Department of Education

The Backstage Pass to TN Education Finance

Cindy Smith and Meribeth Carpenter

Regional Finance Consultants | Local Finance

November 2026



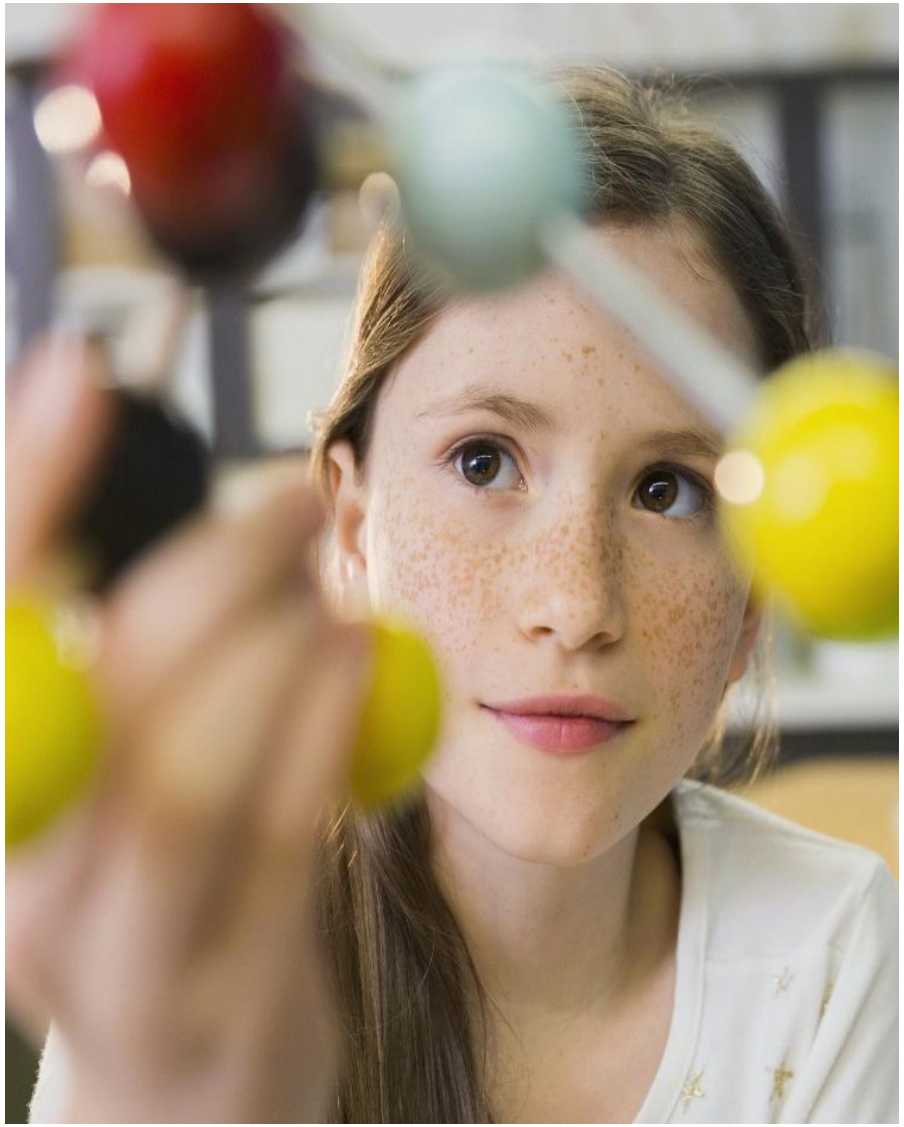
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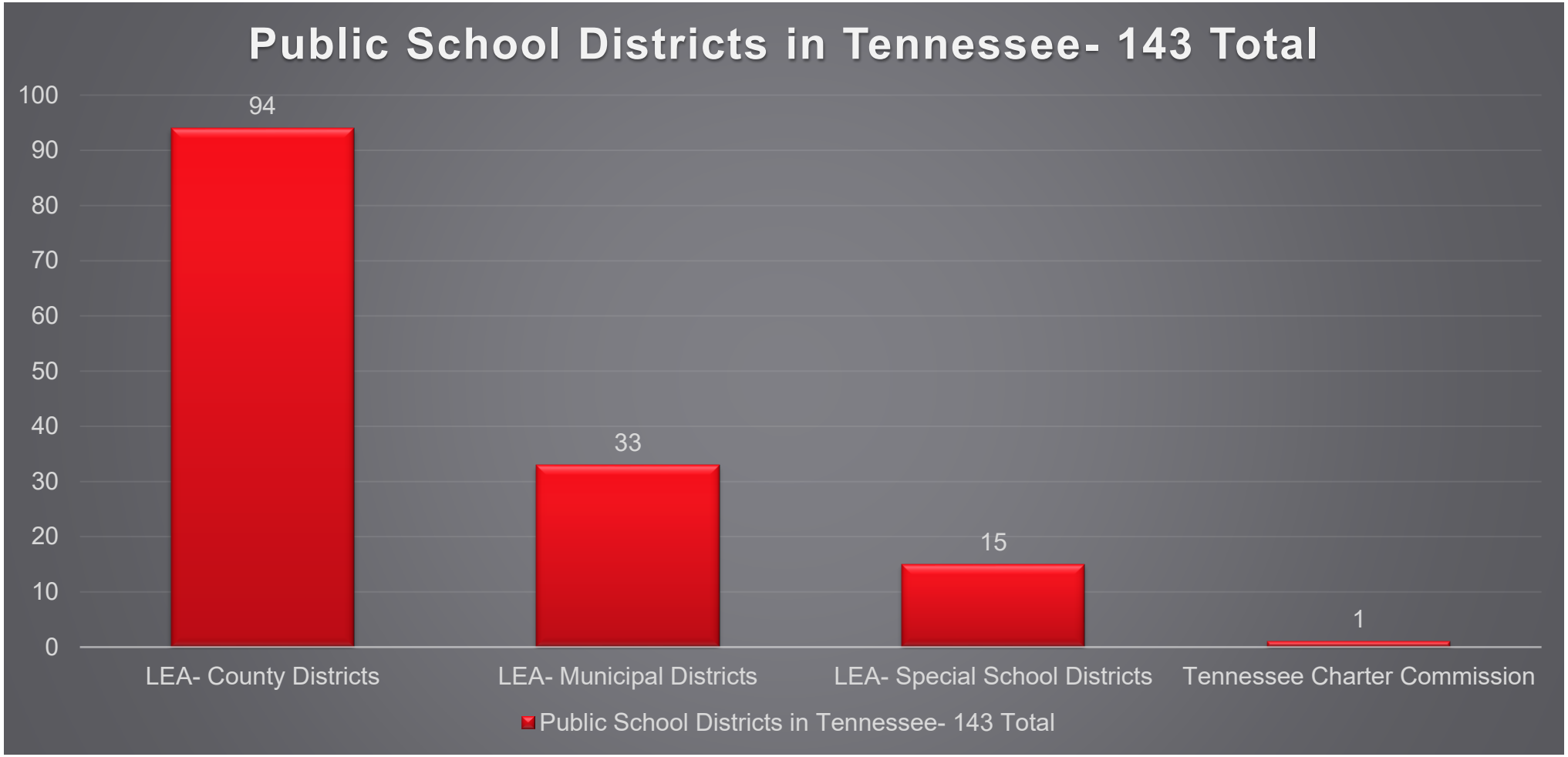
Agenda

