

**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) “Disenrollment,” pursuant to T.C.A. § 49-3-108(i), means that the LEA’s non-virtual average daily membership for the current school year is lower than the LEA’s non-virtual average daily membership for the immediately preceding school year.
- (15) “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

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

classroom instruction. Secondary consequences may include problems in reading comprehension and reduced reading experience that can impede growth of vocabulary and background knowledge.

- (16) “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).
- (17) “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.
- (18) “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. §§ 1751-1766 and 42 U.S.C. 1769.
- (19) “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.
- (20) “English Learner” or “EL” means an NELB Student who qualifies for ESL services via a Department-approved English Language Proficiency screener.
- (21) “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.
- (22) “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.
- (23) “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. Eligibility is based on an English language proficiency assessment score and is limited to a maximum of

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

three (3) years. For TISA allocations calculated for the 2026-27 and 2027-28 fiscal years, English Learner Tier III eligibility is defined as an overall proficiency score of three (3) or lower on the English language proficiency assessment, using the conversion structure detailed in the state's federal accountability protocol.

- (24) "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.
- (25) "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.
- (26) "Fiscal Capacity," pursuant to T.C.A. § 49-3-104(12), means the percentage of the Local Share that a county must contribute.
- (27) "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).
- (28) "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.
- (29) "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.
- (30) "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.
- (31) "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.
- (32) "Least Restrictive Environment" pursuant to 20 U.S.C. 1412(a)(5), means to the maximum

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

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 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.

- (33) “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.
- (34) “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.
- (35) “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.
- (36) “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).
- (37) “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.
- (38) “Membership,” pursuant to T.C.A. § 49-3-104(16), means a Student is enrolled and assigned to a class.
- (39) “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.
- (40) “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.
- (41) “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

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

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.

- (42) “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.
- (43) “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.
- (44) “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).
- (45) “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.
- (46) “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.
- (47) “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.
- (48) “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.
- (49) “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.
- (50) "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.
- (51) "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.
- (52) "SOC" means a Standard Occupational Classification 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.
- (53) "State Board" pursuant to T.C.A. § 49-3-104(20), means the state board of education.
- (54) "Student" means an individual enrolled in a public K-12 LEA or a public charter school.
- (55) "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 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

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

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.

- (56) "TCAP," pursuant to T.C.A. § 49-3-104(21), means the Tennessee Comprehensive Assessment Program.
- (57) "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.
- (58) "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.
- (59) "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.
- (60) "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), 49-3-108, and 49-3-115. **Administrative History:** New rules filed November 17, 2022; effective February 15, 2023. Amendments filed November 27, 2023; effective February 25, 2024. Amendments filed March 25, 2024; effective June 23, 2024.

0520-12-05-.04 WEIGHTED ALLOCATIONS.

- (1) Pursuant to T.C.A. § 49-3-105(b), a Student generates Weighted Allocations, none of which are mutually exclusive of another.
- (2) Weighted Allocations shall be multiplied by the Base Funding Amount to generate additional funds to support Student needs.
- (3) Weighted Allocations shall be generated for the following Student characteristics and percentages:
- (a) Economically Disadvantaged: The Weighted Allocation for a Student who is Economically Disadvantaged is twenty-five percent (25%).

(Rule 0520-12-05-.04, continued)

