

**RULES  
OF  
THE TENNESSEE DEPARTMENT OF EDUCATION**

**CHAPTER 0520-12-05  
TENNESSEE INVESTMENT IN STUDENT ACHIEVEMENT (TISA)**

**0520-12-05-.02 Chapter Definitions**

- (1) "Ancillary Special Education Direct Services" (ULN 8) means Special Education Direct Services provided in a general or special education setting that are deemed by the IEP team to be the Student's Least Restrictive Environment, as required by state and federal law, by an ancillary person, including but not limited to, an interpreter, instructional assistant, or attendant for a minimum of four (4) hours per day.
- (2) "Authorizing Entity" means a local board of education, the Tennessee Public Charter School Commission, or the Achievement School District authorized to make decisions regarding approval, renewal, and revocation of a public charter school application or agreement.
- (3) "Average Daily Membership" or "ADM," pursuant to T.C.A. § 49-3-104(1), means the sum of the total number of days a Student is enrolled divided by the number of days school is in session during this period.
- (4) "Base Funding Amount," pursuant to T.C.A. § 49-3-104(2), means the uniform dollar amount that each Student generates towards the Student's TISA funding allocation in a given year.
- (5) "Baseline Funding Amount," pursuant to T.C.A. § 49-3-104(3), means:
  - (a) The basic education program allocations an LEA received in the 2022-2023 school year;
  - (b) The coordinated school health grant allocations an LEA received in the 2022- 2023 school year;
  - (c) The family resource center grant allocations an LEA received from the Department in the 2022-2023 school year; and
  - (d) The school safety grant allocations an LEA received in the 2022-2023 school year.
- (6) "Career and Technical Program," pursuant to T.C.A. § 49-3-104(4), means a coordinated, non-duplicative sequence of academic and technical content that:
  - (a) Incorporates challenging state academic standards;
  - (b) Addresses academic and technical knowledge and skills, including employability skills;
  - (c) Is aligned with the needs of industries in the economy of the state, region, or local area;

(Rule 0520-12-05-.02, continued)

- (d) Progresses in specificity, beginning with all aspects of an industry or career cluster and leading to more occupation-specific instruction, including early postsecondary instruction;
  - (e) Has multiple entry and exit points that incorporate credentialing;
  - (f) Culminates in the attainment of a recognized credential; and
  - (g) Is established and categorized into one (1) of three (3) levels by the Department, as provided in Rule 0520-12-05-.05, based on the additional resources required to support the program and the Wage-Earning Potential for Students participating in the program.
- (7) "Characteristics of Dyslexia" (ULN 2) means reading challenges that are identified when a Student is:
- (a) Identified by the composite score of the universal reading screener and/or the Early Warning System (in grades 9-12 only); and
  - (b) Demonstrates deficiencies in fifty percent (50%) or more of the grade appropriate subtests of skills which support the goal of reading proficiently as identified by the Department's Minimum Universal Reading Screening Matrix.
- (8) "Commissioner," pursuant to T.C.A. § 49-3-104(5), means the commissioner of education.
- (9) "Concentrated Poverty," pursuant to T.C.A. § 49-3-104(6), means that a Student is a member in a school that is eligible for Title I schoolwide designation.
- (10) "Consultation" means services provided by licensed staff to licensed staff, with minimal special education and Related Services (if any) provided directly to the Student. Consultation may include but is not limited to: discussion on the implementation of the current Individualized Education Program (IEP); review of current accommodations and progress on goals; implementation of behavior intervention plan (BIP) and/or behavior data; and/or collaboration to revise and develop future IEPs and BIPs.
- (11) "Department," pursuant to T.C.A. § 49-3-104(7), means the department of education.
- (12) "Direct Allocation," pursuant to T.C.A. § 49-3-104(8), means an allocation in addition to the Base Funding Amount for a Student expressed as a flat dollar amount.
- (13) "Direct ESL Services" means English as a Second Language (ESL) services designed for speakers of other languages and provided pursuant to an ILP by a teacher with an ESL endorsement to EL Students.
- (14) "Dyslexia" means a specific learning disability as defined in State Board Special Education Rules Chapter 0520-01-09, that is neurobiological in origin. It is characterized by difficulties with accurate and/or fluent word recognition and by poor spelling and decoding abilities. These difficulties typically result from a deficit in the phonological component of language that is often unexpected in relation to other cognitive abilities and the provision of effective classroom instruction. Secondary consequences may include problems in reading comprehension and reduced reading experience that can impede growth of vocabulary and background knowledge.

