



Local Finance Updates

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*Chief Financial Officer
Division of Finance*





BEST FOR ALL

We will set all students on a path to success.

ACADEMICS

ALL TENNESSEE STUDENTS WILL HAVE ACCESS TO A HIGH-QUALITY EDUCATION, NO MATTER WHERE THEY LIVE

STUDENT READINESS

TENNESSEE PUBLIC SCHOOLS WILL BE EQUIPPED TO SERVE THE ACADEMIC AND NON-ACADEMIC NEEDS OF ALL STUDENTS IN THEIR CAREER PATHWAYS

EDUCATORS

TENNESSEE WILL SET A NEW PATH FOR THE EDUCATION PROFESSION AND BE THE TOP STATE IN WHICH TO BECOME AND REMAIN A TEACHER AND LEADER FOR ALL

Norms and Expectations

- Take calls and necessary communications outside of the session room.
- Remain engaged.
- Ask questions at conclusion of presentation.
- Complete the session survey before exiting.
- All session slide decks will be available in ePlan > TDOE Resources > Fiscal – District Technical Assistance > 2023 Annual Fiscal Workshop.
- Visit a team member at the registration table if you have questions about the conference.





Agenda

- From now until June 30
- Year-End Adjustments
- Reporting
- What to look for in FY24
- Fiscal Technical Assistance Resources
- Questions



From Now Until June 30



Career Ladder

- First payment was made in late October.
 - Based on previous year's December 1 report in TN Compass
 - 50% of estimated payment paid out
- Second and final payment made in mid-May.
 - Final calculation is based on teacher data reported by districts on the December 1, 2022 TN Compass report
- Payments may be made to eligible teachers prior to receiving funds from the state – local decision.
- Payments made based on a 200-day contract
 - Payments are pro-rated if less than 200 days worked (but more than 100 days).





Career Ladder

- Eligibility
 - Must work 100 days
 - Must be in an instructional position
 - School nutrition supervisors have a special provision that entitles them to the Career Ladder supplement.
- Retirees
 - Retirees on a 120-day contract are eligible if:
 - Work at least 100 days
 - Have an active license with a Career Ladder endorsement
 - Retirees who return to work under the 85% provision are not eligible for the Career Ladder supplement.





Career Ladder – CEO Supplement

- FY23 is the last year that the CEO supplement will be made to directors of schools
- CORE office will collect data used to determine the amount of the payment
- Maximum payment is \$1,000
- If payment is received after June 30 it must be accrued on your financials





Weighted Full-Time Equivalent Average Daily Attendance (WFTEADA)

- Used to distribute local taxes for education in multi-system counties
- Uses the highest two periods' ADA of the first three periods of the year
- Finalized and emailed to county trustees and district finance directors on March 31
- Be sure ADA data is being reviewed and any corrections made early in the year.





Driver's Education

- Funded in part through traffic fines.
- Collections have still not come back to pre-pandemic levels.
- Approximately \$1,000,000 available this year to fund the program.
- Student count taken from EIS – students scheduled for the course code for Driver's Education (G08H03).
- Be sure students are enrolled correctly so that they are picked up for funding.
- Payments made on a per pupil basis - \$75.31 per eligible student.
- Payments are sent out in mid-May.





Growth Funding

- \$23 million appropriated for growth funding in FY23
- Current year growth estimates were calculated and paid in early April
- Weighted ADM from periods 2, 3 and 5 (substituted for periods 6 and 7) were used to recalculate BEP allocations using current year data
- BEP growth is inclusive of virtual school enrollment; district enrollment is considered as a whole
- NOTE: Tennessee Investment in Student Achievement (TISA) growth excludes virtual school ADM
- 37 districts received estimated growth payments





Growth Funding

- June 15 BEP payment
 - 75% of final BEP payment
 - 100% of final salary equity payment
- June 30 payment
 - 25% of final BEP payment less any applicable adjustments
- Final payment may have to be accrued





June BEP Payment

- Final growth payments will be made at the end of June.
- BEP will be recalculated using weighted ADM from periods 2, 3, 6 and 7.
- Final payments will likely vary from the estimated payment.
- Some districts will receive a payment that did not receive an estimate.
- Some districts may owe funds back to the state if the estimate exceeds actual growth funding.
 - Will be netted against final BEP payment
- If final growth payment is received after June 30 it must be accrued on your financials.