- (b) Concentrated Poverty: The Weighted Allocation for a Student who experiences Concentrated Poverty is five percent (5%).
- (c) Small District: The Weighted Allocation for a Student who resides in a Small District is five percent (5%).
- (d) Sparse District: The Weighted Allocation for a Student who resides in a Sparse District is five percent (5%).
- (e) There are ten (10) levels of ULN Weighted Allocations which are based on the additional resources necessary to manage each ULN. A Student generates ULN Weighted Allocations for primary and secondary services for Special Education and Related Services, for English Learner status, and for Characteristics of Dyslexia status. A Student generates a Weighted Allocation for each of the Student's ULNs as follows:
 - 1. ULN (1) is weighted at fifteen percent (15%) for a Student with Special Education Consultation Services.
 - 2. ULN (2) is weighted at twenty percent (20%) for a Student with:
 - (i) Minimal Special Education Direct Services;
 - (ii) Characteristics of Dyslexia; and/or
 - (iii) English Learner Tier I.
 - 3. ULN (3) is weighted at forty percent (40%) for a Student with Limited Special Education Direct Services.
 - 4. ULN (4) is weighted at sixty percent (60%) for a Student with English Learner Tier II.
 - 5. ULN (5) is weighted at seventy percent (70%) for a Student with English Learner Tier III.
 - 6. ULN (6) is weighted at seventy-five percent (75%) for a Student with Moderate Special Education Support Direct Services.
 - 7. ULN (7) is weighted at eighty percent (80%) for a Student with High-Support Special Education Direct Services.
 - 8. ULN (8) is weighted at one hundred percent (100%) for a Student with Ancillary Special Education Direct Services.
 - 9. ULN (9) is weighted at one hundred twenty-five percent (125%) for a Student with Most Intensive Special Education Support Direct Services.
 - 10. ULN (10) is weighted at one hundred fifty percent (150%) for a Student with Special Education Residential/Homebound/Hospital Services.

(4) Student Eligibility and Requirements for ULN Weighted Allocations:

(Rule 0520-12-05-.04, continued)

(a) Students Receiving Special Education and Related Services:

1. A Student generates a Weighted Allocation aligned to special education and Related Services if the Student:
 - (i) Has been determined eligible for special education and Related Services in accordance with the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. §§ 1400 et seq.); T.C.A. § 49-10-108; and the State Board of Education Rules, Chapter 0520-01-09, for special education;
 - (ii) Has a finalized IEP; and
 - (iii) Meets the requirements of the applicable ULN.
2. LEAs shall ensure that each Student eligible for special education and Related Services receives individualized services, interventions, accommodations, and modifications that provide a free appropriate public education (FAPE) in accordance with the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. §§ 1400 et seq.); T.C.A. Title 49, Chapter 10; and the State Board of Education Rules, Chapter 0520-01-09, for special education.
3. To the maximum extent appropriate, each Student must be educated in the Student's Least Restrictive Environment alongside the Student's typically- developing peers. Special classes, separate schooling, or other removals of the Student from the general educational environment must occur only when, and to the extent that, the Student's IEP team determines that the nature of severity of the Student's disability is such that education in general education classes with the use of supplementary aids and services cannot be achieved satisfactorily.

(b) Students with Characteristics of Dyslexia:

1. A Student generates a Weighted Allocation aligned to ULN 2 for Characteristics of Dyslexia if the Student:
 - (i) Has been determined to have Characteristics of Dyslexia because the Student:
 - (I) Meets one (1) of the following criteria:
 - I. Is in grades K-3 and falls below the 25th percentile on the composite score on the Tennessee universal reading screener provided by the Department or on a nationally normed, skills- based universal reading screener approved by the State Board;
 - II. Is in grades 4-8, and falls below the 25th percentile on the composite score on a nationally normed, skills-based universal reading screener; or

(Rule 0520-12-05-.04, continued)

