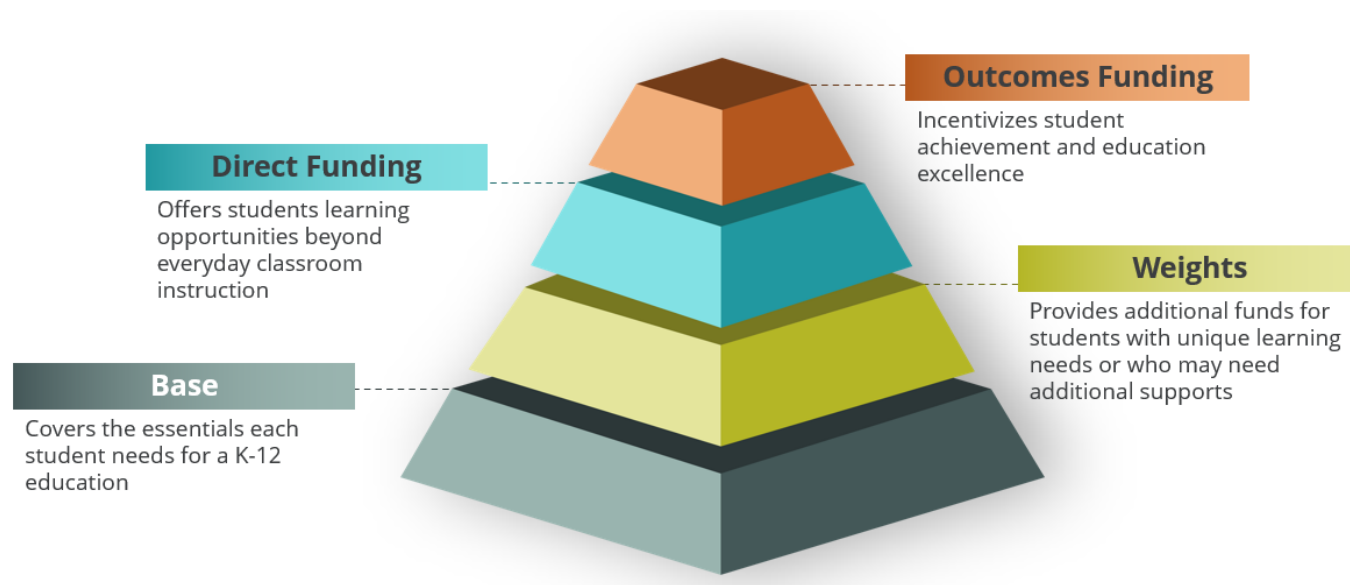


TISA Quick Guide: Overview

The TISA public school funding formula transitioned the state to a student-based funding approach and updated the way Tennessee funds public education for the first time in over 30 years. This included an additional recurring state investment of \$1 billion in education starting in the 2023-24 school year. The updated formula:

- **Addresses the needs of each individual student**, so each can learn and achieve to the fullest.
- **Supports the state’s economic vitality by helping** students develop workforce-relevant skills that meet employers’ needs.
- **Empowers districts and schools with the** flexibility to meet the needs of the unique populations they serve.
- **Improves transparency and accountability in** education funding.
- **Builds on the bold programmatic reforms in Tennessee** over the last decade and funds their sustainability.

TISA Framework



As a student-based funding formula, TISA generates education funds based on the individual needs of students. There are four components of funding under the TISA funding formula, including base funding, weighted funding, direct funding and outcomes funding.

Base

Every student generates a base amount of funding, which has been set by the General Assembly at \$6,860 for the 2023-2024 school year. The base covers what each student needs for their K-12 education, including factors like teachers, school facilities, materials and transportation.

Weights

In addition to the base funding amount, TISA provides additional dollars to districts based on the individual needs of the students that they serve. Students with unique learning needs (ULN) includes students who:

- Are economically disadvantaged;
- Experience concentrated poverty;
- Attend school in a small district;
- Attend school in a sparse district; and/or
- Have unique learning needs, including disabilities, English learner status, and/or characteristics of dyslexia.