- Public Education Landscape
- Financial Structure
- Fund Balance
- Education Funding
- Local Revenues
- State Funds Budget
- Annual Statistical Report and Payment Portal
- Staffing, Salaries & Benefits, and Reporting

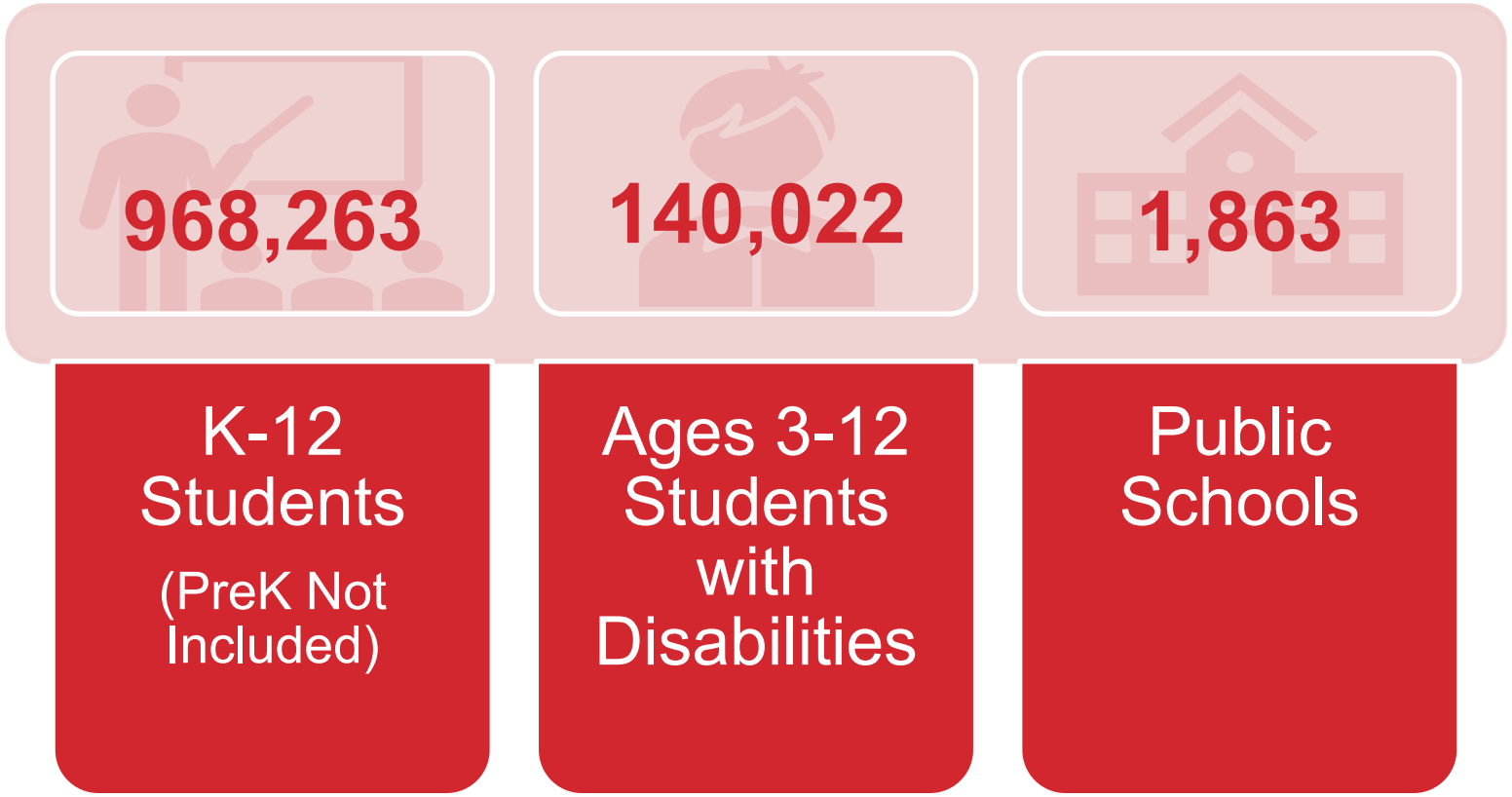
Public Education Landscape

TN Department of Education

Public School Districts



Enrollment and Schools



→ 1 in 7 Tennessee students receives special education services.

Financial Structure

TN Department of Education

Financial Structure

- Local Education Agencies (LEAs) must use the prescribed accounts for budgeting and financial reporting.
- Standardized System of Accounting and Reporting Manual.
- The manual aligns with the County Uniform Chart of Accounts published by the TN Comptroller.

Financial Structure

- Education funds
  - A fund is a separate set of books that accounts for financial activity relative to a specific function or purpose.