- (ii) Develop for Students with Characteristics of Dyslexia in grades 4-12, an ILP- D that provides appropriate tiered Dyslexia-specific intervention in accordance with T.C.A. § 49-1-229 and is designed to provide access to instruction aligned to grade level academic standards and access to assistive technology supports;
 - (iii) At least annually, review and revise each Student’s ILP-D;
 - (iv) Notify in writing the parent(s) or legal guardian(s) of a Student with Characteristics of Dyslexia:
 - (I) Before implementing the Student’s ILP-D;
 - (II) Of progress monitoring data;
 - (III) Regarding the special education referral process;
 - (IV) Of the parent’s or legal guardian’s right to decline an ILP-D and that declining an ILP-D does not constitute a waiver of RTI2 services; and
 - (v) Adopt and implement an oversight plan that outlines the development, implementation, and monitoring of ILP-Ds for Students with Characteristics of Dyslexia in accordance with this rule, State Board of Education Rule Chapter 0520-01-22-.02, and the Tennessee Investment in Student Achievement (TISA) Guide.
- (c) Students Identified as English Learners:
1. A Student identified as an English Learner shall qualify for one (1) ULN Weighted Allocation aligned to the ILP and services provided as detailed below.
 - (i) A Student generates a Weighted Allocation aligned to ULN 2 if the English Learner:
 - (I) Has a finalized ILP pursuant to State Board of Education Rules, Chapter 0520-01-19;
 - (II) Meets the definition of English Learner Tier I by meeting one (1) of the following criteria:
 - I. The Student is a Long-Term English Learner;
 - II. The Student is a transitional English Learner who has met the exit criteria for the ESL program in accordance with State Board of Education Rules, Chapter 0520-01-19, and is in year one (1) or two (2) after exiting; or
 - III. The Student’s parent(s) or legal guardian(s) have waived Direct ESL Services.

(Rule 0520-12-05-.04, continued)

- (ii) A Student generates a Weighted Allocation aligned to ULN 4 if the English Learner:
 - (I) Has a finalized ILP pursuant to State Board of Education Rules, Chapter 0520-01-19;
 - (II) Meets the definition of English Learner Tier II; and
 - (III) Is receiving Direct ESL Services.
- (iii) A Student generates a Weighted Allocation aligned to ULN 5 if the English Learner:
 - (I) Has a finalized ILP pursuant to State Board of Education Rules, Chapter 0520-01-19;
 - (II) Meets the definition of English Learner Tier III by meeting both of the following:
 - I. The Student scores an overall proficiency level of three (3) or lower on the English language proficiency assessment, using the conversion structure detailed in the state's federal accountability protocol;
 - II. The Student has received three (3) years or less of ESL services; and
 - (III) Is receiving Direct ESL Services.

2. Each LEA shall:

- (i) Develop and implement an ILP in accordance with State Board of Education Rules, Chapter 0520-01-19, for each English Learner in grades K-3 which includes Direct ESL Services and language focused supports to provide access to instruction aligned to grade level academic standards;
- (ii) Develop and implement an ILP in accordance with the State Board of Education Rules, Chapter 0520-01-19, for each English Learner in grades 4-12 which includes Direct ESL Services and academic and career readiness supports that provide access to classroom instruction;
- (iii) At least annually, review and revise, as necessary, each Student's ILP in accordance with State Board of Education Rules, Chapter 0520-01-19;
- (iv) Comply with the parent and legal guardian participation and notification requirements in State Board of Education Rules, Chapter 0520-01-19, and Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.); and

(Rule 0520-12-05-.04, continued)

- (v) Adopt and implement an oversight plan that outlines the development, implementation, and monitoring of ILPs for English Learners in accordance with this rule, State Board of Education Rules, Chapter 0520-01-19, and the TISA guide.
- (5) The Department shall:
- (a) Monitor LEAs and public charter schools to ensure they are developing IEPs that provide educational services to Students in the Student's Least Restrictive Environment in compliance with T.C.A. § 49-10-108 and the Individuals with Disabilities Education Act (20 U.S.C. §§ 1400 et seq.);
 - (b) Develop appropriate corrective action plans when non-compliance with this rule or with T.C.A. §§ 49-3-101 et seq. is identified;
 - (c) Monitor LEAs and public charter schools for disproportionate identification of Students with Disabilities, Students with Characteristics of Dyslexia, and English Learners. LEAs identified with disproportionate identification based on state and local trend data will receive enhanced monitoring and technical assistance; and
 - (d) Provide training and technical assistance regarding the provisions of this rule and T.C.A. §§ 49-3-101 et seq. to LEA and public charter school personnel upon request.

Authority: T.C.A. §§ 49-3-103(c), 49-3-105(b)(5), and 49-3-115. **Administrative History:** New rules filed November 17, 2022; effective February 15, 2023.

0520-12-05-.12 DISTRIBUTION OF FUNDS.