Year-End Adjustments

Year-End Adjustments

- Total June BEP payment may not be the amount you have been receiving due to these adjustments.
- Regional finance consultants will have the spreadsheet of all of the adjustments and will be able to explain any differences in your final payment.



Year-End Adjustments

- Final BEP payment is used to make any necessary adjustments in state payments to districts.
 - Individual Education Account
 - Juvenile Detention Centers
 - Charter school capital outlay reconciliation
 - ADM True-up for payments to Achievement School District (ASD) and TN Public Charter School Commission (PCSC) withheld from Metropolitan Nashville Public Schools (MNPS) and Memphis Shelby County Schools (MSCS)
 - Growth payments



Individual Education Account

- Student enrolled in the IEA program
 - Correct student classification and course code keep the student enrolled for funding purposes only (need both in EIS)
 - Classification code 8
 - Course code 9696
- Student's share of BEP funding (state and required local match) is distributed to the student/parent during the year.
- Total distributed to each student is deducted from the final June BEP payment for the LEA in which the student was previously enrolled.



Juvenile Detention Centers (JDC)

- Students remanded to a JDC remain enrolled in their home district, with a classification code indicating the JDC to which they are remanded (e.g. JDC005).
- Funds will be transferred by the Tennessee Department of Education (TDOE) from the home district to the district in which the JDC is located.
- Daily rate is calculated based on each district's revenues.
- Amount transferred is the number of days the student was coded with the JDC code multiplied by the daily rate.



Growth Funding

- If the estimated growth payment exceeded the amount actually due, the amount of overpayment will be deducted from the final BEP payment.



Charter Capital Outlay

- Capital outlay portion of the BEP is paid directly to charter schools by TDOE.
- Charter school capital outlay is recalculated at year-end to determine actual amount due.
- Adjustments are made to the amount withheld from the authorizing districts and to charter schools.



ADM Adjustments for ASD and PCSC

- Final ADM for FY23 will be calculated for all LEAs, including ASD and PCSC.
- Adjustments will be made in the amounts withheld from MNPS and MSCS for ASD and PCSC to align with current year enrollment.



Reporting

Per Pupil Expenditures by School



- Requirement under ESSA: the per pupil expenditures of federal, state and local funds, including actual personnel expenditures and actual non-personnel expenditures of federal, state and local funds, disaggregated by source of funds, for each local education agency ***and each school*** in the state for the preceding fiscal year.
- Template will be sent out from Local Finance – likely earlier than in the past to meet report card timeline.
- Prepare as you are closing your books.

Per Pupil Expenditures by School



- Per pupil expenditures by school have been reported since FY19.
- Data for prior years may be viewed and downloaded from the Data Download section on the report card page for a specific year.
- Link to [report card](#).

Salary Transparency Act of 2019



- T.C.A. § 49-3-306 requires districts to report to the department of education how any increases in state funding for instructional salaries and wages were utilized.
- Survey will be sent to districts asking for information on how the additional salary funding in FY23 was used.

Salary Transparency Act of 2019



- FY22 survey results

Table 1: Compensation and Staffing Strategies used by LEA



Strategy	# of LEAs Using	% of Respondents
Increase to Salary Schedule	122	88.41%
Salary Schedule Step Increases	84	60.87%
Differentiated Pay	37	26.81%
Bonus Payments	21	15.22%
Covering Additional Positions	16	11.59%
Adding Additional Positions	17	12.32%
Supporting Benefits (instructional staff)	16	11.59%



What to Look for in FY24

Budgets FY24

- State FY24 budget approved by the General Assembly
 - State \$6,935,683,500
 - Federal \$1,815,874,500
 - Other \$ 221,095,700
 - Total \$8,972,653,700
- TISA \$6,513,674,000
 - \$1.1B increase over FY23
- State Special Schools \$51,533,500
- *NOTE: Taken from the Governor’s proposed budget document