(Rule 0520-12-05-.02, continued)

- (15) “Early Post-Secondary Opportunities” or “EPSOs”, for the purposes of 0520-12-05-.06, are opportunities for students to earn postsecondary credit(s) or clock hours while in high school and include Advanced Placement (AP), Cambridge International Examinations (CIE), College Level Examination Program (CLEP), Dual Enrollment (DE), International Baccalaureate (IB), Local Dual Credit (LDC), Statewide Dual Credit (SDC), and department-promoted industry credentials (IC).
- (16) “Early Warning System” means a tool that allows school-level teams to manage attendance, behavior, and academic performance indicators that may impact academic performance and/or indicate other risk factors for high school Students.
- (17) “Economically Disadvantaged,” pursuant to T.C.A. § 49-3-104(10), means, as defined in Tennessee's Every Student Succeeds Act (ESSA) plan established pursuant to the federal Every Student Succeeds Act (20 U.S.C. § 6301 et seq.), a homeless, foster, runaway, or migrant Student or a Student eligible for free or reduced-price school meals or milk through the direct certification eligibility guidelines established pursuant to 42 U.S.C. §§ 1751-1769.
- (18) “Education Information System” means the reporting system(s) used by the state which contains data about Students and other data provided by Local Education Agencies, public charter schools, and other state applications as required by T.C.A. § 49-1-209.
- (19) “English Learner” or “EL” means an NELB Student who qualifies for ESL services via a Department-approved English Language Proficiency screener.
- (20) “English Learner Tier I” (ULN 2) means an EL Student meeting one (1) of the following criteria:
  - (a) Transition supports, as outlined in the Student’s ILP pursuant to State Board of Education Rules, Chapter 0520-01-19, for transitional English Learners who have met the exit criteria for the ESL program, in accordance with the State Board of Education Rules Chapter 0520-01-19, and are in year one (1) or two (2) after exiting;
  - (b) Indirect ESL services in accordance with State Board of Education Rules 0520-01-19, whose parent(s) or legal guardian(s) have waived Direct ESL Services; or
  - (c) ESL services for Long-Term English Learners.
- (21) “English Learner Tier II” (ULN 4) means an EL Student who receives Direct ESL Services and academic and career-readiness supports that provide access to classroom instruction for English Learners, as outlined in the Student’s ILP pursuant to State Board of Education Rules, Chapter 0520-01-19, and who does not meet the definition of English Learner Tier I or English Learner Tier III.
- (22) “English Learner Tier III” (ULN 5) means an EL Student who receives Direct ESL Services specific to language- focused supports for English Learners, as outlined in the Student’s ILP pursuant to State Board of Education Rules, Chapter 0520-01-19, based on a WIDA overall proficiency level of three (3) or lower and for a maximum of three (3) years.

(Rule 0520-12-05-.02, continued)

