

**System-level Fiscal Capacity  
for Funding Education  
in Tennessee**

***Prepared by***

**Harry A. Green, Ph.D.  
*Executive Director***

**Lynnise Roehrich-Patrick, J.D.  
*Director of Special Projects***

**September 2004**

***Tennessee Advisory Commission on  
Intergovernmental Relations***

# Prototype System-level Fiscal Capacity Model

## *How We Got Here*

---

- ♦ August 1990: TACIR staff's initial exposition of the difficulties of determining fiscal capacity for school systems in Tennessee published in a staff report titled *Fiscal Capacity of Public School Systems in Tennessee*.

- ♦ February 16, 1995: Supreme Court of Tennessee finds for the small schools plaintiffs that

*exclusion of teachers' salary increases from the equalization formula is of such magnitude that it would substantially impair the objectives of the plan; consequently, the plan must include equalization of teachers' salaries according to the BEP formula.*

- ♦ February 27, 1995: Brent Poulton, Executive Director of the State Board of Education, writes expressing concern about the use of a county fiscal capacity model and suggesting that the overall BEP funding formula would be improved "if we could establish an index for each of the 139 school systems."

- ♦ March 8, 1995: Jane Walters, Commission of Education, writes in relation to the department's review of teachers' salary equalization, asking that Dr. Green to "review the issue [of fiscal capacity] and make a proposal on how [it] can be done at the school system level."

- ♦ June 1995: Requests to revise the TACIR fiscal capacity formula are brought before the Commission. Commissioner Walters notes that

*if the department could distribute BEP funds on a fiscal capacity index that more accurately reflected the situation in each district, it would aid in the quest for equalization, be as fair as possible, and help the department in its continual battle over salaries and other issues where there is such great disparity.*

Dr. Poulton notes that

*The original premise of the BEP was that the responsibility for funding schools was split between the state and local governments. Given that local governments had different abilities to pay, local responsibility would be divided according to ability to pay. Conceptually at least, the*

*notion was that there were 139 school systems and there would be 139 splits of that local responsibility.*

Chairman Bragg asked TACIR staff to meet with department and board staff to discuss the issue further and report back at the next meeting.

- ♦ June 1997: With full funding of the BEP formula set for the upcoming year, at the Commission's request, Asst. Commissioner Roehrich-Patrick, Department of Education, presents information to the Commission as evidence of real differences in ability to pay between counties and other systems within counties. With few exceptions, city systems and special school districts have higher salaries and expenditures per student. Chairman Rochelle notes that TACIR will review the fiscal capacity model, but notes that the lack of data for income at the city and special school district level limits the effort.
- ♦ June 1998: Intent to develop sub-county model included in TACIR work program.
- ♦ Summer/Fall 1998: Initial development of one-tier and two-tier sub-county models. Staff proceeds with development of two-tier model.
- ♦ Summer/Fall 2000 through Fall 2002: Discussion of municipal overburden as it relates to sub-county model; significant cross-research with Comptroller's Office of Education Accountability (OREA).
- ♦ September 2001: Prototype two-tier model presented to Commission.
- ♦ Fall 2001: favorable review of draft model by outside experts in school finance and statistics, including OREA staff.
- ♦ October 2002: Supreme Court of Tennessee strikes down current funding scheme for funding/establishing teachers' salaries; work on sub-county fiscal capacity model begins again in earnest.
- ♦ Fall 2002: First one-tier algebraic prototype developed by TACIR staff.
- ♦ Winter 2003: TACIR staff explore alternatives to sub-county model at request of Comptroller of the Treasury.
- ♦ June 2003: Commission updated on development of prototype model; concern about developing income measure at the sub-county level highlighted.

- ♦ June 2003: OREA staff experimenting with two-tier, regression based, sub-county model; request feedback.
- ♦ September 2003: OREA and TACIR staff begin in working in concert on sub-county prototype; develop four basic alternatives:
  - *two two-tier models, both w/regression-based county tier*
    - one w/algebraic second tier based solely on tax bases
    - one w/regression second tier
  - *two one-tier models*
    - one algebraic based solely on tax bases
    - one full regression
- ♦ October 2003: Four basic alternatives submitted to external reviewers for comments; one-tier regression version most favored; submitted to Governor's office.
- ♦ October 7, 2003: Governor's salary equity task force drafts framework for recommendation of ten principles including this one: "The proposal will include a new district-level fiscal capacity model in order to provide a fairer method of determining local contribution."
- ♦ October 30, 2003: TACIR submits consensus prototype system-level model to Governor's office.
- ♦ Winter 2004: Governor's office submits salary equity proposal to legislature that does not include prototype model.
- ♦ Spring 2004: General Assembly enacts and Governor signs salary equity bill that includes request that BEP Review Committee give special consideration to, among other things, a system-level fiscal capacity model; requires annual report each November 1.
- ♦ Summer 2004: BEP Review Committee establishes subcommittees to prepare proposal for, among other things, a system-level fiscal capacity model in order to comply with legislation.

# Tennessee's Unique Challenge

## *How to Handle Disparate Fiscal Entities in a Single Model*

---

- Measuring fiscal capacity for Tennessee's 136 school systems presents

### **Two Significant Challenges**

- ♦ *different authority to tax and raise revenue*
- ♦ *different fiscal relationships among systems*

- **County governments\***

- ♦ *Must levy county-wide tax for schools*
  - *May tax property*
  - *May tax sales*
  - *May tax other activities (e.g., wheel tax)*
- ♦ *Must share school taxes with other systems in county*
- ♦ *May use revenue from state-shared taxes for schools without sharing*

- **City governments**

- ♦ *May make general fund transfers for schools (some do; some don't)*
  - *May tax property*
  - *May tax sales*
  - *May tax other activities*
- ♦ *Need not share school funds with any other system*
- ♦ *May use revenue from state-shared taxes for schools without sharing*
- ♦ *Receive share of county governments' school revenue*

- **Special School Districts**

- ♦ *May only tax property*
- ♦ *Need not share school funds with any other system*
- ♦ *Receive share of county governments' school revenue*

---

\* County governments are not required to operate schools (if all students in the county can attend a city system or special school district), but if they do so, must establish education taxes for them.

# Disparate Fiscal Entities

## *Different Revenues, Different Sharing Requirements*

- Different kinds of school systems have access to different revenue sources
- Different kinds of school systems have different sharing obligations when accessing their revenue sources for schools

<b>Revenue Source</b>	<b>County School Systems</b>	<b>City School Systems</b>	<b>Special School Districts</b>
<b>Property</b>			
♦ Shared	Yes—retain portion of county taxes based on share of WFTEADA	Yes—receive from county based on share of WFTEADA	Yes—receive from county based on share of WFTEADA
♦ Unshared	No—county revenue for education must be shared*	Yes—at individual city’s discretion or through general fund transfer	Yes—based on rate established by legislature
<b>Taxable Sales</b>			
♦ Shared	Yes—retain portion of county taxes based on share of WFTEADA	Yes—receive from county based on share of WFTEADA	Yes—receive from county based on share of WFTEADA
♦ Unshared	No—county revenue for education must be shared*	Yes—at individual city’s discretion or through general fund transfer	No—not authorized by legislature
<b>State-shared Tax Revenue</b>			
	Yes—no sharing requirement	Yes—no sharing requirement	No—not eligible to receive

**A note about values included in the fiscal capacity model:** All systems have values greater than zero for tax base variables that generate county education revenue that must be shared, including the resident tax burden variable that is based on the county-area property tax base. If the table above indicates that a particular revenue source is not available, then the fiscal capacity model will include zeros for those kinds of systems. For example, special school districts receive zeros unshared taxable sales and zero state-shared taxes. Similarly, county school systems receive zero unshared property and sales tax revenues and have a zero for the resident tax burden associated with unshared property tax revenues.

\* Except in very limited circumstances (i.e., to support countywide transportation fund or to repay rural education debt).

## **New Model versus Current Model—Highlights**

---

- Provides system-level fiscal capacity for use in equalizing system-level funding formula
- Retains regression-based modified representative tax system approach
- Retains and enhances pupil and taxpayer equity measures
  - ♦ Tax base variables include state-shared tax revenue available to fund school systems
  - ♦ Per Capita Income replaced by
    - ✓ *Median Household Income for county area—eliminates problem of group quarters and outliers in smaller counties*
    - ✓ *Child Poverty Rate for school systems—only income-related data available at that level*
- Remains a fiscal behavioral model—does not set normative standards for local revenue
- Own-source revenue includes state-shared tax revenue used to fund school systems
  - ✓ *More comprehensive—state-shared tax revenue substitutes for local revenues*
  - ✓ *Improves data integrity—state-shared tax revenue cannot be separated out of city general fund transfers*
- Service Burden (public school students divided by population) no longer needed—covered by more comprehensive BEP Formula (*separately funds academic, vocational and special education plus additional funds for English language learners and at-risk students*)

# New Model versus Current Model

## *Comparison of Variables*

<b>Variables</b>	<b>Current Model</b>	<b>New Model</b>
<b>Local Revenue</b>	<i>Does not include state-shared tax revenue except in City General Fund Transfers</i>	<i>Includes state-shared tax revenues used to fund school systems</i>
<b>Property per Pupil</b>	<i>County area</i>	<i>County area &amp; school systems</i>
<b>Sales per Pupil</b>	<i>County area</i>	<i>County area &amp; school systems</i>
<b>State-shared Tax Revenue per Pupil</b>	<i>Does not include</i>	<i>Includes state-shared tax revenues available to fund school systems</i>
<b>Ability to Pay</b>	<i>County-area Per Capita Income</i>	<ul style="list-style-type: none"> <li>♦ <i>County-area Median Household Income</i></li> <li>♦ <i>System Child Poverty Rate</i></li> </ul>
<b>Resident Tax Burden/Tax Exportability</b>	<i>County-area residential &amp; farm assessment divided by total assessment</i>	<i>Business-related* property assessment divided by total assessment</i> <ul style="list-style-type: none"> <li>♦ <i>County-area ratio</i></li> <li>♦ <i>System ratio</i></li> </ul>
<b>Service Burden</b>	<i>Public School Students (ADM) divided by Population</i>	<i>Not included because BEP has become more comprehensive</i>

\* Commercial, industrial, utility and personal property.