Education Funds

141	142	143
General Purpose School Fund	**Federal Projects Fund**	**Central Cafeteria Fund**
• Accounts for activity not in other funds and most of your school operations	• Accounts for federal grants that are managed through ePlan	• Accounts for the operations of school nutrition program

Education Funds

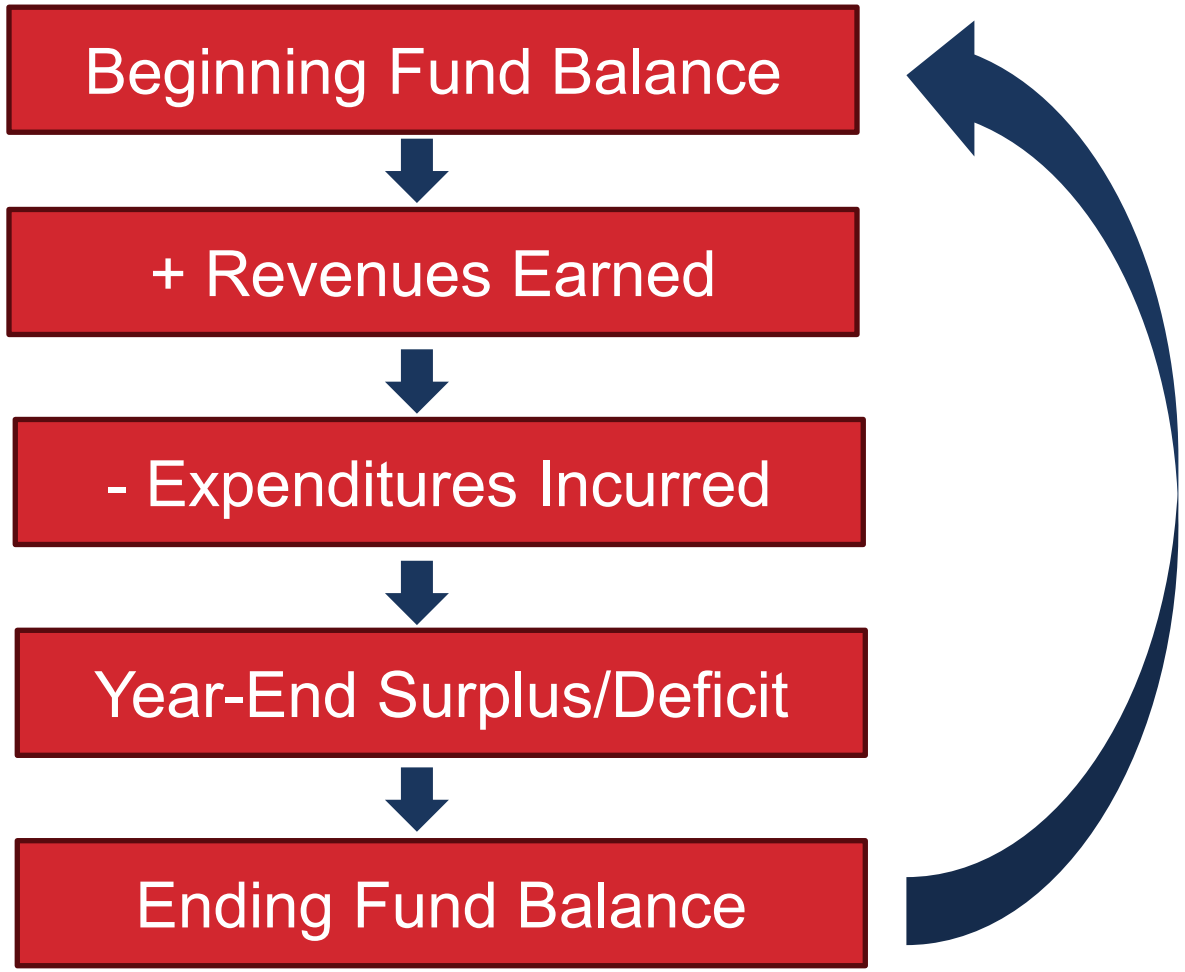
144	145	156	177
School Transportation Fund	**Education Special Revenue Fund**	**Debt Service Fund**	**Education Capital Projects Fund**
• Accounts for student transportation	• Accounts for grants separately from the operating fund	• Accounts for repayment of debt	• Accounts for education capital projects

Financial Structure



Fund Balance represents the net resources available after obligations are met.

Financial Structure



Financial Structure

- Fiscal year is July 1 to June 30.
- Annual budget is due to the department by July 31.
  - Tenn. Code Ann. § 49-3-316(a)(2)
- If a budget that meets statutory requirements is not adopted as of October 1, Tennessee Investment in Student Achievement (TISA) funds may be withheld.
  - Tenn. Code Ann. § 49-3-316(d)(3)
- Annual financial report for the prior year is due to the department by **August 1.**
  - Tenn. Code Ann. § 49-3-116(a)

Financial Structure

- Budgets and financial reports are submitted to the department via the State Funds Application in ePlan.
- Each LEA shall ensure an annual audit is conducted.
  - Tenn. Code Ann. § 49-2-112 & § 49-3-316(a)(5)
  - Satisfactory audit: Unmodified opinion - *the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund.*

Financial Structure

- Counties report financials using the modified accrual basis of accounting.
  - Non-grant revenues accrued if collected within 30 days following year-end.
  - Grants accrued if collected within 60 days following year-end.
  - Expenditures are recognized when the related fund liability is incurred.

Fund Balance

TN Department of Education

Fund Balance

- What is fund balance?
  - The net resources available after obligations are met.
- Fund balance is available to:
  - Offset declines in revenue, and
  - Pay for unforeseen increases in expenses.
- LEAs should have a written policy on the level of unrestricted fund balance to maintain.
  - Does your LEA have a fund balance policy?

Fund Balance

- How much fund balance is enough?
  - The Government Finance Officers Association (GFOA) and the TN Comptroller's Office recommend a **minimum of 2 months of expenses.**
  - Consider an unforeseen disaster or repair, such as a roof replacement.
  - Consider factors unique to your district that may require a larger fund balance.