- (23) "EPSO Credit" means the completion of an Early Post-Secondary Opportunity that results in either postsecondary credit(s) or clock hours, a passing score on approved exams, or a Tier II or Tier III industry credential as identified by the Department.
- (24) "Existing Educator," pursuant to T.C.A. § 49-3-104(11), means an individual who is evaluated pursuant to § 49-1-302(d)(2) and who provides direct service to Students at school sites.
- (25) "Fiscal Capacity," pursuant to T.C.A. § 49-3-104(12), means the percentage of the Local Share that a county must contribute.
- (26) "Fiscal Capacity Calculation," pursuant to T.C.A. § 49-3-104(13), means the formula evaluated by the Comptroller of the Treasury and approved by the State Board that determines Fiscal Capacity as the average of the Fiscal Capacity estimates generated by the formula established by the Boyd Center for Business and Economic Research (CBER) at the University of Tennessee and the formula established by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR).
- (27) "High-Support Special Education Direct Services" (ULN 7) means Special Education Direct Services and/or Related Services provided in the general or special education setting deemed by the IEP team to be the Student's Least Restrictive Environment, as required by state and federal law, by certified or non-certified staff totaling more than or equal to fourteen (14), but less than twenty-three (23) hours per week. Eligible Related Services include psychological, school social work, speech/language, school health counseling, vision, hearing, orientation and mobility services, occupational and physical therapy. Recreational therapy and other Related Services are excluded.
- (28) "Indirect ESL Services" means ESL services that provide linguistically and academically appropriate accommodations and scaffolding pursuant to an ILP that are:
- (a) Provided as a result of parent(s) or guardian(s) waiving Direct ESL Services
  - (b) Provided by a general education teacher in the general education classroom; and
  - (c) Designed to ensure EL Students have access to daily grade level instruction in English.
- (29) "Individualized Learning Plan" or "ILP" means a document developed pursuant to State Board of Education Rules, Chapter 0520-01-19 that prescribes the academic goals, supports, and/or accommodations that an EL student needs to access classroom instruction.
- (30) "Individualized Learning Plan - Dyslexia" or "ILP-D" means a document developed by the LEA or public charter school for Students with Characteristics of Dyslexia in accordance with T.C.A. § 49-1-229 and State Board of Education Rules, Chapter 0520-01-22, that prescribes the academic goals, supports, and/or accommodations that a Student may need to access classroom instruction, in addition to exit criteria.
- (31) "Least Restrictive Environment" pursuant to 20 U.S.C. 1412(a)(5), means to the maximum extent appropriate, children with disabilities, including children in public or private institutions or other care facilities, are educated with children without disabilities, and special classes, separate schooling, or other removal of children with disabilities from the

(Rule 0520-12-05-.02, continued)

regular educational environment occurs only when the nature or severity of the disability of a child is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.

- (32) "Limited Special Education Direct Services" (ULN 3) means Special Education Direct Services and/or Related Services provided in the general or special education setting deemed by the IEP team to be a Student's Least Restrictive Environment, as required by state and federal law by certified or non-certified staff totaling more than or equal to four (4), but less than nine (9) hours per week. Eligible Related Services include psychological, school social work, speech/language, school health counseling, vision, hearing, orientation and mobility services, occupational and physical therapy. Recreational therapy and other Related Services are excluded.
- (33) "Local Contribution," pursuant to T.C.A. § 49-3-104(14), means the dollar amount of local funds that a local government must pay toward the Local Share.
- (34) "Local Education Agency" or "LEA," pursuant to T.C.A. § 49-3-104(15), means a county, city, or special school district, unified school district, school district of a metropolitan form of government, or another school system established by law.
- (35) "Local Share," pursuant to T.C.A. § 49-3-109(b), which must be paid with local government funds, is the remaining thirty percent (30%) of the total funding allocation that Students funded by a local government generate pursuant to § 49-3-105(a)(1) and (a)(2).
- (36) "Long-Term English Learners" means English Learners in year seven (7) of the ESL program who have not met the program's exit criteria pursuant to State Board of Education Rules, Chapter 0520-01-19.
- (37) "Membership," pursuant to T.C.A. § 49-3-104(16), means a Student is enrolled and assigned to a class.
- (38) "Minimal Special Education Direct Services" (ULN 2) means special education and Related Services provided in the general or special education setting deemed by the IEP team to be a Student's Least Restrictive Environment, as required by state and federal law by certified or non-certified staff totaling more than or equal to one (1), but less than four (4) hours per week. Eligible Related Services include psychological, school social work, speech/language, school health counseling, vision, hearing, orientation and mobility services, occupational and physical therapy. Recreational therapy and other Related Services are excluded.
- (39) "Minimum Universal Reading Screening Matrix" means a state-designed tool that identifies the subtests required at each grade level for all state-approved universal reading screeners and determines the grade appropriate subtests necessary for the screening process for Characteristics of Dyslexia.
- (40) "Moderate Special Education Support Direct Services" (ULN 6) means special education direct and/or Related Services provided in the general or special education setting deemed by the IEP team to be a Student's Least Restrictive Environment, as required by state and federal law, by certified or non-certified staff totaling more than or equal to nine (9), but less than fourteen (14) hours per week. Eligible Related Services include psychological, school social work, speech/language, school health counseling, vision, hearing, orientation and mobility services, occupational and physical therapy. Recreational therapy and other Related Services are excluded.