Each weighted funding category is funded at a different proportion of the base funding amount. Students who are economically disadvantaged generate an additional 25% on top of the base funding. Students who live in areas of concentrated poverty generate an additional 5%, as do students who live in small and/or sparse districts. For students with unique learning needs, the weights range from 15% to 150%, depending on the intensity of supports needed. Students may generate up to four of these unique learning needs, depending on their specific needs and circumstances.

Direct Funding

On top of the base funding and weighted funding, TISA provides direct funding allocations to provide additional supports and opportunities for students. The direct funding lines are set as flat dollar figures each year, and include funding for:

- Enhancing literacy supports for every K-3 student;
- Offering tutoring and other 4th grade supports for students who struggled with ELA in 3rd grade;
- Enrollment and persistence in approved CTE Programs of Study;
- Administration of the ACT postsecondary readiness assessment; and
- Supporting charter school facilities.

The specific direct funding amounts are subject to an annual appropriation by the General Assembly. For the 2023-2024 school year, students in grades K-3, as well as 4th graders who need more support with literacy, and students enrolled in charter schools, each generate \$500 in funding. CTE coursework generates an average of \$5000. The state also covers two administrations of the ACT exam for high school students.

Outcomes Funding

TISA also provides funding based on student outcomes, awarding additional funds for academic achievement. Determining these outcome targets is tasked to an Outcomes Committee reflective of education stakeholders, such as directors of schools, local school board members, elected officials, teachers, and parents to advise the department on setting outcome goals and funding. The specific outcomes and outcome funding amounts are subject to an annual appropriation by the General Assembly and will be defined annually by the department and approved by the State Board of Education.

For the 2023-24 school year, the outcomes targets focus on early literacy in elementary school grades, math and ELA scores in middle school grades, and college and career readiness benchmarks in high school.

Local Contribution

Local contribution calculates how much of the total funding will be provided by the state and how much will be provided by each local government.

- State and local share is split 70%/30% statewide for the base and weights only. The state provides 100% of the funds for direct and outcomes funding.
- Fiscal capacity further breaks out the 30% local share into local contributions for each district.
 - Calculated by two organizations (TACIR and UT-CBER)
 - Reviewed by Comptroller
 - Approved by State Board of Education

Support Funding

- **Fast-Growth** Student Stipend: LEAs with current-year growth above 1.25% from the prior year will receive additional funds to support growing student population and needs.
- Fast Growing **Infrastructure** Stipend: LEAs with 2% growth each year for three consecutive years may also receive an infrastructure stipend to support longer-term needs of consistent high growth.

Teacher Salaries

Teachers are the foundation for student success, and TISA ensures that when state dollars are invested for teacher raises, those dollars will go toward teacher raises. TISA requires that school districts must spend any state funds allocated for teacher salaries on salary increases for current educators. The law also requires that these investments move in conjunction with increases to the state minimum salary schedule, improving wages for beginning educators to veteran educators.

For the 2023-2024 school year, **\$125 million of the base amount** statewide is dedicated specifically to **increasing teacher salaries**.

Reporting, Transparency and Accountability

Detailed reporting on funding and spending will be publicly posted at the school and district levels, per federal requirements, and be included on the annual report cards. Every district will have the opportunity to provide annual input on:

- What the district hopes to see funded
- Research base and return on investment
- Explanations of local context on why the district is unable to afford those resources in the existing budget

The department will produce a report each year, to include:

- An academic analysis
- Accountability report cards
- LEA TISA Review requests
- Expert reviews on TISA and recommendations

District Accountability Reports

Each district must annually produce a report to:

- Set goals for student achievement, including reaching 70% proficiency on the 3rd grade ELA TCAP
- Explain how the goals can be met within the district's budget
- Describe the results and return on investment of the prior year budget and expenditures

Accountability Reviews

A district or public charter school with a D or F school may be asked to present to the State Board of Education in order to discuss funding and outcomes. Results of these reviews may lead to corrective actions, additional auditing, or required trainings.

For more detailed information, including additional quick guides and video modules, local education leaders can refer to TDOE's [TISA Resources Page](#).