

Below are frequently asked questions on the exploration of the state's public education funding strategy.

- **What is public school funding?**
 - Public school funding is the money a school district receives, either through federal, state, or local dollars, to provide an education to students. This includes funds for academic programming, district and school operations, and other resources.
- **Why is school funding important?**
 - School funding models signal both what we believe is important in a public education and the outcomes we expect that education to achieve for students. The method by which districts are allocated funding and the amount they receive guides their decisions on how to serve their unique students, including determining the right combination of programs, resources, and services to accelerate student achievement and success. Every student has a unique set of needs, and school funding is a major lever in ensuring all students receive the necessary supports for a high-quality education.
- **Where does funding for schools come from?**
 - In Tennessee, funding for public schools comes from a variety of sources, including federal grants, state funds, and local funds.
 - The federal government often provides grant funding to local school districts to support specific subgroups of students (e.g.: economically disadvantaged students, English Learners, etc.) or targeted need areas (e.g.: teacher professional development). Most recently, school districts received a large influx of federal relief funds related to pandemic response and recovery.
 - The majority of funding for public schools comes from the state level. At the state level, public school funds are appropriated through the state legislature's annual budget process. For the 2021-22 school year, the Tennessee General Assembly appropriated over \$5 billion dollars toward public school districts. The gross majority of these funds are allocated to districts through the state's public education funding formula.
 - Local funding for schools is also derived from the state public education funding formula, requiring localities to contribute local revenues to school districts in their area. Local governing bodies typically leverage revenues from taxes levied on property, goods, or other services to meet these requirements. Localities may also, at their discretion, contribute additional funds above the required amounts of the funding formula.
- **What are common types of state funding models for public education?**

- State funding models for public education take a variety of forms. Generally, there are three types of models, but states may combine aspects of any of these models to develop a funding structure for public education.¹
 - Student-Based: Districts receive a base amount of funding per student, with additional money added to provide additional supports to students with higher need or unique contexts. Above the minimum base for every student, additional funds in these models are typically allocated using (a) weights or multipliers against the base to capture varying levels of student need or (b) additional flat rates per students for more standardized costs.
 - Resource-Based: Districts receive a minimum base amount for resources, such as money for staffing, services, and programs. Resource-based models often utilize a ratio based on staffing to students.
 - Categorical: Districts receive dollars that are tied to specific programs and services. While less typical of state funding formulas, categorical funding is frequently used in the distribution of federal grant funds.
- **What does it mean to use weights in a school funding model?**
 - State funding models for public education, specifically student-based funding models, may incorporate “weights” based on specific student populations and needs. Generally, weighting means allocating additional dollars to students with higher needs or unique contexts with the goal of those students receiving the additional resources or supports to be successful. For example, a state may choose to assign weights to English Learner (EL) students in their funding model, meaning an EL student would generate additional funding for the services and supports they need.
 - **How are student outcomes incorporated into a school funding model?**
 - State funding models for public education may also incorporate student outcomes, such as student achievement, graduation, or postsecondary readiness metrics, to generate additional funding for districts to help boost academic achievement and improved outcomes for all students. A state may choose to allocate additional funds to a district for growth or achievement improvements for traditionally low-performing groups, for example a district that has a high number of economically disadvantaged students who are completing postsecondary coursework.
 - **How is school funding currently structured in Tennessee?**

Currently, the Basic Education Program (BEP) is the primary funding formula for Tennessee’s K-12 public schools. The BEP is generally considered a resource-based funding model for public education.

- The formula includes four categories—instructional salaries, instructional benefits, classroom, and non-classroom allocations. Each category includes various resource components such as a teacher (46 components in total) that have set funding amounts per component. The allocation for those resources is determined by multiplying the number of students from the prior school year by a ratio of student to resource and the set funding amount for that resource.

- The BEP includes both a state and a local contribution to fund the total funding formula. Each category includes an initial funding split between these two sources, which is then adjusted based on fiscal capacity, or the ability to raise local revenue, of each locality. Counties with higher fiscal capacity receive less state BEP funds and must contribute more local dollars than counties with lower fiscal capacity.
- **What is the history of school funding in Tennessee?**
 - Tennessee's current school funding model, the BEP, was created in 1992. While the general structure of the formula has not significantly changed in the last 30 years, various modifications have been made during that time.
 - In 2007, Governor Phil Bredesen and the 105th Tennessee General Assembly revised the BEP formula through passage of BEP 2.0. The revisions were aimed at allocating additional state money for school systems with high numbers of at-risk students and those with high growth in student populations. The revisions also expanded funding for English Learners (EL) and increased the state share to the instructional component of the BEP.
 - In 2014, Governor Bill Haslam appointed the BEP Task Force which consisted of 12 members, including state and local officials and education stakeholders. The purpose of the task force was to study the BEP to determine its appropriateness for Tennessee classrooms and schools. In 2016, the 109th General Assembly passed the BEP Enhancement Act which modified the formula's calculation for local fiscal capacity and split the instructional funding into the instructional salaries and instructional benefits categories.