(Rule 0520-12-05-.02, continued)

- (41) “Most Intensive Special Education Support Direct Services” (ULN 9) means:
- (a) Direct and/or Related Services provided in the general or special education setting deemed by the IEP team to be a Student’s Least Restrictive Environment, as required by state and federal law totaling twenty-three (23) or more hours per week. Eligible Related Services include psychological, school social work, speech/language, school health counseling, vision, hearing, orientation and mobility services, occupational and physical therapy. Recreational therapy and other Related Services are excluded; or
  - (b) Direct and/or Related Services to a Student in a comprehensive development classroom or self-contained setting deemed by the IEP team to be a Student’s Least Restrictive Environment, as required by state and federal law totaling thirty-two and a half (32.5) or more hours per week. Eligible Related Services include psychological with a minimum of two contacts per month, counseling with a minimum of two contacts per month, speech/language with a minimum of two contacts per month, vision or hearing services with a minimum of one hour per week, or physical or occupational therapy with a minimum of three contacts per year.
- (42) “Non-English Language Background (NELB) Student” means a Student whose parent(s) or guardian(s) list a language other than English in response to any question on the home language survey. An NELB Student may or may not qualify for ESL services.
- (43) "Postsecondary Readiness Assessment," pursuant to T.C.A. § 49-3-104(17), means the assessment required pursuant to T.C.A. § 49-6-6001(b).
- (44) “Related Services,” pursuant to 34 C.F.R. 300.34, means transportation and such developmental, corrective, and other supportive services required to assist a child with a disability to benefit from special education, including, but not limited to, speech-language pathology and audiology services; interpreting services; psychological services; physical and occupational therapy; transition services, including job placement; recreation, including therapeutic recreation; early identification and assessment of disabilities in children; counseling services, including rehabilitation counseling with a focus on career development, employment preparation, achieving independence, and integration in the workplace and community of a child with a disability; orientation and mobility services; medical services for diagnostic or evaluation purposes; school health services and school nurse services; social work services in schools; and Parent Counseling and training.
- (45) “Significant Growth,” for the purpose of Rule 0520-12-05-.06, means a Student who has moved from one performance band to a higher performance band over consecutive years.
- (46) "Small District," pursuant to T.C.A. § 49-3-104(18), means an LEA with a Membership of one thousand (1,000) or fewer Students.
- (47) "Sparse District," pursuant to T.C.A. § 49-3-104(19), means a county LEA located in a county with fewer than twenty-five (25) Students per square mile.
- (48) “Special Education Consultation Services” (ULN 1) means:

(Rule 0520-12-05-.02, continued)

- (a) Consultation, with a minimum of two (2) contacts per month between the LEA personnel;
  - (b) Occupational therapy or physical therapy consultation with a minimum of three (3) contacts per year between the related service provider and other LEA personnel; or
  - (c) Special Education Direct Services provided in a Student's Least Restrictive Environment, as required by state and federal law, are less than one (1) hour per week and Related Services are less than one (1) hour per week.
  - (d) Eligible Related Services include psychological, school social work, speech/language, school health counseling, vision, hearing, orientation and mobility services, occupational and physical therapy. Recreational therapy and other Related Services are excluded.
- (49) "Special Education Direct Services" means special education services provided in the general or special education setting deemed by the IEP team to be the Student's Least Restrictive Environment, as required by state and federal law, by certified or non-certified staff directly to Students. Services include, but are not limited to:
- (a) Speech and language therapy in the general or special education setting;
  - (b) Co-teaching model in which a certified general education teacher and a certified special education teacher deliver coordinated instruction in the general education classroom;
  - (c) Paraprofessional support in the general education setting;
  - (d) Pull-out services in the special education setting; and
  - (e) Deficit-based intervention services.
- (50) "Special Education Residential/Homebound/Hospital Services" (ULN 10) means:
- (a) Residential services are provided twenty-four (24) hours per day; or
  - (b) Direct and Related Services provided in a home, hospital, or related site three (3) or more hours per week.
- (51) "SOC" means a Standard Occupational Classification (SOC) system. This is a federal statistical standard used by federal agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data. All workers are classified into one of 867 detailed occupations according to their occupational definition.
- (52) "State Board" pursuant to T.C.A. § 49-3-104(20), means the state board of education.
- (53) "Student" means an individual enrolled in a public K-12 LEA or a public charter school.
- (54) "Student with a Disability" means a child between three (3) and twenty-one (21) years of age, both inclusive, who has been evaluated and determined as having a state-identified

(Rule 0520-12-05-.02, continued)

disability of functional delay or intellectually gifted, or as having one (1) or more of the following disabilities as defined in 34 C.F.R. §§ 300.8: an intellectual disability; a hearing impairment, including deafness; a speech or language impairment; a visual impairment, including blindness; emotional disturbance; an orthopedic impairment; autism; traumatic brain injury; other health impairment; a specific learning disability; developmental delay; deaf-blindness; or multiple disabilities and who, by reason thereof, needs special education and Related Services. Any child with a disability who turns twenty-two (22) years of age between the commencement of the school year and the conclusion of the school year continues to be a child with a disability for the remainder of that school year.