# Schedule of Data Availability

---

	1999	2000	2001	2002	2003	2004	2005	2006
<i><b>BEP Funding Year</b></i>								<b>X</b>
<i><b>Student Counts (ADM)</b></i>				<b>X</b>	<b>X</b>	<b>X</b>		
<i><b>Local Revenue</b></i>				<b>X</b>	<b>X</b>	<b>X</b>		
<i><b>Taxable Sales</b></i>				<b>X</b>	<b>X</b>	<b>X</b>		
<i><b>Taxable Property</b></i>			<b>X</b>	<b>X</b>	<b>X</b>			
<i><b>State-shared Tax Revenue</b></i>				<b>X</b>	<b>X</b>	<b>X</b>		
<i><b>Median Household Income</b></i>	<b>X</b>	<b>X</b>	<b>X</b>					
<i><b>Child Poverty Rates</b></i>	<b>X</b>	<b>X</b>	<b>X</b>					

- **Calculations of funding through the Basic Education Program (BEP) formula are made during the fiscal year prior to the year in which funding is to be provided.** Because the calculations are made before the end of the prior fiscal year, no figures for the year during which those calculations are made are available for that purpose; therefore, the latest available data is always from two years prior to the year being funded. Moreover, data reported on a calendar year basis, which includes property, median household income and child poverty, will always be another six months behind. And figures from the federal government, which include median household income and child poverty, will lag further behind because they are based on a wide array of data and complex estimation processes.
- **Three-year averages are used for each factor by agreement with the BEP Review Committee appointed by the State Board of Education in order to mitigate any volatility that might be inherent in the data.** The most volatile data is typically the property tax base because of periodic and unpredictable challenges to the assessed valuations established by county appraisers.

# Volunteer County Example

<b>Fiscal Capacity Measurement</b>	<b>School Systems in Volunteer County</b>		
	<b>Volunteer County</b>	<b>Polk City</b>	<b>Best \$\$\$</b>
<i>Revenue per Pupil</i>	\$2,254	\$3,140	\$2,612
<i>Shared Property per Pupil</i>	\$100,823	\$100,823	\$100,823
<i>Unshared Property per Pupil</i>	\$0	\$131,912	\$74,638
<i>Shared Taxable Sales per Pupil</i>	\$64,001	\$64,001	\$64,001
<i>Unshared Taxable Sales per Pupil</i>	\$0	\$134,287	\$0
<i>Shared Tax Exportability Ratio</i>	44.17%	44.17%	44.17%
<i>Unshared Tax Exportability Ratio</i>	0.00%	58.97%	40.96%
<i>State-shared Tax Revenue per Pupil</i>	\$177	\$612	\$0
<i>County Median Household Income</i>	\$33,953	\$33,953	\$33,953
<i>System Child Poverty Rate</i>	15.73%	19.89%	17.03%
<i>System-level Fiscal Capacity per Pupil</i>	\$2,229	\$3,089	\$2,690
<i>Old County-area Fiscal Capacity</i>	\$2,405	\$2,405	\$2,405

# New Model versus Current Model—Ability to Pay

---

## Correlation Coefficients for Alternative Measures

*Based on Most Current Three-year Averages*

	<b>Per Capita Personal Income</b> <i>1999-2001</i>	<b>Median Household Income</b> <i>1998-2000</i>	<b>Poverty Rate for All Ages</b> <i>1998-2000</i>	<b>Poverty Rate for Ages 5-17</b> <i>1998-2000</i>
<b>Per Capita Personal Income</b>	1.0000			
<b>Median Household Income</b>	0.8188	1.0000		
<b>Poverty Rate for All Ages</b>	(0.7104)	(0.8662)	1.0000	
<b>Poverty Rate for Ages 5-17</b>	(0.7039)	(0.8797)	0.9770	1.0000

### Median Household Income

- **Highly correlated with Per Capita Personal Income**  
*(PCPI used in the current county model)*
- **Does not include populations in group quarters**  
*(group quarters includes college students, prison inmates, etc.)*

### Child Poverty

- **Only measure available for school systems**
- **Highly correlated with Median Household Income**

**Prototype System-level Fiscal Capacity Variables and Index**

	LEA Revenue Per Pupil	Property per Pupil		Sales per Pupil		LEA State-shared Taxes	Tax Exportability*		County Median HH Inc	LEA % Child Poverty	Fiscal Capacity Per Pupil	ADMs	Total Fiscal Capacity	Percent of Total Fiscal Capacity
		Shared (County)	Unshared (City/SSD)	Shared (County)	Unshared (City)		Shared (County)	Unshared (City/SSD)						
Anderson County	\$2,478	\$84,696	\$0	\$52,700	\$0	\$124.09	42.97%	0.00%	\$36,670	16.89%	\$1,946	6,956	\$ 13,537,866	0.6312%
Clinton City	\$2,556	\$84,696	\$206,917	\$52,700	\$129,154	\$794.93	42.97%	64.02%	\$36,670	18.91%	\$3,116	928	2,890,524	0.1348%
Oak Ridge City	\$4,508	\$85,556	\$126,286	\$52,303	\$115,992	\$574.93	41.47%	48.26%	\$36,321	14.37%	\$2,788	4,408	12,286,618	0.5728%
Bedford County	\$1,370	\$81,717	\$0	\$37,954	\$0	\$92.42	40.84%	0.00%	\$35,072	15.59%	\$1,605	6,343	10,177,554	0.4745%
Benton County	\$1,911	\$61,564	\$0	\$38,349	\$0	\$427.75	28.70%	0.00%	\$28,308	22.14%	\$1,316	2,502	3,291,631	0.1535%
Bledsoe County	\$899	\$81,489	\$0	\$17,794	\$0	\$190.98	25.19%	0.00%	\$28,786	21.83%	\$973	1,779	1,731,240	0.0807%
Blount County	\$2,006	\$109,084	\$0	\$61,220	\$0	\$128.34	37.87%	0.00%	\$37,878	12.55%	\$2,265	10,812	24,484,023	1.1415%
Alcoa City	\$4,330	\$109,084	\$231,585	\$61,220	\$340,401	\$465.76	37.87%	76.57%	\$37,878	16.59%	\$3,988	1,301	5,188,058	0.2419%
Maryville City	\$3,399	\$109,084	\$113,937	\$61,220	\$90,101	\$487.35	37.87%	53.24%	\$37,878	12.84%	\$3,015	4,341	13,088,164	0.6102%
Bradley County	\$1,724	\$92,495	\$0	\$54,687	\$0	\$108.83	41.80%	0.00%	\$35,626	12.07%	\$2,031	9,012	18,303,556	0.8534%
Cleveland City	\$2,664	\$92,495	\$153,081	\$54,687	\$141,383	\$742.61	41.80%	60.51%	\$35,626	18.83%	\$3,005	4,376	13,149,102	0.6131%
Campbell County	\$1,156	\$70,471	\$0	\$38,286	\$0	\$149.37	33.26%	0.00%	\$25,110	26.54%	\$1,250	6,210	7,760,884	0.3618%
Cannon County	\$973	\$68,290	\$0	\$17,863	\$0	\$122.50	17.97%	0.00%	\$32,395	16.38%	\$1,014	2,103	2,132,809	0.0994%
Carroll County	\$1,579	\$53,971	\$53,930	\$26,225	\$0	\$129.82	28.86%	28.86%	\$30,755	0.00%	\$1,519	4,940	709,310	0.0331%
Hollow Rock-Bruceto	\$1,235	\$53,971	\$42,282	\$26,225	\$0	\$0.00	28.86%	30.57%	\$30,755	13.12%	\$1,377	784	1,079,169	0.0503%
Huntingdon SSD	\$1,566	\$53,971	\$59,397	\$26,225	\$0	\$0.00	28.86%	33.55%	\$30,755	19.38%	\$1,391	1,327	1,846,334	0.0861%
McKenzie SSD	\$1,372	\$53,971	\$58,632	\$26,225	\$0	\$0.00	28.86%	40.40%	\$30,755	15.06%	\$1,446	1,306	1,888,610	0.0881%
South Carroll Co SSE	\$1,206	\$53,971	\$51,915	\$26,225	\$0	\$0.00	28.86%	10.56%	\$30,755	12.95%	\$1,343	396	532,569	0.0248%
West Carroll Co SSD	\$1,349	\$53,971	\$51,081	\$26,225	\$0	\$0.00	28.86%	12.31%	\$30,755	20.02%	\$1,290	1,121	1,446,492	0.0674%
Carter County	\$1,225	\$60,194	\$0	\$30,652	\$0	\$114.25	29.62%	0.00%	\$27,967	20.02%	\$1,152	5,993	6,904,001	0.3219%
Elizabethton City	\$2,229	\$60,194	\$69,739	\$30,652	\$87,784	\$529.97	29.62%	52.69%	\$27,967	22.88%	\$1,737	2,199	3,819,327	0.1781%
Cheatham County	\$1,131	\$67,807	\$0	\$19,819	\$0	\$59.46	21.01%	0.00%	\$44,615	9.84%	\$1,365	6,869	9,376,912	0.4372%
Chester County	\$875	\$58,035	\$0	\$27,596	\$0	\$114.87	29.13%	0.00%	\$33,041	17.50%	\$1,206	2,450	2,954,112	0.1377%
Claiborne County	\$1,478	\$69,169	\$0	\$25,077	\$0	\$150.66	32.81%	0.00%	\$26,027	24.75%	\$1,009	4,624	4,667,347	0.2176%
Clay County	\$1,260	\$63,829	\$0	\$25,324	\$0	\$169.75	27.18%	0.00%	\$23,524	25.01%	\$922	1,200	1,106,421	0.0516%
Cocke County	\$1,227	\$63,602	\$0	\$39,124	\$0	\$120.51	38.33%	0.00%	\$25,550	26.65%	\$1,260	4,666	5,880,551	0.2742%
Newport City	\$1,898	\$63,602	\$145,783	\$39,124	\$249,997	\$872.83	38.33%	69.48%	\$25,550	27.11%	\$2,535	683	1,730,552	0.0807%
Coffee County	\$1,823	\$69,784	\$0	\$58,137	\$0	\$169.54	42.84%	0.00%	\$34,738	12.19%	\$1,993	4,169	8,309,977	0.3874%
Manchester City	\$2,631	\$69,784	\$106,288	\$58,137	\$136,453	\$588.33	42.84%	63.15%	\$34,738	19.71%	\$2,799	1,194	3,343,646	0.1559%
Tullahoma City	\$2,969	\$70,383	\$76,075	\$57,491	\$80,465	\$433.45	42.32%	50.42%	\$34,734	20.11%	\$2,515	3,604	9,064,419	0.4226%
Crockett County	\$969	\$65,617	\$0	\$15,508	\$0	\$172.98	32.26%	0.00%	\$29,951	17.11%	\$943	1,715	1,617,792	0.0754%
Alamo City	\$802	\$65,617	\$54,133	\$15,508	\$30,520	\$362.82	32.26%	60.08%	\$29,951	25.62%	\$1,321	539	711,922	0.0332%
Bells City	\$884	\$65,617	\$77,241	\$15,508	\$23,686	\$453.72	32.26%	68.48%	\$29,951	22.71%	\$1,434	391	561,193	0.0262%
Cumberland County	\$1,453	\$117,382	\$0	\$64,518	\$0	\$130.90	28.37%	0.00%	\$30,050	20.22%	\$2,113	6,735	14,232,122	0.6635%
Davidson County	\$4,307	\$191,472	\$0	\$139,037	\$0	\$665.01	57.27%	0.00%	\$40,359	16.29%	\$4,285	68,203	292,264,354	13.6263%
Decatur County	\$1,488	\$76,758	\$0	\$44,494	\$0	\$263.51	30.68%	0.00%	\$28,442	18.86%	\$1,530	1,601	2,449,207	0.1142%
DeKalb County	\$1,029	\$106,278	\$0	\$34,497	\$0	\$130.16	32.17%	0.00%	\$30,218	20.32%	\$1,474	2,600	3,831,134	0.1786%
Dickson County	\$1,890	\$85,820	\$0	\$49,948	\$0	\$77.40	38.89%	0.00%	\$37,654	14.03%	\$1,924	7,965	15,326,508	0.7146%
Dyer County	\$2,283	\$73,031	\$0	\$45,376	\$0	\$174.39	42.69%	0.00%	\$32,924	11.61%	\$1,715	3,236	5,549,706	0.2587%
Dyersburg City	\$2,215	\$73,031	\$70,998	\$45,376	\$78,434	\$434.26	42.69%	60.04%	\$32,924	26.40%	\$2,205	3,487	7,688,676	0.3585%
Fayette County	\$1,416	\$137,517	\$0	\$29,949	\$0	\$190.90	24.73%	0.00%	\$37,669	16.03%	\$1,682	3,473	5,841,040	0.2723%
Fentress County	\$1,181	\$66,786	\$0	\$36,052	\$0	\$194.17	28.91%	0.00%	\$22,947	28.01%	\$1,122	2,326	2,608,696	0.1216%

