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Comptroller's OREA Examines How BEP Impacts Teacher Pay

A new report from the Comptroller's Office of Research and Education Accountability (OREA) explains how Tennessee's investment of \$105 million new dollars into school employee salaries does not necessarily mean larger paychecks for every teacher.

During the 2016 legislative session, the Governor requested, and the General Assembly appropriated, a significant amount of new money to invest in K-12 education through the state's Basic Education Program (BEP) formula. One specific area of investment was in teacher salaries.

Because the BEP is a formula for funding education, rather than a spending plan, increases in state BEP dollars do not necessarily mean larger paychecks for every teacher. BEP spending decisions are made by local school districts, within some general state guidelines. School districts determine whether the new money is used to pay current employees more, hire new staff, or a combination of both.

The BEP formula calculates the number of instructional positions, such as teachers and principals, for each school district and funds all the calculated positions at one set dollar amount, which was raised this year to \$44,430.

Districts, however, typically hire more staff than the positions funded by the formula – about 20 percent more statewide – and often pay more than the BEP salary figure to be competitive in hiring and retaining the best teachers, principals, and others.

The BEP allocation is funded on a shared basis by both the state and local jurisdictions, such as county commissions or city councils. If state increases in BEP salary funding push the required local funding share above local jurisdictions' existing spending levels, additional local appropriations will be mandated.

To view the full report online, go to:

<http://www.comptroller.tn.gov/Repository/RE/School%20staffing%20costs.pdf>

A one-page summary is available at: http://www.comptroller.tn.gov/Repository/RE/Summary_MC.pdf

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