- (55) "TCAP," pursuant to T.C.A. § 49-3-104(21), means the Tennessee comprehensive assessment program;
- (56) "Tennessee Investment in Student Achievement Formula" or "TISA," pursuant to T.C.A. § 49-3-104(22), means the Student-based funding formula established pursuant to this part that consists of Student-generated funding allocations pursuant to T.C.A. §§ 49-3-105 and 49-3-106.
- (57) "Unique Learning Need" or "ULN," pursuant to T.C.A. § 49-3-104(23), means a learning need for which an LEA must provide the Student individualized services, interventions, accommodations, or modifications to meet the Student's need pursuant to T.C.A. § 49-1-229, T.C.A. § 49-10-108, the Individuals with Disabilities Education Act (20 U.S.C. § 1400 et seq.), or the State Board's rules for ESL programs, that are documented in a written plan and provided in accordance with T.C.A. § 49-1-229, T.C.A. § 49-10-108, the Individuals with Disabilities Education Act (20 U.S.C. § 1400 et seq.), or the State Board's rules for English as a second language programs, as applicable, and that are established and categorized into ten (10) levels by the Department, as provided in the Department's rules, based on the level of additional resources necessary to manage the ULN.
- (58) "Wage-Earning Potential" means the combination of high-wage, high-demand, and high-skill indicators for occupations using data provided through the Tennessee Department of Labor and Workforce Development.
- (59) "Weighted Allocation," pursuant to T.C.A. § 49-3-104(24), means an allocation in addition to the Base Funding Amount for a Student that is expressed as a percentage of the Base Funding Amount.

Authority: T.C.A. §§ 49-3-103(c), 49-3-115. Administrative History:

#### **0520-12-05-.05 Direct Allocations**

- (1) Direct Allocations. The amount set for Direct Allocations generated for each Student listed in T.C.A. § 49-3-105(c), for the LEA in which the Student is a member, are subject to an annual appropriation by the Tennessee General Assembly and shall be based on Students meeting one (1) or more of the following criteria:
  - (a) Rising Fourth Grade Students. A Direct Allocation amount is generated for a rising fourth grade Student who is determined not to be proficient in English language arts (ELA) based on the Student achieving a performance level rating of "below" or "approaching" on the ELA portion of the Student's most recent TCAP test;



(Rule 0520-12-05-.05, continued)

- (b) Students Enrolled in Career and Technical Programs.
1. Pursuant to T.C.A. § 49-3-105(c)(2), a Direct Allocation amount is generated for each Student Membership in a Career and Technical Program based on:
    - (i) The level of the program; and
    - (ii) The Student progression in coursework through the program.
  2. Career and Technical Programs shall be designated into one (1) of three (3) levels. Programs will be classified into the three (3) levels based on alignment to Wage-Earning Potential indicators and additional resources required to support the program if aligned to Wage-Earning Potential occupational pathways.
    - (i) The level of each program will be determined by the following methodology:
      - (I) Standard Occupational Classification (SOC) System Codes will be reviewed for alignment to each program.
        - I. For each program, the Department will develop a list of aligned careers in conjunction with stakeholder groups. The list of each program will be based on the SOC codes.
        - II. For each program's list of aligned SOC codes, the SOC codes with the top ten (10) highest employments in Tennessee will be used in the scoring process outlined below in this rule. If a program's list of aligned SOC codes is fewer than ten (10) SOC codes, then the available SOC codes will be used for the analysis outlined below in this rule.
      - (II) Programs will be scored using information on aligned SOC codes to establish the Wage-Earning Potential for each program by analyzing high-wage, high-demand, and high-skill data points. Each of the analyses detailed below will begin with the list of up to ten (10) SOC codes identified within each program as detailed above.
        - I. High-wage score determination:
          - A. Using occupational wage data provided by the Tennessee Department of Labor and Workforce Development (TDLWD), the Department will identify the top five (5) median wage SOC codes within a program. If a program has fewer than five (5) aligned SOC codes, then the

(Rule 0520-12-05-.05, continued)

available SOC codes will be used for the purposes of this determination.