**Prototype System-level Fiscal Capacity Variables and Index**

	LEA	Property per Pupil		Sales per Pupil		LEA	Tax Exportability*		County	LEA	Fiscal	ADMs	Total Fiscal	Percent of Total
	Revenue	Shared	Unshared	Shared	Unshared	State-shared	Shared	Unshared	Median	% Child	Capacity			
	Per Pupil	(County)	(City/SSD)	(County)	(City)	Taxes	(County)	(City/SSD)	HH Inc	Poverty	Per Pupil			
Franklin County	\$1,676	\$87,369	\$0	\$39,184	\$0	\$161.58	27.62%	0.00%	\$34,629	15.66%	\$1,607	5,788	9,303,341	0.4338%
Humboldt City	\$1,612	\$67,755	\$71,814	\$30,820	\$51,851	\$469.33	39.18%	60.06%	\$31,122	21.34%	\$1,827	1,657	3,026,303	0.1411%
Milan SSD	\$2,016	\$67,755	\$72,158	\$30,820	\$0	\$0.00	39.18%	52.44%	\$31,122	17.43%	\$1,697	2,002	3,398,043	0.1584%
Trenton SSD	\$1,507	\$67,755	\$64,284	\$30,820	\$0	\$0.00	39.18%	33.64%	\$31,122	16.92%	\$1,615	1,441	2,327,325	0.1085%
Bradford SSD	\$1,280	\$67,755	\$53,782	\$30,820	\$0	\$0.00	39.18%	16.70%	\$31,122	18.03%	\$1,517	642	973,759	0.0454%
Gibson County SSD	\$1,346	\$67,755	\$67,675	\$30,820	\$0	\$0.00	39.18%	21.37%	\$31,122	12.30%	\$1,623	2,607	4,229,845	0.1972%
Giles County	\$1,744	\$80,937	\$0	\$40,101	\$0	\$145.25	41.21%	0.00%	\$34,646	15.23%	\$1,642	4,516	7,417,896	0.3458%
Grainger County	\$823	\$54,431	\$0	\$14,968	\$0	\$210.44	19.26%	0.00%	\$28,537	21.84%	\$782	3,272	2,559,007	0.1193%
Greene County	\$1,282	\$92,751	\$0	\$44,557	\$0	\$126.68	36.72%	0.00%	\$29,834	16.61%	\$1,656	6,918	11,455,031	0.5341%
Greeneville City	\$4,216	\$92,751	\$127,883	\$44,557	\$129,918	\$570.13	36.72%	64.59%	\$29,834	21.43%	\$2,544	2,635	6,704,206	0.3126%
Grundy County	\$832	\$49,492	\$0	\$19,279	\$0	\$139.92	25.64%	0.00%	\$23,943	28.35%	\$717	2,284	1,636,544	0.0763%
Hamblen County	\$2,313	\$106,368	\$0	\$66,909	\$0	\$86.79	51.55%	0.00%	\$33,113	17.06%	\$2,271	8,985	20,410,037	0.9516%
Hamilton County	\$3,275	\$130,342	\$0	\$90,437	\$0	\$79.32	50.86%	0.00%	\$37,396	14.87%	\$2,951	40,747	120,258,114	5.6068%
Hancock County	\$701	\$59,270	\$0	\$12,657	\$0	\$166.69	27.96%	0.00%	\$20,618	33.87%	\$518	1,102	570,687	0.0266%
Hardeman County	\$1,291	\$57,769	\$0	\$25,746	\$0	\$129.76	33.55%	0.00%	\$27,442	21.64%	\$1,031	4,540	4,681,058	0.2182%
Hardin County	\$1,697	\$102,899	\$0	\$45,787	\$0	\$194.29	36.25%	0.00%	\$27,899	23.36%	\$1,631	3,835	6,253,161	0.2915%
Hawkins County	\$1,573	\$83,903	\$0	\$28,332	\$0	\$127.92	38.96%	0.00%	\$32,187	18.34%	\$1,333	7,154	9,536,909	0.4446%
Rogersville City	\$1,790	\$83,903	\$108,980	\$28,332	\$156,853	\$607.42	38.96%	64.70%	\$32,187	20.73%	\$2,241	633	1,418,704	0.0661%
Haywood County	\$1,459	\$79,639	\$0	\$25,381	\$0	\$198.14	39.46%	0.00%	\$27,483	21.64%	\$1,136	3,574	4,060,208	0.1893%
Henderson County	\$1,177	\$63,720	\$0	\$38,244	\$0	\$182.03	37.69%	0.00%	\$32,423	14.85%	\$1,481	3,442	5,099,504	0.2378%
Lexington City	\$1,587	\$63,720	\$148,000	\$38,244	\$142,685	\$630.96	37.69%	63.22%	\$32,423	19.61%	\$2,458	933	2,294,183	0.1070%
Henry County	\$2,316	\$86,947	\$0	\$55,419	\$0	\$383.58	35.68%	0.00%	\$29,694	17.92%	\$1,847	3,150	5,819,095	0.2713%
Paris SSD	\$2,458	\$86,947	\$97,289	\$55,419	\$0	\$0.00	35.68%	68.71%	\$29,694	22.82%	\$2,325	1,458	3,389,398	0.1580%
Hickman County	\$963	\$62,430	\$0	\$19,077	\$0	\$147.67	24.11%	0.00%	\$31,688	17.34%	\$1,011	3,798	3,840,817	0.1791%
Houston County	\$992	\$53,031	\$0	\$19,612	\$0	\$181.43	28.15%	0.00%	\$29,016	20.23%	\$918	1,419	1,302,665	0.0607%
Humphreys County	\$1,305	\$95,095	\$0	\$34,088	\$0	\$324.54	48.55%	0.00%	\$33,631	15.05%	\$1,590	3,003	4,774,301	0.2226%
Jackson County	\$1,068	\$65,943	\$0	\$15,725	\$0	\$159.37	27.56%	0.00%	\$26,657	19.35%	\$848	1,659	1,406,444	0.0656%
Jefferson County	\$1,220	\$91,148	\$0	\$36,380	\$0	\$112.57	30.01%	0.00%	\$32,029	17.42%	\$1,503	6,849	10,292,643	0.4799%
Johnson County	\$1,411	\$73,962	\$0	\$27,847	\$0	\$181.66	25.55%	0.00%	\$23,734	25.66%	\$1,010	2,286	2,309,038	0.1077%
Knox County	\$3,414	\$119,402	\$0	\$105,309	\$0	\$82.22	44.34%	0.00%	\$38,126	13.44%	\$3,214	51,850	166,667,069	7.7706%
Lake County	\$1,274	\$67,369	\$0	\$26,143	\$0	\$170.94	33.34%	0.00%	\$22,031	29.51%	\$905	883	798,656	0.0372%
Lauderdale County	\$1,105	\$55,193	\$0	\$25,703	\$0	\$97.11	39.59%	0.00%	\$28,428	20.55%	\$1,065	4,568	4,865,786	0.2269%
Lawrence County	\$1,224	\$65,917	\$0	\$38,186	\$0	\$94.51	38.46%	0.00%	\$30,647	17.26%	\$1,431	6,782	9,706,514	0.4525%
Lewis County	\$761	\$60,907	\$0	\$27,868	\$0	\$122.61	30.31%	0.00%	\$28,689	19.19%	\$1,123	1,947	2,185,229	0.1019%
Lincoln County	\$1,334	\$69,169	\$0	\$37,295	\$0	\$143.86	28.41%	0.00%	\$33,353	13.36%	\$1,487	4,025	5,985,196	0.2790%
Fayetteville City	\$1,956	\$69,169	\$105,832	\$37,295	\$156,321	\$605.21	28.41%	65.71%	\$33,353	29.13%	\$2,280	1,046	2,384,044	0.1112%
Loudon County	\$1,756	\$116,458	\$0	\$40,503	\$0	\$202.59	33.50%	0.00%	\$39,104	12.63%	\$1,892	4,877	9,224,577	0.4301%
Lenoir City	\$2,643	\$116,458	\$51,690	\$40,503	\$90,302	\$295.45	33.50%	64.78%	\$39,104	21.98%	\$2,397	1,990	4,770,238	0.2224%
McMinn County	\$1,601	\$103,333	\$0	\$45,688	\$0	\$126.84	55.00%	0.00%	\$32,330	13.97%	\$1,850	5,794	10,717,482	0.4997%
Athens City	\$2,313	\$103,333	\$169,807	\$45,688	\$159,719	\$644.44	55.00%	72.07%	\$32,330	24.42%	\$2,920	1,741	5,085,724	0.2371%
Etowah City	\$1,622	\$103,333	\$90,029	\$45,688	\$92,468	\$742.17	55.00%	46.32%	\$32,330	27.05%	\$2,417	381	921,223	0.0430%
McNairy County	\$1,187	\$65,383	\$0	\$28,448	\$0	\$122.58	39.14%	0.00%	\$29,780	19.96%	\$1,196	4,111	4,915,076	0.2292%