Fund Balance

- TN Comptroller - Fiscal Health Principles for School Districts and Local Governments

Education Funding

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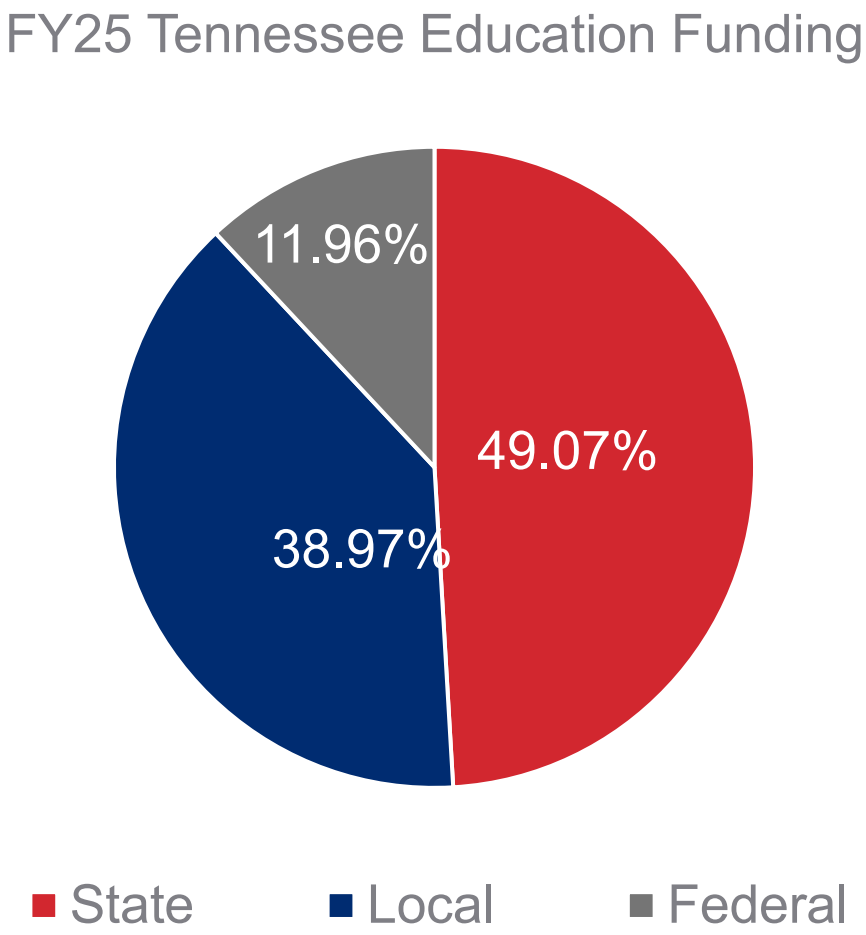
Tennessee Investment in Student Achievement (TISA)

- TISA is the **state funding formula** for K-12 public schools in Tennessee.
  - TISA is not a spending plan.
  - TISA replaced Basic Education Program (BEP) in the 2023-24 school year.
  - Key difference
    - Shifted from funding educational resources to funding students based on their individual needs and outcomes.

Tennessee Investment in Student Achievement (TISA)

- 1/10 of the TISA allocation is paid to LEAs by the 15 of the month, with no payments made in May or July.
- June TISA payments
  - 75% paid on the 15
  - 25% less any adjustments paid on or around the 30

Education Funding Sources



State Education Funding

- FY25 funding from state revenue sources:

$ 6,656,754,209	TISA
$ 113,364,956	Early Childhood
$ 126,745,584	Career and Technical
$ 6,715,139	Career Ladder
$ 4,828,924	Special Projects and Programs
$ 4,267,110	School Nutrition
$ 296,753,189	Other
$7,209,429,110	Total State Education Funding

Local Education Funding

- FY25 funding from local revenue sources:

$ 2,388,004,812	Property Taxes
$ 40,155,296	In Lieu of Property Taxes
$ 2,516,015,401	Local Option Sales Tax
$ 14,549,129	Other Local Taxes
$ 109,851,633	City General Fund
$ 538,381	Licenses and Permits
$5,069,114,652	Total Local Education Funding

Federal Education Funding

- FY25 funding from federal revenue sources:

$ 601,959,839	School Nutrition
$ 346,548,499	Title I
$ 293,974,288	IDEA
$ 47,405,285	Title II
$ 22,019,554	CTE
$ 375,825,050	Other
$1,687,732,515	Total Federal Education Funding

Federal Education Funding



Federal Funding Requirements



Title I Maintenance of Effort: To receive all Title I funds, an LEA must spend at least 90% of state and local operating funds in the preceding year as compared to the second preceding year.



Title I, Part A Supplement not Supplant: In districts with more than one school per grade span that are not all Title I schools, districts must develop a funding methodology to allocate instructional staff and materials equitably.



IDEA, Part B Maintenance of Effort: Special education expenditures from state and local must be the same or more in subsequent years (can be met at the per-pupil level).

Local Revenues

TN Department of Education

Local Option Sales Tax

- 2025 Local Option Sales Tax: $4.622 billion
  - Education receives one-half of the local option sales tax collected in the county.
    - Tenn. Code Ann. § 67-6-712
    - Based on the approved referendum, the local option rate ranges from 1.50% to 2.75% of sales.
    - In a county with a 2.75% rate, education receives 1.375%, and the governing body (county or city) where it is collected receives the other 1.375%.

Local Option Sales Tax

- County trustee distributes sales taxes two months following retail collection of sales tax.
  - December sales
  - January: remit to state
  - February: trustee receives
- In multi-system counties, local taxes are apportioned based on WFTEADA.

Property Taxes



Counties

County commissions set the county-wide property tax rate, including the rate for education.



Cities

Some cities appropriate property taxes for education; others make a general fund transfer to their school system.



Special School Districts

SSDs must have approval of the TN General Assembly to set a specific property tax rate, which is then approved by the school board.

Property Tax Timetable 2026

January 1

Property assessor makes assessments

July 2026

County commission sets tax rate

1st Monday in October

Taxes become due and payable

March 1, 2027

Taxes become delinquent, accruing penalty and interest for a total of 1.5%

Tax Data

- CTAS county tax statistics and rates
  - Details sales tax rates, property tax rates, what a penny in property tax generates, wheel tax, hotel/motel tax, and property and sales tax collections.
- TN Comptroller - Property Assessments - Property Tax Rates
  - Contains a wealth of data, including property tax rates.

State Funds Budget

TN Department of Education

State Funds Budget Process

- LEAs must enter their annual budgets in ePlan.
- The department confirms that all tests are met.
  - Maintenance of Effort (MOE)
  - Required local match
  - 3% Fund balance test
- The department's approval of the budget in ePlan indicates that the tests are met.