Budgets FY24

- Public School Security Grant - \$40,000,000
 - Non-recurring funding
 - Allocated per ADM
 - Will flow through ePlan
- Non-Public School Security Grant - \$14,000,000
 - Non-recurring funding
 - Allocated by enrollment data from non-public schools
 - Will flow through ePlan
- School Resource Officer grant
 - \$140,000,000
 - Administered by Department of Safety
 - Funds will flow directly to local law enforcement agencies



Budgets FY24

- Pre-Kindergarten Special Education Grant - \$18,000,000
 - Recurring funds
 - Provide funding for special education supports for pre-kindergarten students with disabilities
- Summer Learning Camps and Transportation
 - Recurring funding for summer camps for rising kindergarten through rising 9th grade students
 - Recurring funding for summer camp transportation
- TISA Restricted Salary Funds - \$125,000,000



Budgets FY24

- TISA Restricted Salary Funds - \$125,000,000
 - Included in the TISA base of \$6,860
 - Must be used to improve existing educators’ salaries
 - May not be used to fund newly created positions
 - May not be used for benefits
 - Existing educator is defined pursuant to T.C. A. § 49-3-104(11) as an individual who is evaluated pursuant to §49-1-302(d)(2) and who provides direct service to students at school sites
 - April TISA estimate included the estimated amount each district needs to restrict for salary improvements
 - Based on each district’s proportionate share of the statewide base ADM

April FY24 TISA - Estimated Funds for Existing Educator Salary Increases			
School Base ADMs			387.76
Statewide Base ADMs		/	966,385.75
School % of Statewide Base ADMs		=	0.04%
School % of All Statewide Base ADMs			0.04%
Existing Educator Salary Increase Restricted Funds		x	\$ 125,000,000.00
District Restricted Funds - Existing Educator Salary Increases		=	\$ 50,155.72



Budgets FY24

- April TISA estimate included the estimated amount each district needs to restrict for salary improvements
 - Based on each district’s proportionate share of the statewide base ADM

April FY24 TISA - Estimated Funds for Existing Educator Salary Increases			
School Base ADMs			387.76
Statewide Base ADMs		/	966,385.75
School % of Statewide Base ADMs		=	0.04%
School % of All Statewide Base ADMs			0.04%
Existing Educator Salary Increase Restricted Funds		x	\$ 125,000,000.00
District Restricted Funds - Existing Educator Salary Increases		=	\$ 50,155.72



Budgets FY24

- State minimum salary schedule
 - State board of education approves the state minimum salary schedule each year.
 - Approval to increase the minimum salary to \$42,000 was approved at the May 19 state board meeting.
 - No change to increments for advanced degrees or at steps 6 and 11.
 - Review your salary schedules and increase if necessary to meet the new minimums – check all degrees and steps against the new salary schedule to be sure you are in compliance.
 - No prescribed across the board increase for certified staff.
 - Districts have flexibility in how the restricted salary dollars are used.
 - Must only meet the minimum salary schedule.



Budgets FY24

- Salary Equity funding
 - No change to amounts in FY24
 - Must be used to increase the salaries of existing positions
 - May not be used to fund newly created positions
 - Will continue to be paid out 10 times during the year, on the same schedule as TISA payments



Budgets FY24

- TCRS
 - Certified rate for the legacy plan is 6.81%
 - Certified rate for the hybrid plan remains at 9.0%
 - Actuarially Determined Contribution (ADC) Rate is 2.95%
 - Total employer rate is 4.0%
 - For federally funded teacher salaries only contribute the ADC rate
 - Employer rate for the defined contribution portion of the hybrid plan is 5%
 - Notifications sent to Directors of Schools earlier in the year – copies available from Local Finance

- Medical insurance premiums
 - Expected to increase January 1, 2024
 - Average rate of increase in the 6-7% range - projected