**Prototype System-level Fiscal Capacity Variables and Index**

	LEA Revenue Per Pupil	Property per Pupil		Sales per Pupil		LEA State-shared Taxes	Tax Exportability*		County Median HH Inc	LEA % Child Poverty	Fiscal Capacity Per Pupil	ADMs	Total Fiscal Capacity	Percent of Total Fiscal Capacity
		Shared (County)	Unshared (City/SSD)	Shared (County)	Unshared (City)		Shared (County)	Unshared (City/SSD)						
Macon County	\$1,029	\$55,387	\$0	\$29,984	\$0	\$105.00	33.78%	0.00%	\$29,930	18.40%	\$1,184	3,566	4,223,462	0.1969%
Madison County	\$2,971	\$106,807	\$0	\$92,104	\$0	\$71.34	51.42%	0.00%	\$35,847	16.45%	\$2,844	13,668	38,871,952	1.8123%
Marion County	\$1,404	\$82,957	\$0	\$45,415	\$0	\$195.68	33.79%	0.00%	\$31,460	18.31%	\$1,648	4,119	6,787,438	0.3165%
Richard City SSD	\$1,533	\$82,957	\$24,006	\$45,415	\$0	\$0.00	33.79%	43.49%	\$31,460	25.75%	\$1,798	319	573,758	0.0268%
Marshall County	\$2,050	\$86,053	\$0	\$36,943	\$0	\$94.63	46.64%	0.00%	\$37,469	12.50%	\$1,694	4,793	8,119,489	0.3786%
Mauzy County	\$1,960	\$88,909	\$0	\$54,123	\$0	\$88.52	37.07%	0.00%	\$40,074	13.23%	\$2,074	11,219	23,263,069	1.0846%
Meigs County	\$915	\$70,215	\$0	\$17,426	\$0	\$263.63	21.57%	0.00%	\$29,322	22.59%	\$917	1,821	1,670,250	0.0779%
Monroe County	\$1,471	\$82,524	\$0	\$39,604	\$0	\$219.00	40.67%	0.00%	\$30,019	19.03%	\$1,514	5,035	7,622,329	0.3554%
Sweetwater City	\$1,473	\$82,524	\$55,876	\$39,604	\$62,346	\$294.92	40.67%	58.27%	\$30,019	27.71%	\$1,955	1,448	2,830,892	0.1320%
Montgomery County	\$1,761	\$65,511	\$0	\$48,050	\$0	\$43.57	42.47%	0.00%	\$38,335	13.70%	\$1,828	24,286	44,384,490	2.0693%
Moore County	\$1,795	\$114,978	\$0	\$13,774	\$0	\$238.77	41.54%	0.00%	\$36,972	13.96%	\$1,315	950	1,248,878	0.0582%
Morgan County	\$805	\$48,564	\$0	\$11,401	\$0	\$129.53	25.93%	0.00%	\$27,724	20.05%	\$699	3,242	2,265,398	0.1056%
Obion County	\$1,958	\$75,120	\$0	\$47,821	\$0	\$138.36	39.67%	0.00%	\$33,670	14.62%	\$1,754	4,035	7,077,724	0.3300%
Union City	\$3,593	\$75,120	\$107,176	\$47,821	\$148,777	\$671.82	39.67%	56.67%	\$33,670	22.34%	\$2,573	1,392	3,580,730	0.1669%
Overton County	\$1,050	\$64,956	\$0	\$27,801	\$0	\$126.17	29.91%	0.00%	\$27,469	20.31%	\$1,103	3,152	3,476,118	0.1621%
Perry County	\$1,184	\$85,175	\$0	\$22,938	\$0	\$398.17	38.77%	0.00%	\$28,347	19.53%	\$1,152	1,155	1,329,804	0.0620%
Pickett County	\$1,219	\$85,796	\$0	\$30,738	\$0	\$216.47	21.11%	0.00%	\$24,781	25.28%	\$1,131	714	807,860	0.0377%
Polk County	\$1,274	\$80,107	\$0	\$21,395	\$0	\$254.36	29.32%	0.00%	\$29,716	17.74%	\$1,108	2,406	2,664,555	0.1242%
Putnam County	\$1,937	\$96,158	\$0	\$76,881	\$0	\$73.50	43.55%	0.00%	\$31,899	15.94%	\$2,390	9,528	22,772,996	1.0617%
Rhea County	\$1,278	\$75,933	\$0	\$33,377	\$0	\$206.27	36.18%	0.00%	\$30,334	18.71%	\$1,356	3,770	5,111,687	0.2383%
Dayton City	\$1,248	\$75,933	\$136,814	\$33,377	\$129,755	\$631.79	36.18%	67.40%	\$30,334	23.25%	\$2,283	745	1,700,478	0.0793%
Roane County	\$1,871	\$92,922	\$0	\$48,903	\$0	\$148.63	28.64%	0.00%	\$33,331	17.84%	\$1,785	7,250	12,941,961	0.6034%
Robertson County	\$1,601	\$80,876	\$0	\$34,168	\$0	\$60.41	29.92%	0.00%	\$42,126	11.74%	\$1,669	9,704	16,194,189	0.7550%
Rutherford County	\$2,243	\$91,214	\$0	\$55,584	\$0	\$58.59	42.92%	0.00%	\$46,085	7.51%	\$2,300	26,876	61,807,262	2.8817%
Murfreesboro City	\$2,727	\$91,214	\$222,060	\$55,584	\$219,667	\$978.50	42.92%	54.08%	\$46,085	14.44%	\$3,657	5,760	21,067,713	0.9822%
Scott County	\$1,120	\$51,994	\$0	\$32,333	\$0	\$188.60	41.68%	0.00%	\$24,053	26.40%	\$1,059	2,619	2,772,472	0.1293%
Oneida SSD	\$1,442	\$51,994	\$37,103	\$32,333	\$0	\$0.00	41.68%	70.13%	\$24,053	23.90%	\$1,417	1,240	1,756,722	0.0819%
Sequatchie County	\$1,692	\$75,149	\$0	\$28,775	\$0	\$142.30	27.38%	0.00%	\$30,185	21.23%	\$1,207	1,867	2,254,001	0.1051%
Sevier County	\$3,101	\$165,620	\$0	\$148,391	\$0	\$99.98	45.25%	0.00%	\$33,011	16.47%	\$4,150	12,512	51,927,616	2.4210%
Shelby County	\$2,600	\$91,166	\$0	\$60,856	\$0	\$216.44	49.57%	0.00%	\$38,596	4.43%	\$2,301	44,976	103,497,455	4.8254%
Memphis SSD City	\$3,190	\$91,166	\$82,013	\$60,856	\$63,566	\$510.90	49.57%	60.91%	\$38,596	23.14%	\$2,767	116,651	322,781,651	15.0491%
Smith County	\$1,046	\$74,981	\$0	\$29,319	\$0	\$151.73	36.40%	0.00%	\$34,702	15.50%	\$1,385	3,148	4,359,396	0.2032%
Stewart County	\$1,239	\$67,356	\$0	\$20,461	\$0	\$727.39	22.73%	0.00%	\$31,858	15.62%	\$1,100	2,073	2,280,819	0.1063%
Sullivan County	\$2,840	\$106,366	\$0	\$67,661	\$0	\$129.04	48.07%	0.00%	\$34,227	12.46%	\$2,338	12,850	30,046,722	1.4009%
Bristol City	\$3,692	\$106,366	\$110,701	\$67,661	\$90,758	\$611.73	48.07%	56.21%	\$34,227	15.00%	\$3,078	3,584	11,030,273	0.5143%
Kingsport City	\$4,589	\$104,616	\$167,592	\$64,597	\$162,724	\$645.98	47.36%	64.64%	\$34,068	23.40%	\$3,306	6,353	20,999,996	0.9791%
Sumner County	\$1,764	\$95,039	\$0	\$34,651	\$0	\$52.27	31.51%	0.00%	\$44,982	10.18%	\$1,814	22,887	41,509,262	1.9353%
Tipton County	\$898	\$50,843	\$0	\$18,972	\$0	\$53.95	27.24%	0.00%	\$38,190	15.33%	\$1,118	10,938	12,228,234	0.5701%
Trousdale County	\$943	\$62,043	\$0	\$20,399	\$0	\$293.95	31.52%	0.00%	\$30,902	16.28%	\$1,057	1,277	1,350,182	0.0629%
Unicoi County	\$1,223	\$79,810	\$0	\$26,149	\$0	\$99.31	33.82%	0.00%	\$30,346	17.69%	\$1,222	2,487	3,039,982	0.1417%
Union County	\$826	\$54,683	\$0	\$14,268	\$0	\$221.90	21.11%	0.00%	\$28,132	22.84%	\$759	3,057	2,318,969	0.1081%
Van Buren County	\$1,262	\$78,176	\$0	\$18,134	\$0	\$270.44	13.26%	0.00%	\$29,110	19.69%	\$959	777	744,807	0.0347%

**Prototype System-level Fiscal Capacity Variables and Index**

	LEA Revenue Per Pupil	Property per Pupil		Sales per Pupil		LEA State-shared Taxes	Tax Exportability*		County Median HH Inc	LEA % Child Poverty	Fiscal Capacity Per Pupil	ADMs	Total Fiscal Capacity	Percent of Total Fiscal Capacity
		Shared (County)	Unshared (City/SSD)	Shared (County)	Unshared (City)		Shared (County)	Unshared (City/SSD)						
Warren County	\$1,724	\$78,624	\$0	\$45,472	\$0	\$113.71	39.75%	0.00%	\$31,349	18.49%	\$1,641	6,184	10,146,728	0.4731%
Washington County	\$2,145	\$108,732	\$0	\$82,305	\$0	\$115.38	41.21%	0.00%	\$33,657	15.45%	\$2,588	8,562	22,155,108	1.0329%
Johnson City	\$3,752	\$108,732	\$157,187	\$82,305	\$171,500	\$713.18	41.21%	54.91%	\$33,657	15.86%	\$3,672	6,731	24,714,463	1.1523%
Wayne County	\$889	\$55,813	\$0	\$20,071	\$0	\$224.88	29.21%	0.00%	\$26,265	21.08%	\$880	2,633	2,316,399	0.1080%
Weakley County	\$1,240	\$73,993	\$0	\$35,504	\$0	\$120.78	38.16%	0.00%	\$30,992	15.85%	\$1,429	4,900	7,003,213	0.3265%
White County	\$1,016	\$67,916	\$0	\$30,124	\$0	\$117.08	31.94%	0.00%	\$29,122	18.58%	\$1,216	3,850	4,680,826	0.2182%
Williamson County	\$3,136	\$159,336	\$0	\$80,416	\$0	\$88.33	36.16%	0.00%	\$69,352	4.21%	\$3,578	20,277	72,557,784	3.3829%
Franklin SSD	\$5,234	\$159,336	\$109,162	\$80,416	\$0	\$0.00	36.16%	32.80%	\$69,352	9.71%	\$3,986	3,797	15,134,469	0.7056%
Wilson County	\$1,807	\$109,159	\$0	\$46,517	\$0	\$93.71	31.98%	0.00%	\$48,596	6.89%	\$2,217	11,820	26,209,226	1.2220%
Lebanon SSD	\$2,446	\$109,159	\$179,601	\$46,517	\$0	\$0.00	31.98%	56.71%	\$48,596	19.20%	\$2,873	2,891	8,304,900	0.3872%
Statewide	\$2,454	\$100,673	\$98,404	\$62,547	\$88,911	\$247.00	43.79%	41.59%	\$35,191	16.06%	\$2,383	900,152	\$2,144,855,363	100.0000%
System Averages	\$1,803	\$81,845	\$32,116	\$40,997	\$25,982	\$235.24	35.80%	16.57%	\$32,815	18.34%	\$1,803	6,655	\$15,770,995	

\* The percentage of the property tax base that is not residential or farm property.