Maintenance of Effort

- Maintenance of Effort: Tenn. Code Ann. § 49-3-314
  - Districts must budget at least the same total amount of local revenue as they budgeted in the year prior.
  - Exception: If a district is losing ADMs, it must budget at least the same per-pupil local revenue.
- Local match: Tenn. Code Ann. § 49-3-109
  - Budgeted local revenue must equal or exceed the TISA required local match.

3% Fund Balance Test

- The test will be met if, after setting aside an amount of fund balance equal to 3% of total operating expenditures in the General Purpose Fund, the remaining fund balance is sufficient to cover the budgeted expenditures that exceed the budgeted revenues.
  - To calculate the total operating expenditures, exclude functions 73100-99100.

Navigating Annual Statistical Report (ASR) and LEA Payment Portal

TN Department of Education

What is the Annual Statistical Report?

- Annual Statistical Report (ASR)
  - Data for all LEAs
  - Data for each LEA

Where to find the ASR?

2025 Annual Statistical Report

The Annual Statistical Report for fiscal year 2023-2024 includes an array of information providing the public with statistics about education in Tennessee. We hope that you will find the report useful to become better acquainted with Tennessee's education system.

Entire Document

Zipped Excel Files

- State Commissioners of Education
- State Board of Education
- Superintendents and Chairmen of State Boards
- Statistical Summaries
- Financial Summaries

ASR at a Glance

Public School Officers		
	State Commissioners of Education	
	State Board of Education/State Board for Career & Technical Education	
	Director of Schools and Chairmen of State Boards	
Statistical Summaries		
Financial Summaries		
Statistical & Financial Tables Public Schools Grades K-12		
	Table 1:	County and City Public Schools
	Table 2:	Education Personnel Degree Level
	Table 3-1:	Assignment of K-12 School Personnel
	Table 3-2:	Assignment of K-12 School Personnel continued
	Table 4-1:	Other Education Employees
	Table 4-2:	Other Education Employees continued
	Table 5:	Average Salary
	Table 6:	High School Graduates
	Table 7:	Average Daily Membership
	Table 8:	Average Daily Attendance
	Table 9:	Membership/Enrollment
	Table 10:	Pupil Progress
	Table 11:	Disabled Children Receiving Special Services
	Table 12 A:	Transportation - Funding and Bus Data
	Table 12 C:	Transportation - Bus Profiles and Accidents
	Table 13:	Revenue - State
	Table 14:	Revenue - Federal Funds Through State
	Table 15:	Revenue - Direct Federal Funds
	Table 16:	Revenue - County, City and Special Districts
	Table 17:	Revenue - Other
	Table 18:	Revenue - Total From All Sources

ASR at a Glance

	NON-REVENUE RECEIPTS AND TOTAL REVENUE RECEIPTS ALL SOURCES	BOND, NOTE & LEASE PROCEEDS & INS RECOVERY	TRANSFERS	TOTAL NON-REVENUE RECEIPTS	TOTAL REVENUE RECEIPTS	TOTAL RECEIPTS ALL SOURCES
010	Anderson County Schools	$0	$576,413	$576,413	$95,083,908	$95,660,321
011	Clinton City Schools	$0	$60,000	$60,000	$13,918,677	$13,978,677
012	Oak Ridge Schools	$5,941	$284,387	$290,328	$82,973,224	$83,263,552
020	Bedford County Schools	$28,341	$107,318	$135,659	$118,509,466	$118,645,124
030	Benton County Schools	$49,294	$281,000	$330,294	$30,919,976	$31,250,270
040	Bledsoe County Schools	$12,238	$546,910	$559,148	$26,309,047	$26,868,195
050	Blount County Schools	$0	$1,616,297	$1,616,297	$144,612,107	$146,228,405
051	Alcoa City Schools	$210,909	$700,000	$910,909	$33,344,973	$34,255,881

State Payments

- Edison Supplier Portal
  - LEAs log in to query payments (state and federal through state) made to the school system.
    - Edison
    - Reviewing invoices - click on invoice to see the details.

State Payments

Payment Inquiry

Payments from 7/1/2026 to 7/31/2026

BU Description	Payment Reference	Invoice Number	Payment Amount	Currency	Date	Status
Education	0007367047	ePlan_2783412_ESEAConAdm_00000	5,414.88	USD	07/29/2026	Paid
Education	0007361843	ePlan_2782226_VoluntaryP_00000	3,206.57	USD	07/23/2026	Paid
Education	0007361843	ePlan_2782235_Innovative_00000	3,206.57	USD	07/23/2026	Paid
Education	0007361843	ePlan_2782227_CTEPerkins_00000	3,206.57	USD	07/23/2026	Paid
Education	0007360711	ePlan_2781903_Implementa_00000	1,608.02	USD	07/22/2026	Paid

Payment Details

Payment Detail

Payment Status	Paid	Remit Supplier	[redacted]
Payment Date	07/15/2026	Address	[redacted]
Payment Reference	0007346455		[redacted]
Payment Method	Electronic Funds Transfer	Cancel Date	
Payment Amount	46,271.75 USD	Cancel Action	No Cancel Action
Created	07/14/2026		
Comments			

