

TISA Quick Guide: Fast-Growth Funds

The Tennessee Investment in Student Achievement (TISA) Act provides additional funding opportunities for districts experiencing high rates of student population growth. While not a new concept to education funding in Tennessee, fast-growth funding was updated in the TISA formula. The TISA law outlines two different types of fast-growth stipends:

- **Fast-growth Stipends:** These stipends are based on comparing the district's TISA allocation from the prior year with the current year's allocation. If there is an increase of more than 1.25%, the district qualifies for the fast-growth stipend. The amount of the stipend is determined by the excess allocation above the 1.25% threshold. The stipend is funded solely by the state.
- **Infrastructure Stipends:** These stipends are a subset of the fast-growth funds and support districts with sustained growth over a three-year period. To qualify, a district must demonstrate an average daily membership (ADM) increase of over 2% in each of the prior three school years. The district's share of the infrastructure stipend funds is determined by dividing their ADM value above the 2% threshold by the statewide total of qualifying districts. The stipend is also funded solely by the state.

Fast-Growth Stipends

For fast-growth stipends, the state compares the funds generated in a district's TISA allocation against running current year student information through the same TISA formula. In other words, whereas a district's TISA allocation is based on prior year student information, to determine eligibility for the fast-growth stipend, the comparison amount is the same formula run on current year data. This means it is extremely important that districts are ensuring data accuracy throughout the year.

There are two other important notes to share:

- First, the comparison to determine eligibility and later the amounts of fast-growth stipends are based only on the base, weights, and direct funding lines of the TISA formula and comparison run. Outcomes funding is not included.
- Second, in determining fast-growth calculations, the law prescribes only counting non-virtual students.

In comparing those two allocations, if there is an increase in excess of 1.25%, a threshold set in law, then the district qualifies for the fast-growth stipend.

Example

The sample district's TISA allocation (based on prior year enrollment data) and growth comparison (based on current year data) are listed below. To determine eligibility, first determine the excess amount (if any) over 1.25% that the generated funding has increased.

Once that is determined, identify the state portion of the TISA allocation funds and apply that to the excess funds to determine the initial allocation.

Sample District		
	TISA Allocation	Growth Comparison Allocation
Base	\$10,000,000	\$10,350,000
Weights	\$2,500,000	\$2,600,000
Direct	\$1,500,000	\$1,650,000
TOTAL	\$14,000,000	\$14,600,000
Full % Increase	4.29%	
Excess Over 1.25% Threshold	4.29% - 1.25% = 3.04%	
Excess \$ Over Threshold	3.04% x \$14,000,000 = \$425,000	

TISA State & Local Contributions				
4. Total Local Contribution				
Adding Local Contribution Totals		\$2,300,000	+	\$700,000
			=	\$3,000,000
		Total Funding (Base, Weights, Direct)		\$14,000,000
		Local	-	\$3,000,000
		State	=	\$11,000,000

$$\text{State Portion} = \$11,000,000 / \$14,000,000 = 78.57\%$$

$$\text{State Portion of Excess Funds} = 78.57\% \times \$425,000 = \$333,929$$

Infrastructure Stipends

The second support for fast-growth districts is infrastructure stipends. These are a subset of the fast-growth funds and are designed to support districts experiencing sustained trends of growth over a three-year period. As a subset of fast-growth, structure stipends are provided only if there are available funds remaining in the state budget after paying out the fast-growth stipends. The state budget will place a maximum amount that can be used for this purpose. For the 23-24 school year, the state budget provides up to \$10 million for infrastructure stipends out of the \$35 million total for fast-growth funding.

To qualify, a district must demonstrate **an increase in its average daily membership (ADM) of over 2% in each of the prior three school years**. The ADM counts will be the same numbers used in the funding formula for each of the prior three school years. Note, to qualify for the infrastructure stipends, the calculation considers the ADM counts in schools as opposed to the funds generated lens used in the fast-growth stipends discussed earlier. However, both approaches exclude virtual students from the comparisons.

If a district meets the qualifications for an infrastructure stipend, then the calculation looks at how far above the 2% threshold the district is in the current year compared to the immediately preceding year. This ADM value above the 2% threshold becomes the district’s input into the infrastructure calculation. This value is then added to the total of all qualifying districts, each using the same calculation.

The state will then take the district’s value and divide it by the statewide total of all qualifying districts. The resulting percentage is the district’s share of any funds identified and available for infrastructure stipends.

Example

Sample District				
	Year 1	Year 2	Year 3	Year 4
Non-Virtual ADMs	1,000	1,025	1,150	1,300
Growth % From Prior Year	-	2.5%	4.5%	13%
Above 2%?		Yes	Yes	Yes

- Determine eligibility: District has three consistent years of growth of over 2%
- Determine excess ADMs: $13\% - 2\% = 11\% \rightarrow 11\% \times 1,150 = 126.5$ ADMs
- Calculate district’s proportion of all growth ADMs statewide:
 - Sample statewide count of growth ADMs: 2,500
 - District proportion = $126.5 / 2,500 = 5.06\%$
- Multiply district proportion by available funds in state budget:
 - Infrastructure stipend = $5.06\% \times \$10,000,000 = \$506,000$

Additional Considerations

Fast-growth Stipends are paid out five times throughout the year, while Infrastructure Stipends are paid out once in October. Both stipends are 100% state-funded and do not require additional local funds. The availability of funds and budget limitations may result in pro-rated distributions or adjustments to the eligibility threshold. The fast-growth funds aim to provide additional financial support to districts dealing with rapid student population growth, allowing flexibility in meeting the needs of their growing communities. For more detailed information, local education leaders can refer to TDOE’s [TISA Resources Page](#).