## Comparison of County Fiscal Capacity Model Results with Prototype System-level Model Results

	FY05 County Model			Prototype System-level Model			Difference
	Capacity Per Pupil	Allocated <sup>1</sup> Capacity	Percent of Total	Capacity Per Pupil	Total Capacity	Percent of Total	
Anderson County	\$2,240	\$ 15,829,910	0.7407%	\$1,946	\$ 13,537,866	0.6312%	\$ (2,292,044)
Clinton City	\$2,240	2,034,083	0.0952%	\$3,116	2,890,524	0.1348%	856,441
Oak Ridge City	\$2,240	9,666,063	0.4523%	\$2,788	12,286,618	0.5728%	2,620,555
Bedford County	\$1,656	10,503,684	0.4915%	\$1,605	10,177,554	0.4745%	(326,130)
Benton County	\$1,448	3,621,752	0.1695%	\$1,316	3,291,631	0.1535%	(330,121)
Bledsoe County	\$885	1,574,741	0.0737%	\$973	1,731,240	0.0807%	156,499
Blount County	\$2,218	24,164,533	1.1307%	\$2,265	24,484,023	1.1415%	319,489
Alcoa City	\$2,218	2,701,489	0.1264%	\$3,988	5,188,058	0.2419%	2,486,568
Maryville City	\$2,218	9,620,125	0.4502%	\$3,015	13,088,164	0.6102%	3,468,038
Bradley County	\$2,180	19,875,522	0.9300%	\$2,031	18,303,556	0.8534%	(1,571,965)
Cleveland City	\$2,180	9,314,686	0.4359%	\$3,005	13,149,102	0.6131%	3,834,416
Campbell County	\$1,263	7,841,983	0.3670%	\$1,250	7,760,884	0.3618%	(81,099)
Cannon County	\$1,069	2,247,960	0.1052%	\$1,014	2,132,809	0.0994%	(115,151)
Carroll County <sup>2</sup>	\$1,304	1,207,680	0.0565%	\$1,519	709,310	0.0331%	(498,370)
Hollow Rock-Bruceton SSD	\$1,304	1,807,674	0.0846%	\$1,377	1,079,169	0.0503%	(728,505)
Huntingdon SSD	\$1,304	3,082,019	0.1442%	\$1,391	1,846,334	0.0861%	(1,235,685)
McKenzie SSD	\$1,304	3,105,096	0.1453%	\$1,446	1,888,610	0.0881%	(1,216,486)
South Carroll Co SSD	\$1,304	1,048,707	0.0491%	\$1,343	532,569	0.0248%	(516,138)
West Carroll Co SSD	\$1,304	2,623,050	0.1227%	\$1,290	1,446,492	0.0674%	(1,176,557)
Carter County	\$1,248	7,712,971	0.3609%	\$1,152	6,904,001	0.3219%	(808,970)
Elizabethton City	\$1,248	2,511,528	0.1175%	\$1,737	3,819,327	0.1781%	1,307,799
Cheatham County	\$1,223	8,397,471	0.3929%	\$1,365	9,376,912	0.4372%	979,441
Chester County	\$1,211	2,967,152	0.1388%	\$1,206	2,954,112	0.1377%	(13,040)
Claiborne County	\$1,243	5,749,427	0.2690%	\$1,009	4,667,347	0.2176%	(1,082,080)
Clay County	\$1,045	1,254,227	0.0587%	\$922	1,106,421	0.0516%	(147,806)
Cocke County	\$1,420	6,677,741	0.3125%	\$1,260	5,880,551	0.2742%	(797,190)
Newport City	\$1,420	919,120	0.0430%	\$2,535	1,730,552	0.0807%	811,432
Coffee County	\$2,031	8,624,223	0.4036%	\$1,993	8,309,977	0.3874%	(314,246)
Manchester City	\$2,031	2,511,548	0.1175%	\$2,799	3,343,646	0.1559%	832,098
Tullahoma City	\$2,031	7,077,766	0.3312%	\$2,515	9,064,419	0.4226%	1,986,653
Crockett County	\$1,185	2,105,887	0.0985%	\$943	1,617,792	0.0754%	(488,095)
Alamo City	\$1,185	559,517	0.0262%	\$1,321	711,922	0.0332%	152,406
Bells City	\$1,185	469,686	0.0220%	\$1,434	561,193	0.0262%	91,507
Cumberland County	\$1,859	12,521,849	0.5859%	\$2,113	14,232,122	0.6635%	1,710,272
Davidson County	\$4,415	301,108,013	14.0899%	\$4,285	292,264,354	13.6263%	(8,843,660)
Decatur County	\$1,617	2,589,093	0.1212%	\$1,530	2,449,207	0.1142%	(139,886)

## Comparison of County Fiscal Capacity Model Results with Prototype System-level Model Results

	FY05 County Model			Prototype System-level Model			Difference
	Capacity Per Pupil	Allocated <sup>1</sup> Capacity	Percent of Total	Capacity Per Pupil	Total Capacity	Percent of Total	
DeKalb County	\$1,427	3,710,641	0.1736%	\$1,474	3,831,134	0.1786%	120,493
Dickson County	\$1,888	15,040,845	0.7038%	\$1,924	15,326,508	0.7146%	285,663
Dyer County	\$1,805	6,202,482	0.2902%	\$1,715	5,549,706	0.2587%	(652,775)
Dyersburg City	\$1,805	5,932,976	0.2776%	\$2,205	7,688,676	0.3585%	1,755,700
Fayette County	\$1,621	5,631,542	0.2635%	\$1,682	5,841,040	0.2723%	209,498
Fentress County	\$1,380	3,209,975	0.1502%	\$1,122	2,608,696	0.1216%	(601,278)
Franklin County	\$1,531	8,862,721	0.4147%	\$1,607	9,303,341	0.4338%	440,620
Humboldt City	\$1,583	2,483,352	0.1162%	\$1,827	3,026,303	0.1411%	542,951
Milan SSD	\$1,583	3,166,113	0.1482%	\$1,697	3,398,043	0.1584%	231,930
Trenton SSD	\$1,583	2,286,994	0.1070%	\$1,615	2,327,325	0.1085%	40,331
Bradford SSD	\$1,583	1,042,109	0.0488%	\$1,517	973,759	0.0454%	(68,350)
Gibson County SSD	\$1,583	4,240,307	0.1984%	\$1,623	4,229,845	0.1972%	(10,462)
Giles County	\$1,900	8,581,124	0.4015%	\$1,642	7,417,896	0.3458%	(1,163,228)
Grainger County	\$753	2,463,893	0.1153%	\$782	2,559,007	0.1193%	95,114
Greene County	\$1,863	12,853,080	0.6014%	\$1,656	11,455,031	0.5341%	(1,398,049)
Greeneville City	\$1,863	4,944,874	0.2314%	\$2,544	6,704,206	0.3126%	1,759,332
Grundy County	\$1,015	2,318,006	0.1085%	\$717	1,636,544	0.0763%	(681,462)
Hamblen County	\$2,434	21,869,840	1.0234%	\$2,271	20,410,037	0.9516%	(1,459,803)
Hamilton County	\$3,258	132,745,590	6.2117%	\$2,951	120,258,114	5.6068%	(12,487,475)
Hancock County	\$530	583,556	0.0273%	\$518	570,687	0.0266%	(12,869)
Hardeman County	\$1,001	4,546,529	0.2127%	\$1,031	4,681,058	0.2182%	134,528
Hardin County	\$1,701	6,522,133	0.3052%	\$1,631	6,253,161	0.2915%	(268,972)
Hawkins County	\$1,410	10,143,036	0.4746%	\$1,333	9,536,909	0.4446%	(606,126)
Rogersville City	\$1,410	837,981	0.0392%	\$2,241	1,418,704	0.0661%	580,723
Haywood County	\$1,247	4,455,609	0.2085%	\$1,136	4,060,208	0.1893%	(395,401)
Henderson County	\$1,570	5,315,090	0.2487%	\$1,481	5,099,504	0.2378%	(215,586)
Lexington City	\$1,570	1,553,069	0.0727%	\$2,458	2,294,183	0.1070%	741,114
Henry County	\$1,938	6,119,781	0.2864%	\$1,847	5,819,095	0.2713%	(300,686)
Paris SSD	\$1,938	2,808,322	0.1314%	\$2,325	3,389,398	0.1580%	581,075
Hickman County	\$884	3,355,922	0.1570%	\$1,011	3,840,817	0.1791%	484,895
Houston County	\$863	1,224,240	0.0573%	\$918	1,302,665	0.0607%	78,425
Humphreys County	\$1,552	4,660,409	0.2181%	\$1,590	4,774,301	0.2226%	113,892
Jackson County	\$1,055	1,750,762	0.0819%	\$848	1,406,444	0.0656%	(344,318)
Jefferson County	\$1,412	9,672,927	0.4526%	\$1,503	10,292,643	0.4799%	619,716
Johnson County	\$885	2,023,748	0.0947%	\$1,010	2,309,038	0.1077%	285,290
Knox County	\$3,251	168,558,918	7.8875%	\$3,214	166,667,069	7.7706%	(1,891,849)