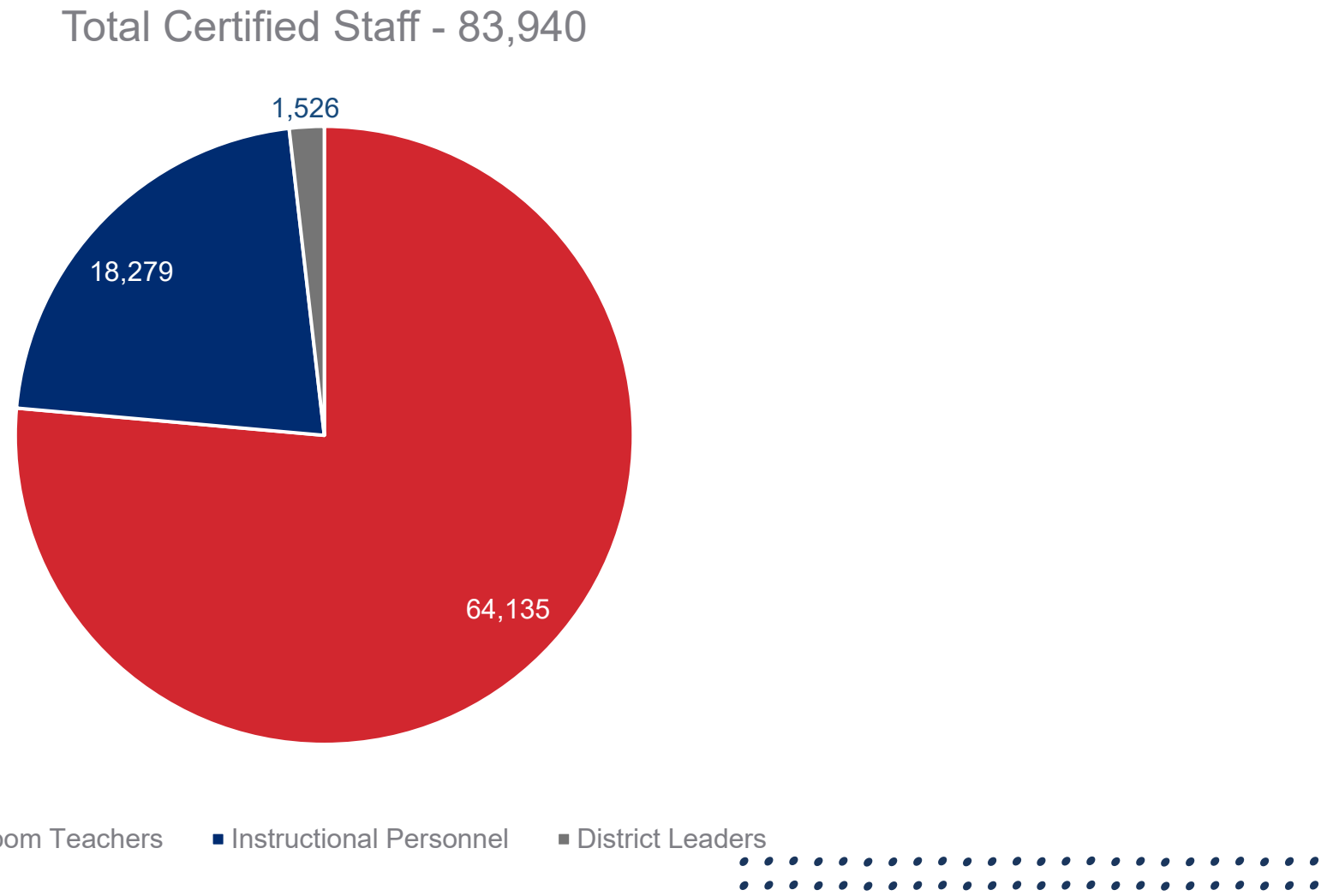
Payment Advice Details

Invoice	Voucher ID	Advice Date	Discount Amount	Payment Message	Paid Amount
ePlan_2779356_IDEAPresch_00000	00831168	07/10/2026	0.000	FP 47145 2026 IDEA Preschool	1,676.92
ePlan_2779357_School-wid_00000	00831169	07/10/2026	0.000	2026 School-Wide Pool	44,594.83

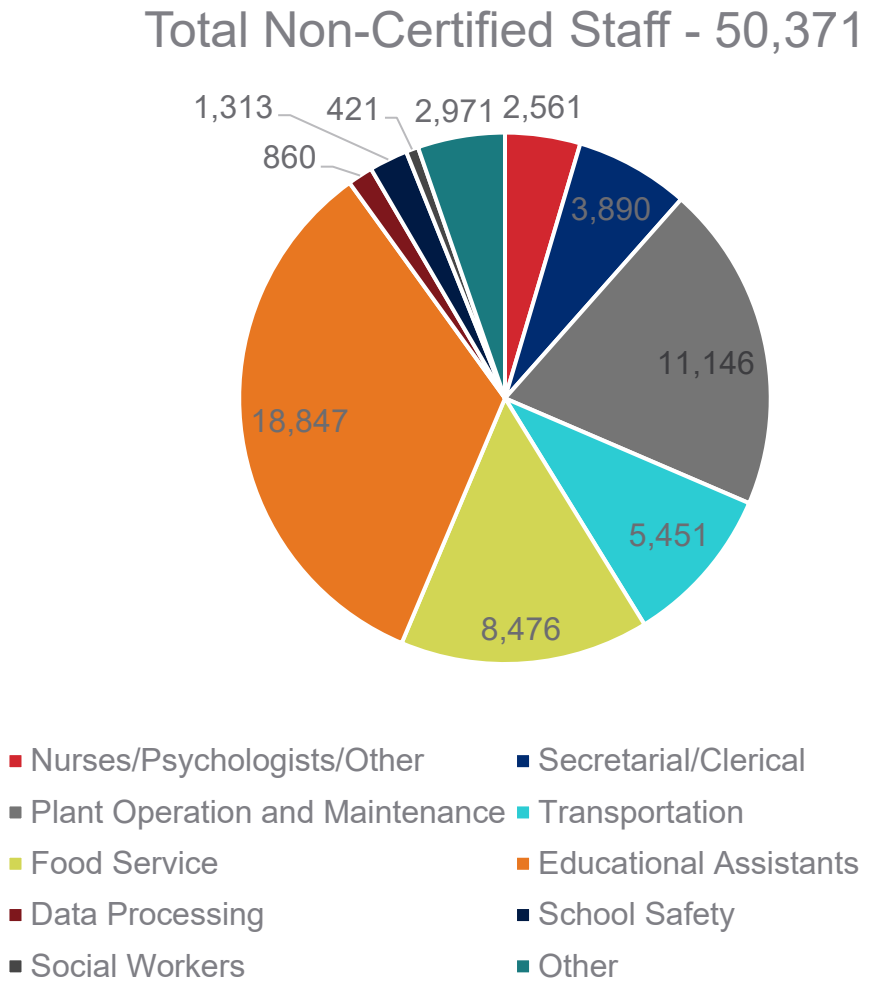
Staffing, Salaries & Benefits, and Reporting

