Basic Education Program

A Funding Formula, Not a Spending Plan

TENNESSEE COMPTROLLER OF THE TREASURY

JUNE 2017

The BEP is a funding formula, not a spending plan. The formula determines the funding level required for each school system based on 45 components, but does not require districts' budgets to reflect the specific funding levels generated within each component.

For example, Volunteer County's student enrollment may generate BEP funding for 15 school custodian positions, but the county school district might ultimately employ 12 custodians using BEP funding.

Although the BEP is not a spending plan, there are some parameters that school districts must follow when spending BEP funding.

Districts that do not meet a salary threshold established in state law must spend additional funding generated for instructional salaries & wages on instructional salaries & wages (and not on benefits).

Districts that meet the salary threshold may spend additional funding generated in the instructional categories on either salaries & wages or benefits.

Funds from the classroom category must be spent on either salaries & wages, benefits, or classroom needs.

Funds from the non-classroom category can be spent at districts' discretion.

This infographic is one in a series of infographics explaining fundamental concepts of the BEP. Please see the other infographics in the series to learn about the four categories of the BEP and fiscal capacity.