

Glossary: Education Funding



Basic Education Program (BEP): The Basic Education Program is the funding formula used state-wide that determines how much funding each district receives. The BEP is comprised of four main categories: instructional salary, instructional benefits, classroom, and non-classroom. These categories contain 46 different components which generate the funding formula. Legislature attempted to redirect more money to BEP with the update to BEP 2.0 in 2007, but so far these changes have not been fully funded. Rather, increases in funding have focused on certain priority areas rather than the full increases that BEP 2.0 aimed to address.

Fiscal Capacity: In the context of BEP (see above), a district's fiscal capacity is determined by their ability to raise local revenue through property and sales tax. It is not necessarily what they end up raising in actual revenue. For example, if a county has high property values but lower property tax rates, the BEP formula determines their capacity according to the values, not the tax rate or revenue raised through taxes.

Cost of Living Adjustment (COLA): A Cost of Living Adjustment is an increase in wages that adjusts according to the increase in cost of living of a certain location. Typically, the cost of living increases over time, and COLA is intended to increase in order to pay workers a living and/or competitive wage.

Federal Funding: Federal funding for schools is intended to supplement state and local funding and is typically distributed through grants. Funding generally supports the ability for districts to adhere to federal Title programs that protect and support certain demographics such as students who are economically disadvantaged and students with learning disabilities, as well as early education and educator professional development.



State Funding: Funding from the state is determined by the Basic Education Program (BEP) funding formula (see above), determined by state tax revenues and student attendance.

Local Funding: In Davidson County, funding for education is allocated by Metro Council as part of the Metro Government's annual budget, typically in response to a budget request from the School Board. In the Metro Government budget, funding for MNPS schools accounts for 42% of total tax payer expenditures.

Student-based budgeting (SBB): In a student-based budgeting model, principals receive funding based on student enrollment and make school-based decisions on staffing and programming, rather than central office make those decisions. Certain student populations receive additional (weighted) funding amounts based on the needs associated with educating those students. Funds allocated to schools through student-based budgeting are spent on teacher and staff salaries and benefits; instructional support, counselors, librarians, social workers, and more school-based resources.

Flow-through: BEP funds that are intended for district charter schools are allocated to the charter school authorizer. Metro Nashville Public Schools is the authorizer of the majority of charter schools in Nashville so funding "flows through" MNPS.

Central Office: Central office is the operative body that manages the functions of the district, including human resources, instructional support, family information, compliance, communications, payroll and benefits, talent recruitment, facilities, transportation, technology services, and student support.

Direct allocations to schools: Some of MNPS' funding includes direct allocations to schools. These funds are designated for schools such as alternative schools, early learning centers, and special education day schools.

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