- (1) The Department shall distribute allocated education funding periodically throughout the school year according to a schedule established by the commissioners of education and finance and administration, subject to all applicable restrictions prescribed by law.
 - (a) Approximately one-tenth (1/10) of the estimated total of the state funds annually appropriated for TISA shall be distributed on or about August 15, and on or about the fifteenth (15th) day of each succeeding month through April 15, and the amount of the remainder due each LEA for the school year shall be determined during June of such school year.
 - (b) The amount of the remainder due shall be determined based on the records that each LEA has furnished the Department. The actual delivery of the warrant covering the final distribution to an LEA shall not be made until after all records required by the Department have been furnished.
 - (c) Before a full and complete settlement is made with any LEA for any year, all records and reports required by the Department shall be filed with the Department by the LEA.
- (2) LEAs shall distribute state and local funds to their authorized public charter schools pursuant to State Board of Education Rules, Chapter 0520-14-01 regarding the allocation of state and local funds to public charter schools.

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

- (3) If state funds available for distribution are insufficient to meet an LEA's TISA allocation for a school year, then the Department shall apply a pro rata reduction to the amount that each LEA is allocated. If it is necessary to issue pro rata payments, the Commissioner, with the approval of the State Board, may waive any requirements prescribed by law, rule, or otherwise until the state provides the required funding; provided, however, that the Commissioner shall not waive the regulatory or statutory requirements listed in T.C.A. § 49-1-201(d)(1)(A)-(O).
- (4) The Department shall apply the following minimum allocation requirements annually when distributing TISA funds:
 - (a) Beginning with the 2026-27 school year, if an LEA's TISA allocation for the current school year is less than the LEA's TISA allocation for the immediately preceding school year, and if the LEA experienced Disenrollment, the Department shall allocate additional funds to the LEA such that the LEA's TISA allocation for the current school year is equal to the LEA's TISA allocation for the immediately preceding school year.
 - (b) Beginning with the 2027-28 school year, if an LEA received additional funds under Paragraph (4)(a) in a previous school year, and if an LEA's TISA allocation for the current school year is less than the LEA's TISA allocation for the immediately preceding school year, the Department shall allocate additional funds to the LEA such that the LEA's TISA allocation for the current school year is equal to the LEA's TISA allocation for the immediately preceding school year.
 - (c) Any additional funds allocated under subparagraphs (4)(a)-(b) will be fully funded by the State.
 - (d) Beginning with the 2025-26 school year, if an LEA's TISA allocation generated by students enrolled in non-virtual schools decreases by more than five percent (5%) from the LEA's TISA allocation generated by students enrolled in non-virtual schools for the prior school year, then the Department shall allocate additional funds to the LEA in an amount such that the decrease in the LEA's total TISA allocation for the current year is only five percent (5%). The Department will use the relative contribution of state and local funds in the original TISA allocation for the funded year to set the state and Local Contributions of the updated allocations.
 - (e) The Department shall not allocate additional funds to an LEA pursuant to T.C.A. § 49-3-108(c) if the Department is required to allocate additional funds to the LEA pursuant to T.C.A. § 49-3-108(b) or T.C.A. § 49-3-108(i).
- (5) Subject to appropriations by the Tennessee General Assembly and pursuant to T.C.A. § 49-3-108(d)(1), the Department shall distribute a grant to an LEA meeting the following criteria:
 - (a) The LEA that is located within a county designated as distressed or at risk by the commissioner of economic and community development and for which the LEA's Fiscal Capacity and Local Contribution increase the LEA's maintenance of effort requirements pursuant to T.C.A. § 49-3-314(c)(3)(A). Distressed or at-risk grant funding is calculated as a flat dollar value equal to the amount of the required increase in their Local Contribution; or

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

- (b) The LEA is located within a county having an active tourism development zone agreement executed before July 1, 2023, and having a population of not less than ninety- eight thousand three hundred (98,300) nor more than ninety-eight thousand four hundred (98,400), according to the 2020 federal census or any subsequent federal census. This annual grant is to be in the amount of \$8,000,000.
- (6) An LEA that satisfies the criteria of Subparagraphs (5)(a) and (5)(b) may receive multiple grants.
- (7) The Department shall report longitudinal and comparative school and district-level funding and district, state, and federal-level per-pupil expenditure data reporting in transparent and interactive formats annually beginning no later than December 2024.