TN Department of Education

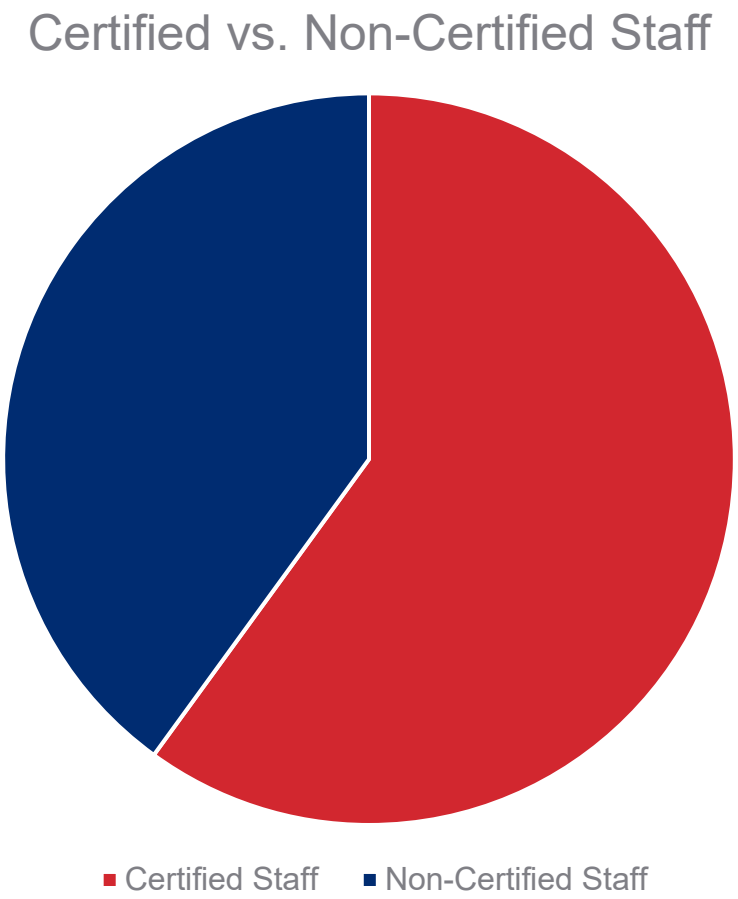
Staff Counts



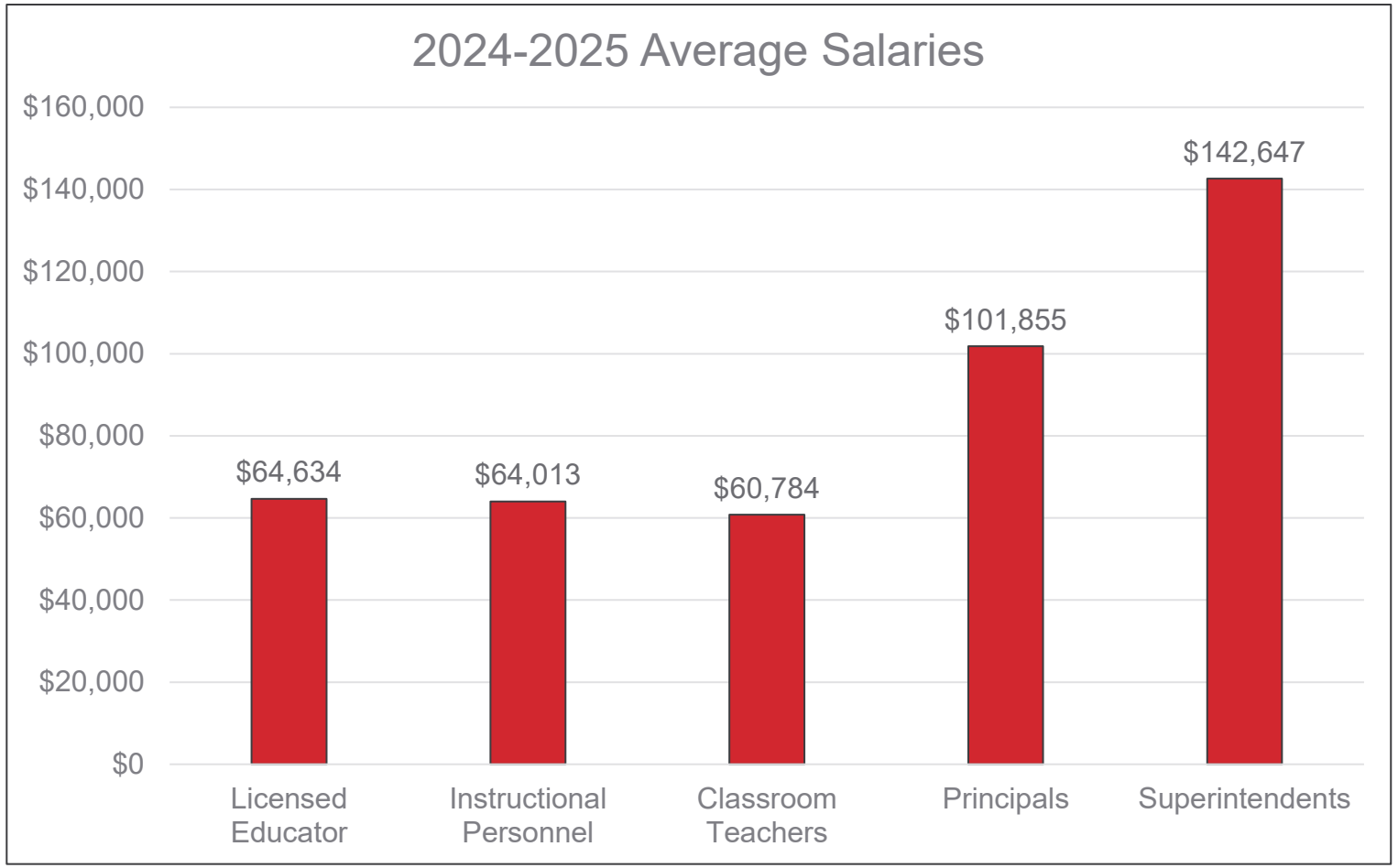
Staff Counts



Staff Counts



Certificated Salaries



Teacher Pay

- **Teachers cannot be paid less than the prior year, given the same duties.**
  - Tenn. Code Ann. § 49-3-306
- Local school boards adopt teacher salary schedules.
- Compensation is based on education level and years of experience.
- LEAs may adopt an alternative salary schedule with State Board of Education approval.

