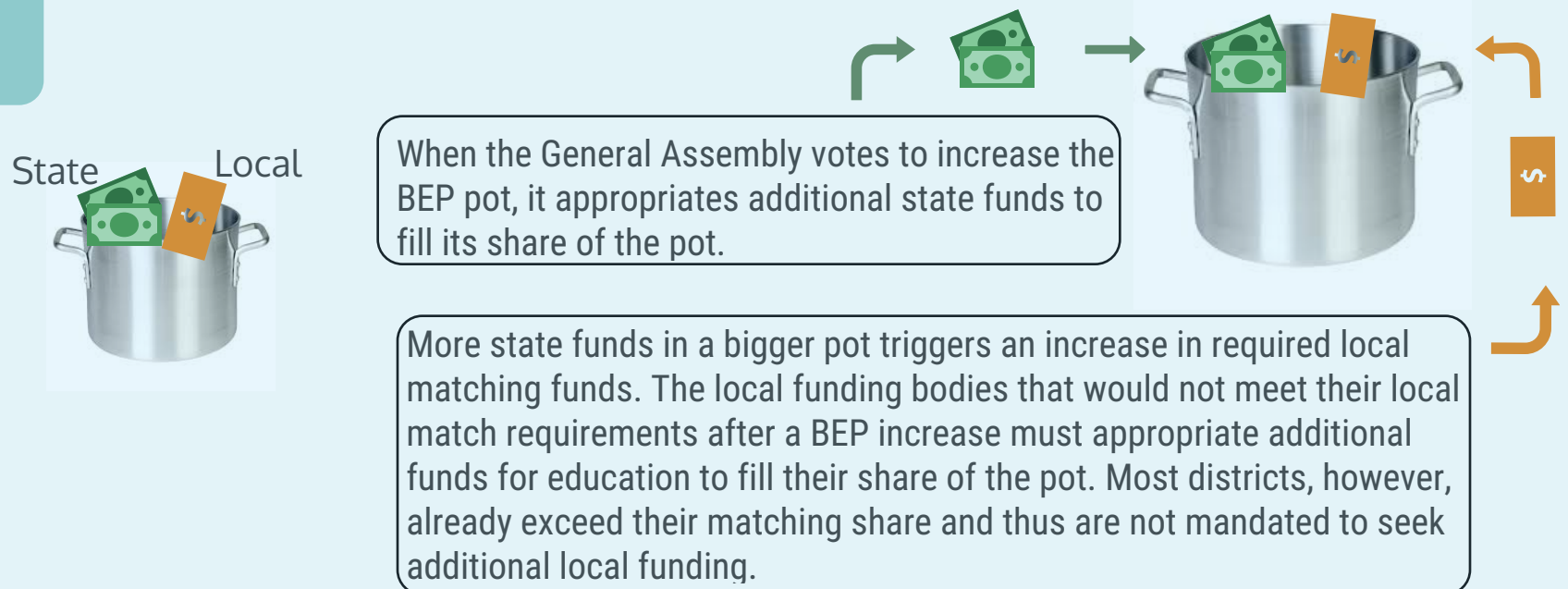
Salary
 Unit Cost
 Increases
 Are Set
 By Law

The BEP formula uses a single dollar figure as the "unit cost" for calculating salary costs for all instructional positions, such as teachers, principals, and others. This salary unit cost figure is set each year in the appropriations bill. Salaries and benefits for instructional staff have comprised the largest of the three categories of BEP allocations, at 56 percent. In 2016, the law changed, separating salaries/wages from benefits when calculating BEP allocations.



BEP
 Allocations
 Require State
 And Local
 Funding

The BEP allocations generated by the formula are funded in two parts: a state share and a local matching contribution from county or city governments. The local share varies based on each county's ability to raise revenues, or its fiscal capacity. When salary unit cost is increased, the BEP allocation, or pot, for instructional funding increases. A bigger pot needs more revenue to fill it.



Local Decisions: BEP spending plus any additional funding

Districts Can
 Spend
 Instructional
 Funds on
 Raises or
 New Staff

Districts are limited to spending BEP Instructional Salary and Wage funds on salaries for teachers and other instructional staff. If they meet a state salary threshold, they may spend those funds on salaries or benefits. Districts have flexibility to determine whether salary funds are best spent on raises for existing staff, salaries for new staff, or a combination of the two.



Most districts hire more staff than the number of positions the BEP formula calculates for their enrollment size. And most districts pay salaries that total more than the BEP formula generates with its salary unit cost figure. Districts use additional local funds, beyond the required local match, to fund these extra staff expenses.