## Comparison of County Fiscal Capacity Model Results with Prototype System-level Model Results

	FY05 County Model			Prototype System-level Model			Difference
	Capacity Per Pupil	Allocated <sup>1</sup> Capacity	Percent of Total	Capacity Per Pupil	Total Capacity	Percent of Total	
Lake County	\$945	834,135	0.0390%	\$905	798,656	0.0372%	(35,479)
Lauderdale County	\$1,084	4,951,600	0.2317%	\$1,065	4,865,786	0.2269%	(85,815)
Lawrence County	\$1,534	10,404,958	0.4869%	\$1,431	9,706,514	0.4525%	(698,443)
Lewis County	\$983	1,912,879	0.0895%	\$1,123	2,185,229	0.1019%	272,351
Lincoln County	\$1,436	5,835,623	0.2731%	\$1,487	5,985,196	0.2790%	149,573
Fayetteville City	\$1,436	1,443,826	0.0676%	\$2,280	2,384,044	0.1112%	940,218
Loudon County	\$1,832	8,896,631	0.4163%	\$1,892	9,224,577	0.4301%	327,946
Lenoir City	\$1,832	3,683,400	0.1724%	\$2,397	4,770,238	0.2224%	1,086,838
McMinn County	\$1,856	10,789,838	0.5049%	\$1,850	10,717,482	0.4997%	(72,356)
Athens City	\$1,856	3,127,359	0.1463%	\$2,920	5,085,724	0.2371%	1,958,365
Etowah City	\$1,856	772,536	0.0361%	\$2,417	921,223	0.0430%	148,687
McNairy County	\$1,407	5,784,702	0.2707%	\$1,196	4,915,076	0.2292%	(869,626)
Macon County	\$1,132	4,037,345	0.1889%	\$1,184	4,223,462	0.1969%	186,117
Madison County	\$2,923	39,954,819	1.8696%	\$2,844	38,871,952	1.8123%	(1,082,867)
Marion County	\$1,656	6,778,685	0.3172%	\$1,648	6,787,438	0.3165%	8,753
Richard City SSD	\$1,656	569,702	0.0267%	\$1,798	573,758	0.0268%	4,056
Marshall County	\$1,866	8,944,365	0.4185%	\$1,694	8,119,489	0.3786%	(824,876)
Maury County	\$1,949	21,860,077	1.0229%	\$2,074	23,263,069	1.0846%	1,402,992
Meigs County	\$684	1,246,528	0.0583%	\$917	1,670,250	0.0779%	423,722
Monroe County	\$1,393	7,123,200	0.3333%	\$1,514	7,622,329	0.3554%	499,128
Sweetwater City	\$1,393	1,905,594	0.0892%	\$1,955	2,830,892	0.1320%	925,298
Montgomery County	\$1,965	47,727,035	2.2333%	\$1,828	44,384,490	2.0693%	(3,342,545)
Moore County	\$1,145	1,087,605	0.0509%	\$1,315	1,248,878	0.0582%	161,273
Morgan County	\$640	2,074,684	0.0971%	\$699	2,265,398	0.1056%	190,714
Obion County	\$1,966	7,936,369	0.3714%	\$1,754	7,077,724	0.3300%	(858,644)
Union City	\$1,966	2,732,298	0.1279%	\$2,573	3,580,730	0.1669%	848,432
Overton County	\$1,135	3,577,234	0.1674%	\$1,103	3,476,118	0.1621%	(101,115)
Perry County	\$1,375	1,588,178	0.0743%	\$1,152	1,329,804	0.0620%	(258,374)
Pickett County	\$1,076	768,237	0.0359%	\$1,131	807,860	0.0377%	39,623
Polk County	\$1,087	2,615,619	0.1224%	\$1,108	2,664,555	0.1242%	48,936
Putnam County	\$2,444	23,288,271	1.0897%	\$2,390	22,772,996	1.0617%	(515,275)
Rhea County	\$1,305	5,008,103	0.2343%	\$1,356	5,111,687	0.2383%	103,584
Dayton City	\$1,305	883,028	0.0413%	\$2,283	1,700,478	0.0793%	817,450
Roane County	\$1,730	12,540,935	0.5868%	\$1,785	12,941,961	0.6034%	401,026
Robertson County	\$1,596	15,488,691	0.7248%	\$1,669	16,194,189	0.7550%	705,498
Rutherford County	\$2,238	60,736,773	2.8421%	\$2,300	61,807,262	2.8817%	1,070,489

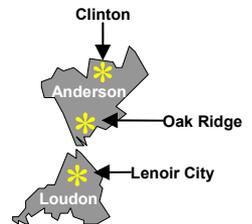
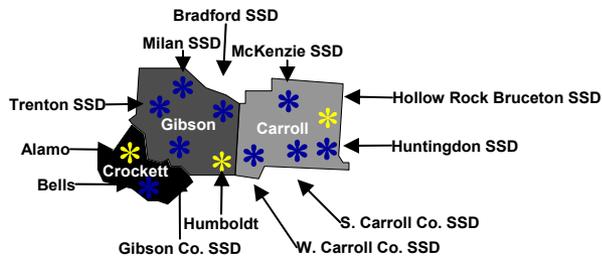
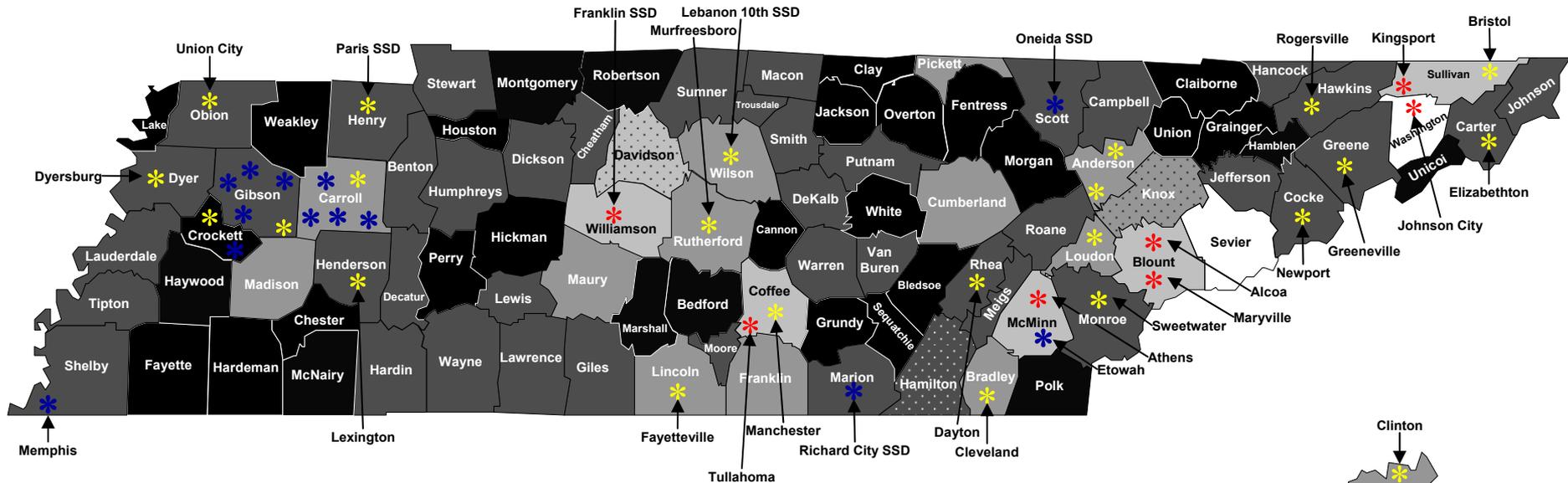
## Comparison of County Fiscal Capacity Model Results with Prototype System-level Model Results

	FY05 County Model			Prototype System-level Model			Difference
	Capacity Per Pupil	Allocated <sup>1</sup> Capacity	Percent of Total	Capacity Per Pupil	Total Capacity	Percent of Total	
Murfreesboro City	\$2,238	12,308,039	0.5759%	\$3,657	21,067,713	0.9822%	8,759,673
Scott County	\$1,177	3,086,674	0.1444%	\$1,059	2,772,472	0.1293%	(314,202)
Oneida SSD	\$1,177	1,456,099	0.0681%	\$1,417	1,756,722	0.0819%	300,623
Sequatchie County	\$1,103	2,059,912	0.0964%	\$1,207	2,254,001	0.1051%	194,088
Sevier County	\$3,211	40,182,137	1.8803%	\$4,150	51,927,616	2.4210%	11,745,479
Shelby County	\$2,808	124,161,072	5.8100%	\$2,301	103,497,455	4.8254%	(20,663,618)
Memphis SSD City	\$2,808	329,621,569	15.4242%	\$2,767	322,781,651	15.0491%	(6,839,917)
Smith County	\$1,392	4,381,302	0.2050%	\$1,385	4,359,396	0.2032%	(21,906)
Stewart County	\$850	1,761,660	0.0824%	\$1,100	2,280,819	0.1063%	519,159
Sullivan County	\$2,484	32,050,404	1.4998%	\$2,338	30,046,722	1.4009%	(2,003,682)
Bristol City	\$2,484	8,989,873	0.4207%	\$3,078	11,030,273	0.5143%	2,040,400
Kingsport City	\$2,484	15,568,329	0.7285%	\$3,306	20,999,996	0.9791%	5,431,667
Sumner County	\$1,781	40,768,748	1.9077%	\$1,814	41,509,262	1.9353%	740,514
Tipton County	\$877	9,593,867	0.4489%	\$1,118	12,228,234	0.5701%	2,634,367
Trousdale County	\$939	1,199,692	0.0561%	\$1,057	1,350,182	0.0629%	150,490
Unicoi County	\$1,511	3,759,105	0.1759%	\$1,222	3,039,982	0.1417%	(719,123)
Union County	\$543	1,660,173	0.0777%	\$759	2,318,969	0.1081%	658,796
Van Buren County	\$703	546,023	0.0256%	\$959	744,807	0.0347%	198,785
Warren County	\$1,808	11,180,207	0.5232%	\$1,641	10,146,728	0.4731%	(1,033,479)
Washington County	\$2,552	22,073,290	1.0329%	\$2,588	22,155,108	1.0329%	81,818
Johnson City	\$2,552	16,958,919	0.7936%	\$3,672	24,714,463	1.1523%	7,755,544
Wayne County	\$834	2,197,275	0.1028%	\$880	2,316,399	0.1080%	119,124
Weakley County	\$1,573	7,706,003	0.3606%	\$1,429	7,003,213	0.3265%	(702,790)
White County	\$1,203	4,632,894	0.2168%	\$1,216	4,680,826	0.2182%	47,931
Williamson County	\$3,446	70,368,373	3.2928%	\$3,578	72,557,784	3.3829%	2,189,411
Franklin SSD	\$3,446	12,592,870	0.5893%	\$3,986	15,134,469	0.7056%	2,541,599
Wilson County	\$2,034	24,021,892	1.1241%	\$2,217	26,209,226	1.2220%	2,187,334
Lebanon SSD	\$2,034	5,897,344	0.2760%	\$2,873	8,304,900	0.3872%	2,407,555
Statewide	\$2,367	\$ 2,137,041,077	100.0000%	\$2,852	\$ 2,144,855,363	100.0000%	\$ 7,814,286

<sup>1</sup> Allocated based on share of county-area BEP match as per actual BEP method.

<sup>2</sup> Carroll County system's total capacity per system-level model is based on county-area capacity minus capacities of SSDs.