Teacher Pay

- Alternative salary schedules include a base salary plus increases tied to performance/effectiveness.
- Local salary schedule must meet or exceed the state minimum salary schedule.

State Salary Schedule

- 2026-2027 Minimum Salary Schedule
  - Base Salary = $50,000

Degree	Zero Years	1-5	6-10	11-15
Bachelors	$50,000	$50,645	$53,370	$56,900
Advanced	$53,605	$53,605	$57,365	$61,380

Benefit Requirements

- LEAs are required to contribute a portion of the monthly premium for basic health insurance coverage elected by the employee.
  - Instructional employees: at least 45%
  - Support staff: at least 10%
  - Tenn. Code Ann. § 8-27-303
  - Partners for Health LEA Plan eligibility rules
- Participation in Tennessee Consolidated Retirement System (TCRS)
  - Legacy plan – hired before 7/1/2014
  - Hybrid plan – hired after 6/30/2014

Salary Reporting

- TN Compass
  - December 1 Report:
    - Active status on December 1,
    - Salary,
    - Years,
    - Education Level,
    - Work Assignment,
    - Funding Source, and
    - Non-Licensed Staff.
  - Deadline: **February 1**
  - Data used for state reporting

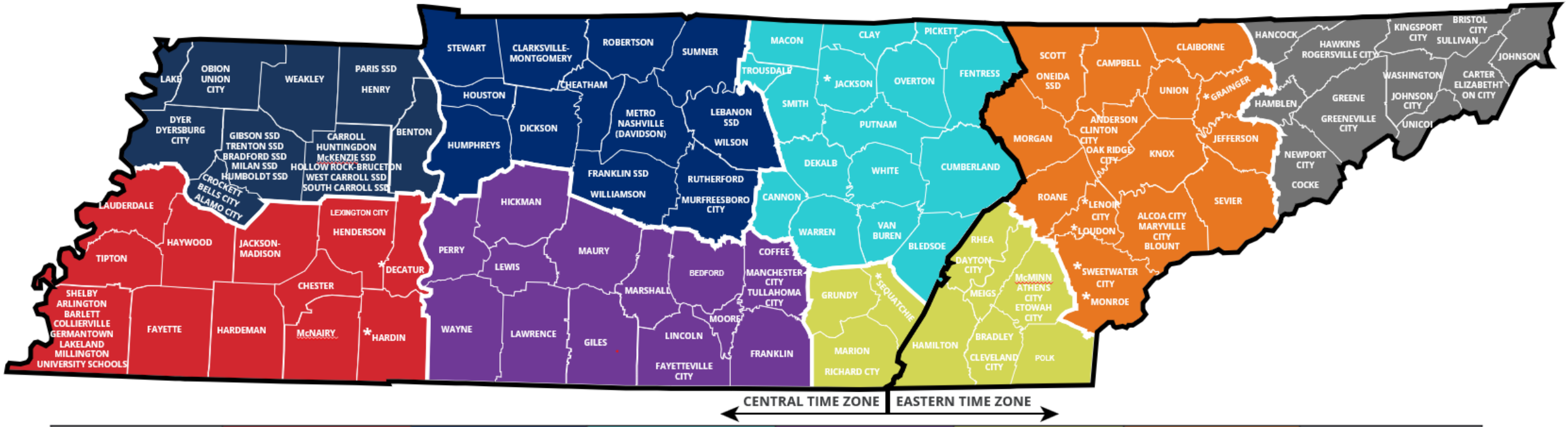
Salary Reporting

- TN Compass
  - Year-End Experience:
    - **Everyone,**
    - Time, and
    - Work Assignment.
- Deadline: **July 31**
- Resource:
  - **TN Compass Report Guidance**

Resources

TN Department of Education

Regional Finance Consultant District Map



Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Cindy Smith	Meribeth Carpenter	Rob Mynhier	Joshua Dehnz	Open Position	Taffe Bishop	Shelby Ownbey	Open Position
Cindy.Smith@tn.gov	Meribeth.B.Carpenter@tn.gov	Robert.Mynhier@tn.gov	Joshua.Dehnz@tn.gov	*Temporarily Assigned to Multiple Consultants	Taffe.Bishop@tn.gov	Shelby.Ownbey@tn.gov	*Temporarily Assigned to Multiple Consultants

*District assigned to a finance consultant in a different CORE region.

Regional Finance Consultant District Assignment

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Cindy Smith	**Meribeth Carpenter**	**Rob Mynhier**	**Joshua Dehnz**	**Open Position**	**Taffe Bishop**	**Shelby Ownbey**	**Open Position**
Cindy.Smith@tn.gov	Meribeth.B.Carpenter@tn.gov	Robert.Mynhier@tn.gov	Joshua.Dehnz@tn.gov	†Temporarily Assigned to Multiple Consultants	Taffe.Bishop@tn.gov	Shelby.Ownbey@tn.gov	†Temporarily Assigned to Multiple Consultants
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 City 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:** Arlington Community Bartlett City Chester County Collierville Schools Fayette County Germantown Municipal Hardeman County Haywood County Henderson County Jackson-Madison County Lakeland School System Lauderdale County Lexington City McNairy County Memphis-Shelby County Millington Municipal Tipton County University Schools-Memphis	**Districts:** Cheatham County Clarksville-Montgomery Dickson County Dept. of Children Services Dept. of Corrections Franklin SSD Houston County Humphreys County Lebanon SSD Metro Nashville Public Schools Murfreesboro City Robertson County Rutherford County Stewart County Sumner County TN Charter Commission TN School for the Blind Williamson County Wilson County †South Central LEAs	**Districts:** Alvin C. 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 *Sequatchie County †South Central LEAs	**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 SSD *Lenoir City *Loudon County *Monroe County *Sweetwater City †First TN LEAs	**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 TN School for the Deaf Union County *West TN School for the Deaf †First TN LEAs	**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 assigned to a finance consultant in a different CORE region.**

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TN Department of Education

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 Tennessee Comptroller's toll-free hotline:

1-800-232-5454

Notifications can also be submitted electronically at:
comptroller.tn.gov/hotline

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