

Tennessee Investment in Student Achievement (HB2143/SB2396)

ADVOCACY GUIDE 2.0

Why should Tennessee adopt a new funding formula now?

- **Tennessee is 44th in the nation** based on the amount we currently fund K–12 education, spending an average of \$11,139 per student each year, well below the national average of \$15,114.
- **The BEP is one of the most complex and least-understood formulas in the country**, making it hard for stakeholders to understand how funding is allocated or spent.
- The **Basic Education Program (BEP)**, almost 30 years old, **is a resource-based formula not driven by student need**. Instead, it assigns funding to districts based on 46 outdated and inadequate components.
- **The State of Tennessee has an estimated \$3 billion to budget for next year and the largest surplus of funds in our history**. As a result, we are financially poised to significantly change our funding formula and ensure districts do not lose funding.

Why do we support TISA as the new state funding formula for Tennessee?

TISA OFFERS:

1. A generous recurring allocation paired with a simplified formula
2. A base for every student that is above the national median (\$6,000)
3. Generous weights that are added to the base and differentiated and determined by student need, including students from low-income backgrounds or those attending schools with concentrations of poverty or in a rural community, and tiered weights for English learners and students with disabilities
4. Stackable weights, where students can qualify for multiple weights based on need
5. A large majority of funding (approx. 95%) that is allocated through the base and weights to promote stability and flexibility for districts to meet their students' needs
6. Increased local fiscal capacity transparency by annually and publicly publishing the calculation, underlying data, and each county's local fiscal capacity

Additionally, the **Sycamore Institute** finds TISA is unlikely to grow the statewide total for mandatory local spending over the next decade and—compared to the BEP—could require fewer district-level increases.

What remaining questions do we have?

BASE & WEIGHTS:

- How will the base funding account for inflation?
- How would measuring a district's percentage of students from low-income backgrounds, rather than using a school's Title I status, change the number of students impacted and the weights' ability to meet student need?
- How will stakeholder engagement be included to determine and evaluate ULN categorization?
- How is TDOE considering the different identification options to determine which students will be in each of the 10 ULN categories (e.g., IEP/services, diagnosis, time, and placement)?
- What specific auditing and monitoring procedures will the State use to ensure that students are not under or overidentified based on their identity? How will the State address any monetary incentives that place students in more restrictive environments?

DIRECT FUNDING:

- How will stakeholder engagement be included to evaluate direct funding?
- Will Tennessee allocate funds for a cost differential factor (CDF) under TISA's direct funding?

LOCAL FISCAL CAPACITY:

- How, if at all, will CBER and TACIR revise their current indices? How are they considering measuring fiscal capacity at the county versus district level and absolute versus relative funding models?
- How will the State increase local fiscal capacity transparency given the shift back to two measures?

ACCOUNTABILITY:

- How will the new accountability procedures in the House and Senate amendments align with Tennessee's existing accountability system?

Our Resources

- [TISA Evaluation Tool & FAQ](#)
- [School Finance Glossary](#)
- [Dollars & Sense Website & Learning Series](#)
- [Funding Guides](#) based on student group

Other questions? Check out our [TISA FAQ](#) and ask additional questions [here](#).