# Change in State BEP Funding w/Prototype by County Area Total Fiscal Year 2005 vs. Fiscal Year 2004



**Key to County-area Change**

- 12% to 30% less
- 0% to 4% less\*
- 0% to 5% more\*
- 6% to 10% more\*
- 11% to 18% more

**Statewide = 6% more**

*\*Dotted patterns mean county is being held harmless for actual decline from 2005 to 2004—prototype is more favorable to these counties.*

**Key to Multi-System Change**

- \* city/SSD gain
- \* city/SSD loss < county system gain
- \* city/SSD loss > county system gain

**Table 1. Change in State BEP Funding w/Prototype by County Area Total**

County Area	Number of Systems	Actual FY2003-04	FY2004-05 w/Prototype	Change w/Prototype	Percent Change
Anderson	3	\$ 38,388,000	\$ 38,264,000	\$ (124,000)	0%
Bedford	1	20,366,000	23,487,000	3,121,000	15%
Benton	1	8,191,000	8,975,000	784,000	10%
Bledsoe	1	6,884,000	8,113,000	1,229,000	18%
Blount	3	47,601,000	45,852,000	(1,749,000)	-4%
Bradley	2	37,040,000	37,902,000	862,000	2%
Campbell	1	20,442,000	22,540,000	2,098,000	10%
Cannon	1	7,449,000	8,614,000	1,165,000	16%
Carroll	6	17,266,000	17,880,000	614,000	4%
Carter	2	26,955,000	29,309,000	2,354,000	9%
Cheatham	1	22,382,000	24,186,000	1,804,000	8%
Chester	1	8,197,000	9,325,000	1,128,000	14%
Claiborne	1	16,759,000	19,105,000	2,346,000	14%
Clay	1	4,564,000	5,115,000	551,000	12%
Cocke	2	17,586,000	19,332,000	1,746,000	10%
Coffee	3	25,653,000	25,045,000	(608,000)	-2%
Crockett	3	9,062,000	10,465,000	1,403,000	15%
Cumberland	1	20,446,000	21,161,000	715,000	3%
Davidson	1	151,400,000	149,031,000	(2,369,000)	-2%
Decatur	1	5,216,000	5,750,000	534,000	10%
DeKalb	1	8,537,000	9,278,000	741,000	9%
Dickson	1	23,728,000	25,761,000	2,033,000	9%
Dyer	2	19,532,000	20,657,000	1,125,000	6%
Fayette	1	10,950,000	12,299,000	1,349,000	12%
Fentress	1	8,234,000	9,291,000	1,057,000	13%
Franklin	1	19,725,000	20,453,000	728,000	4%
Gibson	5	25,859,000	27,852,000	1,993,000	8%
Giles	1	13,392,000	14,701,000	1,309,000	10%
Grainger	1	12,128,000	13,674,000	1,546,000	13%
Greene	2	29,583,000	31,930,000	2,347,000	8%
Grundy	1	8,527,000	9,893,000	1,366,000	16%
Hamblen	1	23,880,000	26,472,000	2,592,000	11%
Hamilton	1	87,690,000	93,594,000	5,904,000	7%
Hancock	1	4,482,000	4,832,000	350,000	8%
Hardeman	1	16,189,000	18,262,000	2,073,000	13%
Hardin	1	11,641,000	12,541,000	900,000	8%
Hawkins	2	26,025,000	28,667,000	2,642,000	10%
Haywood	1	11,909,000	13,577,000	1,668,000	14%
Henderson	2	14,083,000	14,920,000	837,000	6%
Henry	2	13,703,000	14,613,000	910,000	7%
Hickman	1	13,807,000	15,265,000	1,458,000	11%
Houston	1	5,281,000	6,005,000	724,000	14%
Humphreys	1	9,694,000	10,439,000	745,000	8%
Jackson	1	6,223,000	7,035,000	812,000	13%
Jefferson	1	22,421,000	24,565,000	2,144,000	10%
Johnson	1	8,679,000	9,548,000	869,000	10%
Knox	1	111,187,000	112,277,000	1,090,000	1%
Lake	1	3,361,000	3,862,000	501,000	15%
Lauderdale	1	16,294,000	17,902,000	1,608,000	10%
Lawrence	1	21,261,000	23,428,000	2,167,000	10%

**Table 1. Change in State BEP Funding w/Prototype by County Area Total**

County Area	Number of Systems	Actual FY2003-04	FY2004-05 w/Prototype	Change w/Prototype	Percent Change
Lewis	1	6,817,000	7,382,000	565,000	8%
Lincoln	2	16,003,000	16,462,000	459,000	3%
Loudon	2	20,321,000	20,809,000	488,000	2%
McMinn	3	23,856,000	23,410,000	(446,000)	-2%
McNairy	1	13,334,000	15,469,000	2,135,000	16%
Macon	1	12,487,000	13,518,000	1,031,000	8%
Madison	1	33,256,000	34,522,000	1,266,000	4%
Marion	2	14,003,000	15,346,000	1,343,000	10%
Marshall	1	14,068,000	15,774,000	1,706,000	12%
Maury	1	34,404,000	34,715,000	311,000	1%
Meigs	1	6,927,000	7,569,000	642,000	9%
Monroe	2	21,305,000	22,793,000	1,488,000	7%
Montgomery	1	70,915,000	79,361,000	8,446,000	12%
Moore	1	3,455,000	3,728,000	273,000	8%
Morgan	1	12,142,000	13,722,000	1,580,000	13%
Obion	2	15,912,000	16,916,000	1,004,000	6%
Overton	1	11,423,000	13,154,000	1,731,000	15%
Perry	1	4,160,000	4,777,000	617,000	15%
Pickett	1	2,746,000	2,896,000	150,000	5%
Polk	1	8,748,000	9,718,000	970,000	11%
Putnam	1	25,848,000	28,066,000	2,218,000	9%
Rhea	2	14,827,000	15,785,000	958,000	6%
Roane	1	23,526,000	25,521,000	1,995,000	8%
Robertson	1	29,231,000	32,583,000	3,352,000	11%
Rutherford	2	92,369,000	95,033,000	2,664,000	3%
Scott	2	13,514,000	14,682,000	1,168,000	9%
Sequatchie	1	6,739,000	7,734,000	995,000	15%
Sevier	1	28,953,000	20,434,000	(8,519,000)	-29%
Shelby	2	433,673,000	476,208,000	42,535,000	10%
Smith	1	10,181,000	11,119,000	938,000	9%
Stewart	1	7,847,000	8,288,000	441,000	6%
Sullivan	3	58,264,000	56,004,000	(2,260,000)	-4%
Sumner	1	71,182,000	77,801,000	6,619,000	9%
Tipton	1	38,290,000	41,588,000	3,298,000	9%
Trousdale	1	5,044,000	5,545,000	501,000	10%
Unicoi	1	8,419,000	9,831,000	1,412,000	17%
Union	1	11,804,000	13,068,000	1,264,000	11%
Van Buren	1	3,188,000	3,526,000	338,000	11%
Warren	1	18,793,000	20,594,000	1,801,000	10%
Washington	2	40,100,000	35,336,000	(4,764,000)	-12%
Wayne	1	9,727,000	10,746,000	1,019,000	10%
Weakley	1	15,267,000	17,068,000	1,801,000	12%
White	1	12,896,000	14,417,000	1,521,000	12%
Williamson	2	64,350,000	61,589,000	(2,761,000)	-4%
Wilson	2	42,735,000	43,533,000	798,000	2%
		\$ 2,552,901,000	\$ 2,701,184,000	\$ 148,283,000	6%

**Table 2. Change in State BEP Funding w/Prototype**

<b>System Name</b>	<b>Actual FY2003-04</b>	<b>FY2004-05 w/Prototype</b>	<b>Change w/Prototype</b>
Anderson County	\$ 21,822,000	\$ 24,089,000	\$ 2,267,000
Clinton City	3,076,000	2,372,000	(704,000)
Oak Ridge City	13,490,000	11,803,000	(1,687,000)
Bedford County	20,366,000	23,487,000	3,121,000
Benton County	8,191,000	8,975,000	784,000
Bledsoe County	6,884,000	8,113,000	1,229,000
Blount County	31,503,000	33,251,000	1,748,000
Alcoa City	3,672,000	1,883,000	(1,789,000)
Maryville City	12,426,000	10,718,000	(1,708,000)
Bradley County	25,051,000	28,115,000	3,064,000
Cleveland City	11,989,000	9,787,000	(2,202,000)
Campbell County	20,442,000	22,540,000	2,098,000
Cannon County	7,449,000	8,614,000	1,165,000
Carroll County	1,407,000	1,415,000	8,000
H Rock-Bruceston SSD	2,528,000	2,528,000	-
Huntingdon SSD	4,254,000	4,301,000	47,000
McKenzie SSD	4,210,000	4,324,000	114,000
South Carroll Co SSD	1,307,000	1,547,000	240,000
West Carroll Co SSD	3,560,000	3,765,000	205,000
Carter County	20,131,000	23,001,000	2,870,000
Elizabethton City	6,824,000	6,308,000	(516,000)
Cheatham County	22,382,000	24,186,000	1,804,000
Chester County	8,197,000	9,325,000	1,128,000
Claiborne County	16,759,000	19,105,000	2,346,000
Clay County	4,564,000	5,115,000	551,000
Cocke County	15,358,000	17,560,000	2,202,000
Newport City	2,228,000	1,772,000	(456,000)
Coffee County	12,035,000	12,842,000	807,000
Manchester City	3,616,000	3,196,000	(420,000)
Tullahoma City	10,002,000	9,007,000	(995,000)
Crockett County	5,881,000	7,164,000	1,283,000
Alamo City	1,811,000	1,783,000	(28,000)
Bells City	1,370,000	1,518,000	148,000
Cumberland County	20,446,000	21,161,000	715,000
Davidson County	151,400,000	149,031,000	(2,369,000)
Decatur County	5,216,000	5,750,000	534,000
DeKalb County	8,537,000	9,278,000	741,000
Dickson County	23,728,000	25,761,000	2,033,000
Dyer County	9,872,000	11,279,000	1,407,000
Dyersburg City	9,660,000	9,378,000	(282,000)
Fayette County	10,950,000	12,299,000	1,349,000
Fentress County	8,234,000	9,291,000	1,057,000
Franklin County	19,725,000	20,453,000	728,000
Humboldt City	4,986,000	4,947,000	(39,000)
Milan SSD	6,139,000	6,665,000	526,000
Trenton SSD	4,597,000	4,868,000	271,000