Authority: T.C.A. §§ 49-3-103(c), 49-3-108, and 49-3-115. **Administrative History:** New rules filed November 17, 2022; effective February 15, 2023.

0520-12-05-.13 BEP TRANSITION FUNDING.

- (1) If, during the first year of implementation of the TISA, an LEA's allocated TISA funds total less than the LEA's Baseline Funding Amount, Baseline Funding Amount defined as the BEP allocation received in FY2022-23 plus grants received for Family Resource Centers, School Safety, and Coordinated School Health, then the Department shall allocate additional funds to the LEA in an amount equal to one hundred percent (100%) of the difference between the LEA's Baseline Funding Amount and the LEA's allocated TISA amount.
- (2) If an LEA was eligible for additional funds under subdivision Paragraph (1), and if, during the second year of implementation of the TISA, the LEA's allocated TISA funds total less than the LEA's Baseline Funding Amount, then the Department shall allocate additional funds to the LEA in an amount equal to seventy-five percent (75%) of the difference between the LEA's Baseline Funding Amount and the LEA's allocated TISA amount.
- (3) If an LEA was eligible for additional funds under Paragraphs (1) and (2), and if, during the third year of implementation of the TISA, the LEA's allocated TISA funds total less than the LEA's Baseline Funding Amount, then the Department shall allocate additional funds to the LEA in an amount equal to fifty percent (50%) of the difference between the LEA's Baseline Funding Amount and the LEA's allocated TISA amount.
- (4) If an LEA was eligible for additional funds under Paragraphs (1)-(3), and if, during the fourth year of implementation of the TISA, the LEA's allocated TISA funds total less than the LEA's Baseline Funding Amount, then the Department shall allocate additional funds to the LEA in an amount equal to twenty-five percent (25%) of the difference between the LEA's Baseline Funding Amount and the LEA's allocated TISA amount.
- (5) The calculation for BEP Transition Funding will use the following methodology:
 - (a) An LEA must qualify for BEP Transition Funding in the first year of TISA implementation to receive any funding under the BEP Transition Funding in the subsequent three (3) years. If an LEA qualifies for BEP Transition Funding in the first year of TISA implementation and in any one (1) of the subsequent three (3) years the TISA allocation to the LEA exceeds the Baseline Funding Amount, the LEA will no longer qualify for BEP Transition Funding.

(Rule 0520-12-05-.13, continued)

- (b) In the first year of TISA implementation, if an LEA is allocated TISA funds less than the Baseline Funding Amount, the Department shall update the allocations to the LEA to match the Baseline Funding Amount, including the state and Local Contributions respectively.
- (c) In the second through fourth year of TISA implementation, the TISA allocation for an eligible LEA for the specified year will be subtracted from the Baseline Funding Amount to identify the overall allocation gap. The Department shall update the overall allocations to the LEA to match the TISA allocation for the specified year plus the designated percent of the gap.
 - 1. Within the updated allocation, the Department will calculate the gap between the state funds allocated in the Baseline Funding Amount and of the specified funding year. The Department shall provide the designated percent of funding identified in Paragraphs (2)-(4) of the gap in state funds plus the state funds generated in the specified funding year under TISA. The difference between the overall allocation and this resulting state contribution will be the Local Contribution requirement.
- (d) The Department shall not allocate additional funds to an LEA pursuant to T.C.A. § 49-3-108(c) if the Department is required to allocate additional funds to the LEA pursuant to T.C.A. § 49-3-108(i).

Authority: T.C.A. §§ 49-3-103(c), 49-3-108 (a)(b)(e)(f)(g)(h)(i), and 49-3-115. **Administrative History:** New rules filed November 17, 2022; effective February 15, 2023.