- B. The median wages of the top (5) SOC codes will then be averaged together to produce the average median wage of the program.
- C. The resulting average median wage for each program will then be compared to the statewide median wage. The comparison will result in a score ranging from one (1) to five (5) for the high wage score based on the following:
  - (A) Average median wages at or below the statewide median will earn a score of one (1).
  - (B) Average median wages above 100% to 120% of the statewide median will earn a score of two (2).
  - (C) Average median wages above 120% to 130% of the statewide median will earn a score of three (3).
  - (D) Average median wages above 130% to 140% of the statewide median will earn a score of four (4).
  - (E) Average median wages above 140% of the statewide median will earn a score of five (5).

II. High-demand score determination:

- A. Using employment projection data provided by the TDLWD, the Department will identify the top five (5) in-demand SOC codes within each program based on regional prevalence of demand and volume of demand. If a program has fewer than five (5) aligned SOC codes, then the available SOC codes will be used for the purposes of this determination.
- B. For each aligned SOC code, the in-demand indicator will be based on the

(Rule 0520-12-05-.05, continued)

number of regions in which the SOC code is identified as in demand using the following scores:

- (A) For a SOC code identified as in-demand in eight (8) or nine (9) workforce development regions, the SOC code will earn a score of four (4).
  - (B) For a SOC code identified as in-demand in five (5) to seven (7) workforce development regions, the SOC code will earn a score of three (3).
  - (C) For a SOC code identified as in-demand in three (3) to four (4) workforce development regions, the SOC code will earn a score of two (2).
  - (D) For a SOC code identified as in-demand in two (2) or fewer workforce development regions, the SOC code will earn a score of one (1).
  - (E) If a SOC code is projected to have annual openings in the most recent employment projections of equal to or more than one thousand (1,000), the SOC code will earn a score of four (4) regardless of the regional prevalence score determined in the above paragraphs.
- C. The scores for the top five (5) in-demand SOC codes will be averaged to generate the overall high-demand score for the program, ranging from one (1) to four (4).
  - D. If the sum total of annual openings projected by the most recent employment projections for the five (5) top SOC codes is equal to or more than three thousand (3,000), then the program will score a four (4) for the high-demand score.

(Rule 0520-12-05-.05, continued)

- III. High-skill score determination:
  - A. Using the same set of top five (5) SOC codes identified in the high-wage score process and data provided by the TDLWD, the department will total the number of SOC codes with a typical entry education level above a high school diploma. If a program has fewer than five (5) aligned SOC codes, then the available SOC codes will be used for the purpose of this determination.
    - (A) SOC codes with typical entry education levels above a high school diploma (postsecondary non-degree award, some college, no degree, associate's degree, bachelor's degree, master's degree, doctoral or professional degree) will generate a score of one (1).
    - (B) SOC codes with typical entry education levels at or below a high school diploma (high school diploma or equivalent or no formal educational credential) will generate a score of zero (0).
  - B. The program will generate an overall high-skill score based on the sum of the identified SOC codes using the following:
    - (A) If the sum is five (5), the program generates a score of two (2).
    - (B) If the sum is three (3) to four (4), the program generates a score of one (1).
    - (C) If the sum is less than three (3), the program generates a score of zero (0).
- (III) Weights and final program scores
  - I. To determine a final program score, the high-wage, high-demand, and high-skill scores calculated above will be weighted in the following methodology:
    - A. High-wage will be weighted at 70%.