**Table 2. Change in State BEP Funding w/Prototype**

<b>System Name</b>	<b>Actual FY2003-04</b>	<b>FY2004-05 w/Prototype</b>	<b>Change w/Prototype</b>
Bradford SSD	2,008,000	2,264,000	256,000
Gibson County SSD	8,129,000	9,108,000	979,000
Giles County	13,392,000	14,701,000	1,309,000
Grainger County	12,128,000	13,674,000	1,546,000
Greene County	21,126,000	24,185,000	3,059,000
Greenville City	8,457,000	7,745,000	(712,000)
Grundy County	8,527,000	9,893,000	1,366,000
Hamblen County	23,880,000	26,472,000	2,592,000
Hamilton County	87,690,000	93,594,000	5,904,000
Hancock County	4,482,000	4,832,000	350,000
Hardeman County	16,189,000	18,262,000	2,073,000
Hardin County	11,641,000	12,541,000	900,000
Hawkins County	23,991,000	26,876,000	2,885,000
Rogersville City	2,034,000	1,791,000	(243,000)
Haywood County	11,909,000	13,577,000	1,668,000
Henderson County	11,011,000	11,911,000	900,000
Lexington City	3,072,000	3,009,000	(63,000)
Henry County	9,383,000	10,318,000	935,000
Paris SSD	4,320,000	4,295,000	(25,000)
Hickman County	13,807,000	15,265,000	1,458,000
Houston County	5,281,000	6,005,000	724,000
Humphreys County	9,694,000	10,439,000	745,000
Jackson County	6,223,000	7,035,000	812,000
Jefferson County	22,421,000	24,565,000	2,144,000
Johnson County	8,679,000	9,548,000	869,000
Knox County	111,187,000	112,277,000	1,090,000
Lake County	3,361,000	3,862,000	501,000
Lauderdale County	16,294,000	17,902,000	1,608,000
Lawrence County	21,261,000	23,428,000	2,167,000
Lewis County	6,817,000	7,382,000	565,000
Lincoln County	12,719,000	13,720,000	1,001,000
Fayetteville City	3,284,000	2,742,000	(542,000)
Loudon County	14,402,000	15,251,000	849,000
Lenoir City	5,919,000	5,558,000	(361,000)
McMinn County	17,498,000	18,311,000	813,000
Athens City	5,146,000	3,870,000	(1,276,000)
Etowah City	1,212,000	1,229,000	17,000
McNairy County	13,334,000	15,469,000	2,135,000
Macon County	12,487,000	13,518,000	1,031,000
Madison County	33,256,000	34,522,000	1,266,000
Marion County	12,967,000	14,146,000	1,179,000
Richard City SSD	1,036,000	1,200,000	164,000
Marshall County	14,068,000	15,774,000	1,706,000
Maury County	34,404,000	34,715,000	311,000
Meigs County	6,927,000	7,569,000	642,000
Monroe County	16,653,000	18,318,000	1,665,000

**Table 2. Change in State BEP Funding w/Prototype**

<b>System Name</b>	<b>Actual FY2003-04</b>	<b>FY2004-05 w/Prototype</b>	<b>Change w/Prototype</b>
Sweetwater City	4,652,000	4,475,000	(177,000)
Montgomery County	70,915,000	79,361,000	8,446,000
Moore County	3,455,000	3,728,000	273,000
Morgan County	12,142,000	13,722,000	1,580,000
Obion County	11,775,000	13,204,000	1,429,000
Union City	4,137,000	3,712,000	(425,000)
Overton County	11,423,000	13,154,000	1,731,000
Perry County	4,160,000	4,777,000	617,000
Pickett County	2,746,000	2,896,000	150,000
Polk County	8,748,000	9,718,000	970,000
Putnam County	25,848,000	28,066,000	2,218,000
Rhea County	12,512,000	13,880,000	1,368,000
Dayton City	2,315,000	1,905,000	(410,000)
Roane County	23,526,000	25,521,000	1,995,000
Robertson County	29,231,000	32,583,000	3,352,000
Rutherford County	75,856,000	84,005,000	8,149,000
Murfreesboro City	16,513,000	11,028,000	(5,485,000)
Scott County	9,157,000	10,192,000	1,035,000
Oneida SSD	4,357,000	4,490,000	133,000
Sequatchie County	6,739,000	7,734,000	995,000
Sevier County	28,953,000	20,434,000	(8,519,000)
Shelby County	121,656,000	138,866,000	17,210,000
Memphis City	312,017,000	337,342,000	25,325,000
Smith County	10,181,000	11,119,000	938,000
Stewart County	7,847,000	8,288,000	441,000
Sullivan County	32,652,000	35,446,000	2,794,000
Bristol City	9,253,000	8,060,000	(1,193,000)
Kingsport City	16,359,000	12,498,000	(3,861,000)
Sumner County	71,182,000	77,801,000	6,619,000
Tipton County	38,290,000	41,588,000	3,298,000
Trousdale County	5,044,000	5,545,000	501,000
Unicoi County	8,419,000	9,831,000	1,412,000
Union County	11,804,000	13,068,000	1,264,000
Van Buren County	3,188,000	3,526,000	338,000
Warren County	18,793,000	20,594,000	1,801,000
Washington County	22,426,000	23,191,000	765,000
Johnson City	17,674,000	12,145,000	(5,529,000)
Wayne County	9,727,000	10,746,000	1,019,000
Weakley County	15,267,000	17,068,000	1,801,000
White County	12,896,000	14,417,000	1,521,000
Williamson County	53,761,000	53,408,000	(353,000)
Franklin SSD	10,589,000	8,181,000	(2,408,000)
Wilson County	34,077,000	35,945,000	1,868,000
Lebanon SSD	8,658,000	7,588,000	(1,070,000)
Statewide	\$ 2,552,901,000	\$ 2,701,184,000	\$ 148,283,000

## Glossary

---

**Ability to Pay**—the ability of individuals in a certain jurisdiction to pay taxes relative to those in other jurisdictions, generally based on a measure of income. The TACIR school system fiscal capacity model uses county per capita income and school district poverty rates, which are based on income, to measure ability to pay.

**Child Poverty Rate**—the percentage of related children living in families below the federal poverty line—as used here, it refers to school-aged children, those between the ages of five and seventeen inclusive.

**Fiscal Capacity**—the potential ability of the school systems' to raise revenues from their own sources to pay for public education.

**Fiscal Effort**—the degree to which a school system utilizes the revenue bases available to it, typically measured as the ratio of between the actual amount of revenues collected or used for a particular purpose to a related measure of fiscal capacity.

**Local Revenue**—the amount of money provided at the discretion of local officials to support school systems, such as property taxes, and state-shared tax revenues that substitute for local revenue.

**Median Household Income**—the middle value among households (i.e., the value above and below which lie an equal number of households) for money income received in the previous calendar year by all household members 15 years old and over, including household members not related to the householder, people living alone, and others in non-family households.

**Ordinary Least Squares Multiple Linear Regression**—a statistical process used to predict the values of a dependent variable, such as local revenue for education, based on the values of a set of explanatory variables, called independent variables.

**Property per Pupil**—the equalized assessed valuation of property subject to taxation by local officials divided by the number of students in average daily membership.

**Representative Tax System**—as a measure of fiscal capacity, a method of calculating the amount of revenue that a region or government would collect if it were to exert average fiscal effort; hypothetical tax system that is representative or typical of all the taxes actually levied by the state and local governments of a federation intended to be descriptive of the state-local tax system.

**Resident Tax Burden**—the portion of property tax payments for which owners of homes and farms are responsible; the equalized assessed valuation of residential and farm property divided by the total taxable value of all property.

**Sales per Pupil**—the value of all sales subject to taxation by cities and counties divided by the number of students in average daily membership.

**Service Burden**—the cost of providing for public education.

**Shared Property**—the value of property subject to county education taxes, all of which must be shared among all school systems in the county based on the proportion of students in each system. **Note:** *all county education revenue must be shared with any and all other school systems in the county.*

**Shared Taxable Sales**— the value of sales subject to countywide taxes, all of which must be shared among all school systems in the county based on the proportion of students in each system. **Note:** *all county education revenue must be shared with any and all other school systems in the county.*

**State-shared Tax Revenue per Pupil**—funds provided by the State from state revenues to cities and counties to supplement funds from local sources used to provide city and county services divided by the number of students in average daily membership. Revenue sources include state sales, excise, income, beer, mixed drink, and alcoholic beverage taxes, as well as TVA payments in lieu of taxes. **Note:** *Special school districts are not eligible to receive this revenue.*

**Tax Exportability**—the portion of property tax payments for which owners of homes and farms are not responsible; the equalized assessed valuation of business-related property (commercial, industrial, utility and personal property) divided by the total taxable value of all property.

**Unshared Property**—the value of property subject to taxes that generate revenue that is not required to be shared with other school systems. **Note:** *County school systems' revenue from this source is restricted to retirement of rural education debt and support of pupil transportation under certain specific circumstances. Such revenue cannot be used for general support of the county school system; therefore, the value of unshared property for county school systems is zero.*

**Unshared Taxable Sales**—the value of sales subject to taxes that generate revenue that is not required to be shared with other school systems. **Note:** *County school systems' revenue from this source is restricted to retirement of rural education debt and support of pupil transportation under certain specific circumstances. Such revenue cannot be used for general support of the county school system; therefore, the value of unshared taxable sales for county school systems is zero. Special school districts do not have authority to tax sales; therefore, the value of unshared taxable sales for special school districts is zero.*

# Data Sources

---

## Local Revenue

Tennessee Department of Education, Annual Financial Reports from public school systems, fiscal years 2000-01 through 2002-03. The most recent available data will be for the fiscal year immediately preceding the year during which the Department of Education establishes funding for schools. For example, the Department establishes funding for 2004-05 during 2003-04; therefore, the most current available data on local revenue for use in that process is for 2002-03.

## Student Counts—Average Daily Membership

Tennessee Department of Education, Annual Statistical Reports for school years 2000-01 through 2002-03. <http://www.state.tn.us/education/mreport.htm> The most recent available data will be for the fiscal year immediately preceding the year during which the Department of Education establishes funding for schools. For example, the Department establishes funding for 2004-05 during 2003-04; therefore, the most current available student counts for use in that process are for 2002-03.

## Sales Tax Base & State-shared Tax Revenues

Tennessee Department of Revenue, fiscal years 2000-01 through 2002-03. The most recent available data will be for the fiscal year immediately preceding the year during which the Department of Education establishes funding for schools. For example, the Department establishes funding for 2004-05 during 2003-04; therefore, the most current available data on the sales tax base and state-shared taxes for use in the funding process is for 2002-03.

## Property Tax Base & Ratio of Business-related Property Assessment to Total Assessment

Tennessee Board of Equalization, Tax Aggregate Report of Tennessee, calendar years 2000 through 2002. <http://www.comptroller.state.tn.us/pa/taxaggr.htm> The most recent available data will be for the calendar year ended prior to the fiscal year during which the Department of Education establishes funding for schools. For example, the Department establishes funding for 2004-05 during 2003-04; therefore, the most current available data for use in that process is for 2002.

## Median Household Income

U.S. Census Bureau, Housing and Household Economic Statistics Division, Small Area Estimates Branch, Small Area Income and Poverty Estimates—Tables for States and Counties by Income Year and Statistic, 1998 through 2000. <http://www.census.gov/hhes/www/saipe/stcty/estimate.html> The most recent available data will be for the calendar year ended three years prior to the beginning of the fiscal year in which the Department of Education establishes funding for schools. For example, the Department establishes funding for 2004-05 during 2003-04; therefore, the most current available data for use in that process is for 2000, released October 2003.

## Child Poverty Rates

U.S. Census Bureau, Housing and Household Economic Statistics Division, Small Area Estimates Branch, Small Area Income and Poverty Estimates—School District Estimates, 1997, 1999 and 2000. <http://www.census.gov/hhes/www/saipe/schooltoc.html> The most recent available data will be for the calendar year ended three years prior to the beginning of the fiscal year in which the Department of Education establishes funding for schools. For example, the Department establishes funding for 2004-05 during 2003-04; therefore, the most current available data for use in that process is for 2000, released November 2003.