Resources

TDOE Resources in ePlan

- [-] Fiscal - District Technical Assistance
 - [+] 2023 Annual Fiscal Workshop
 - [+] 2022 Spring Fiscal Workshop
 - [+] Cross-Cutting Fiscal Materials
 - [+] Templates for Uploading into ePlan
 - [+] Year-end Close One Pagers
 - [Accounting for Education Technology Expenditures](#)
 - [TN Comptroller of the Treasury: Chart of Accounts](#)
 - [CCEIS for Spring Fiscal Workshops](#)
 - [Federal Revenue Codes and Sub-funds](#)
 - [FY22 Daily Rates for Residential Mental Health Facilities](#)
 - [Local Education Agencies 2021 Health Insurance Benefits](#)
 - [Local Finance Office Hours Link](#)
 - [Per Pupil Expenditure Reporting_FAQ FY20](#)
 - [Prior Period Expense Entries - Journal Entries](#)
 - [Release of Funds Form](#)
 - [Resolution to Transfer to Federal Projects - Template](#)
 - [Returning Funds to the State](#)
 - [SNS Methodology Monitoring 2020-21](#)
 - [State Minimum Salary Schedule FY2022-23](#)
 - [State Minimum Salary Schedule FY2021-22](#)
 - [Summer Learning Camp 2023 Economically Disadvantaged Percentages](#)
 - [TN Compass December 1 Report](#)
 - [TISA Calculator](#)



Local Finance Office Hours

Tuesdays 10 - 11 a.m. CT | 11 a.m. - 12 p.m. ET.

Join via Microsoft Teams: [Click HERE to join the meeting](#)

Meeting ID: 224 112 731 254 | Passcode: X47t4h

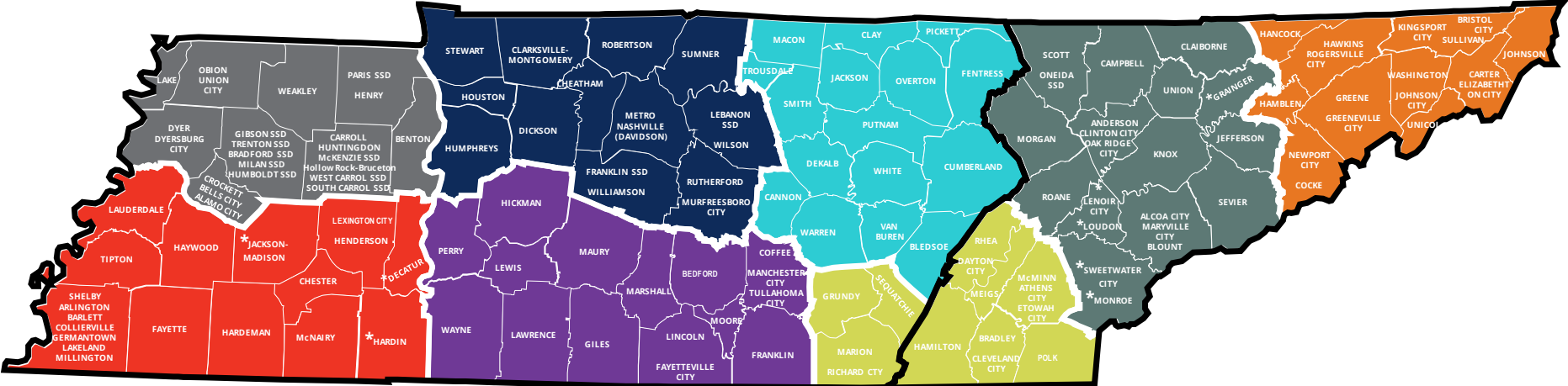
Or Call in (Audio only): [+1 \(615\) 270-9704](tel:+16152709704)

Phone Conference ID: 916 098 92#



Regional Finance Consultant District Map

As of 5/1/2023



← CENTRAL TIME ZONE | EASTERN TIME ZONE →

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Holly Kellar		Rob Mynhier		Taffe Bishop		Jill Lewis	
Holly.Kellar@tn.gov		Robert.Mynhier@tn.gov		Taffe.Bishop@tn.gov		Jill.Lewis@tn.gov	

*Districts that are assigned to a finance consultant in a different CORE region.

Regional Finance Consultant District Assignment

As of 5/1/2023

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Holly Kellar		Rob Mynhier		Taffe Bishop		Jill Lewis	
Holly.Kellar@tn.gov		Robert.Mynhier@tn.gov		Taffe.Bishop@tn.gov		jill.Lewis@tn.gov	
Districts: Alamo City Bells City Benton County Bradford SSD Carroll County Crockett County Dyer County Dyersburg City Gibson County SSD Henry County Hollow Rock-Bruceton SSD Humboldt SSD Huntingdon SSD Lake County McKenzie SSD Milan SSD Obion County Paris SSD South Carroll SSD Trenton SSD Union City Weakley County West Carroll SSD	Districts: Achievement Schools Arlington SSD Bartlett SSD Chester County Collierville SSD Fayette County Germantown SSD Hardeman County Haywood County Henderson County Lakeland SSD Lauderdale County Lexington City McNairy County Millington Shelby County Tipton County WTSD	Districts: Cheatham County Charter Schools Commission Dickson County Dept. of Children Services Dept. of Corrections Franklin SSD Houston County Humphreys County Lebanon SSD Metro-Nashville Montgomery County Murfreesboro City Robertson County Rutherford County Stewart County Sumner County TN School for Blind Williamson County Wilson County *Jackson-Madison County	Districts: Alvin York Institute Bledsoe County Cannon County Clay County Cumberland County DeKalb County Fentress County Jackson County Macon County Overton County Pickett County Putnam County Smith County Trousdale County Van Buren County Warren County White County	Districts: Bedford County Coffee County Fayetteville City Franklin County Giles County Hickman County Lawrence County Lewis County Lincoln County Manchester City Marshall County Maury County Moore County Perry County Tullahoma City Wayne County *Decatur County *Hardin County	Districts: Athens City Bradley County Cleveland City Dayton City Etowah City Grundy County Hamilton County Marion County McMinn County Meigs County Polk County Rhea County Richard City Sequatchie County *Lenoir City *Loudon County *Monroe County *Sweetwater City	Districts: Alcoa City Anderson County Blount County Campbell County Claiborne County Clinton City Jefferson County Knox County Maryville City Morgan County Oak Ridge Oneida SSD Roane County Scott County Sevier County TSDK Union County	Districts: Bristol City Carter County Cocke County Elizabethton City Greene County Greeneville City Hamblen County Hancock County Hawkins County Johnson City Johnson County Kingsport City Newport City Rogersville City Sullivan County Unicoi County Washington County *Grainger County
*Districts that are assigned to a finance consultant in a different CORE region.							

Finance Division Contacts

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Resources

- Tennessee Department of Education [Education \(tn.gov\)](https://www.tn.gov/education)
- Tennessee State Board of Education [Rules, Policies and Guidance \(tn.gov\)](https://www.tn.gov/education/rules-policies)
- ePlan TDOE Resources <https://eplan.tn.gov/>
- Electronic Code of Federal Regulations [eCFR :: Home](https://www.ecfr.gov/)
- Tennessee Code Annotated [Tennessee Code Unannotated – Free Public Access | Main Page \(lexis.com\)](https://www.lexis.com/tennessee)
- Tennessee Comptroller of the Treasury [Manuals \(tn.gov\)](https://www.tn.gov/treasury)
- Tennessee Consolidated Retirement System <https://treasury.tn.gov/Retirement/Information-and-Resources/TCRS-Overview-and-Self-Service>
- Tennessee General Assembly [Legislation - TN General Assembly](https://www.tn.gov/legislation)
- County Technical Assistance Service (CTAS) Record Retention <https://www.ctas.tennessee.edu/eli/departments-education-records>

Fraud, Waste or Abuse

Citizens and agencies are encouraged to report fraud, waste, or abuse in State and Local government.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper or wasteful, please call the state Comptroller's toll-free Hotline:

1-800-232-5454

Notifications can also be submitted electronically at:

comptroller.tn.gov/hotline



Thank You!