(Rule 0520-12-05-.05, continued)

- B. High-demand will be weighted at 20%.
    - C. High-skill will be weighted at 10%.
  - II. The formula for final program score is  $(\text{High-Wage Score} \times 0.7) + (\text{High-Demand Score} \times 0.2) + (\text{High-Skill Score} \times 0.1) = \text{final program score}$ .
- (IV) Tiers and additional resources:
  - I. The final program scores will be divided into three levels based on the following methodology:
    - A. Programs at or above the eightieth (80<sup>th</sup>) percentile of all scores will be identified as Level 3.
    - B. Program scores between the fortieth (40<sup>th</sup>) and eightieth (80<sup>th</sup>) percentile of scores will be identified as Level 2.
    - C. Program scores below the fortieth (40<sup>th</sup>) percentile of scores will be identified as Level 1.
  - II. Additional resources: The Department shall evaluate and establish a list of programs to reflect the additional resources needed. For programs identified in the top ten percent (10%) of additional resources needed, if the program falls into either Level 2 or Level 3, then the Department will apply an additional level of funding for student membership in these programs as identified in the appropriations process.
- 3. Student progression in coursework through a program shall be determined by each course's alignment as a first, second, third, or fourth year course of the career and technical education program.
- 4. Special Considerations - Career and Technical Program Levels
  - (i) If a course appears in multiple programs and the aligned programs represent two (2) or more different levels as identified in paragraph (b)(2) of this rule, then the course will be funded at the highest level of the aligned program.
  - (ii) Career and Technical Program courses for elective credit and middle school Career and Technical Program courses will be valued the same as a Student assigned to the first year of a level one (1) Career and Technical Program. Funding for general

(Rule 0520-12-05-.05, continued)

education courses that are part of a Career and Technical Program will not be funded as part of the CTE program.

5. By July 1 of each year, the Department shall:
    - (i) Create and publish a listing of all approved Career and Technical Program courses and determine for each course whether it aligns with first, second, third, or fourth year of the Career and Technical Program;
    - (ii) Create and publish a listing of all approved Career and Technical Programs by level;
    - (iii) Conduct an annual review of Wage-Earning Potential indicators through data from the Tennessee Department of Labor and Workforce Development and other sources, for all occupations and ensure alignment to approved Career and Technical Program; and
    - (iv) Conduct an annual review of additional resources required to support Career and Technical Program.
  6. With the exception of the first year of implementation, program levels and course assignment to progression years, while evaluated annually, will be updated for TISA funding purposes every three (3) years to allow LEAs appropriate time to align programs. This re-evaluation, including additional resources analysis, will be released by July 1 on the three (3) year cycle and become effective for the subsequent fiscal year, providing a full year between the release date and the year in which data will drive updated funding implications.
- (c) Students Taking a Postsecondary Readiness Assessment. A Direct Allocation amount is generated, which shall be maintained by the Department and used to fund the cost of Postsecondary Readiness Assessments, for each Student meeting one (1) or more of the following criteria:
    1. A junior or senior in high school, as determined from data from Education Information System and the LEA, who has not previously taken a Postsecondary Readiness Assessment; or
    2. A junior or senior in high school, as determined from data from Education Information System and the LEA, who has previously taken a Postsecondary Readiness Assessment, but only once.
  - (d) Kindergarten-Grade 3 Students. A Direct Allocation amount is generated for each member Student enrolled in any of the grades kindergarten through three (K-3) as determined from data from Education Information System intended to support literacy instruction; and
  - (e) Public Charter School Students. A Direct Allocation amount is generated for each member Student of a public charter school as reported by LEAs in the Student

(Rule 0520-12-05-.05, continued)

information system. The Department shall calculate and disburse public charter school Direct Allocations by:

1. Dividing the total recurring funding appropriated by the Tennessee General Assembly annually for this purpose by the prior year ADM in charter schools to generate a per Student amount. The per Student amount is then multiplied by prior year ADM at each public charter school to generate the total Direct Allocation generated by individual public charter schools; and
  2. Allocating and distributing to the public charter school's Authorizing Entity, the per Student amount multiplied by prior year ADM generated by each of the authorizer's public charter schools. The authorizing LEA shall distribute these funds and other state, local, and federal funds to public charter schools pursuant to State Board of Education Rules, Division 0520-14 on Charter Schools.
- (2) The amount set for Direct Allocations generated for each Student listed in T.C.A. § 49-3-105(c) shall be administered and allocated by the Department to the LEA in which the Student is a member, or maintained by the Department as specified in subdivision (1)(c), based on data collected for an LEA during the immediately preceding school year, in accordance with T.C.A. § 49-3-105(d).
- (3) The amount for each Direct Allocation shall be determined through the state budget and appropriations process.

Authority: T.C.A. §§ 49-3-103(c), 49-3-104(4)(G), 49-3-105(c), 49-3-115. Administrative History: