

TISA

TISA Review Committee, April 2026

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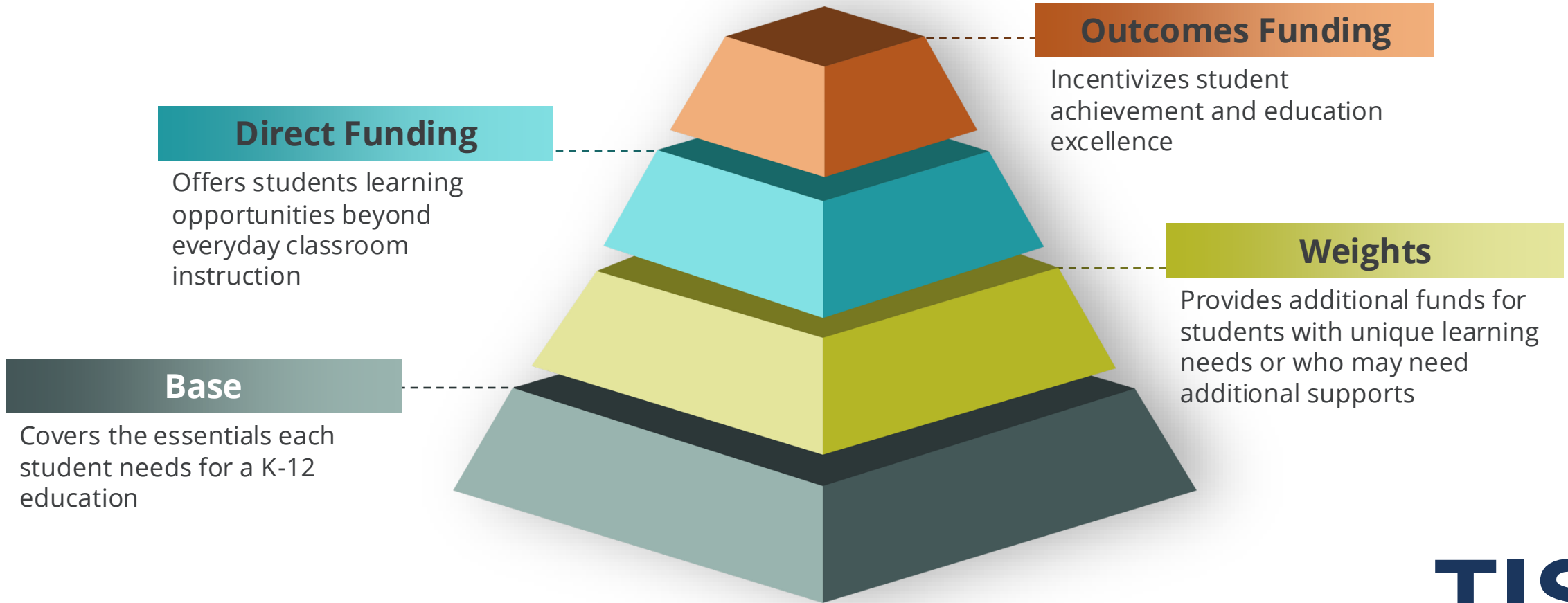
Objectives

- TISA Overview
- Local Contribution
- Fast Growth
- Infrastructure Stipends
- Support Funding
- TISA Resources



TISA Student-Based Funding Formula

Base + Weights + Direct + Outcomes



Funding and Average Daily Membership



- Funding is based on prior year membership (enrollment).
- Membership is calculated for each of the 9 reporting periods, then averaged together to determine final Average Daily Membership (ADM).
- ADM is calculated for student population as a whole, and for all of the subgroups that are funded in the TISA formula.

Overview: Base Funding

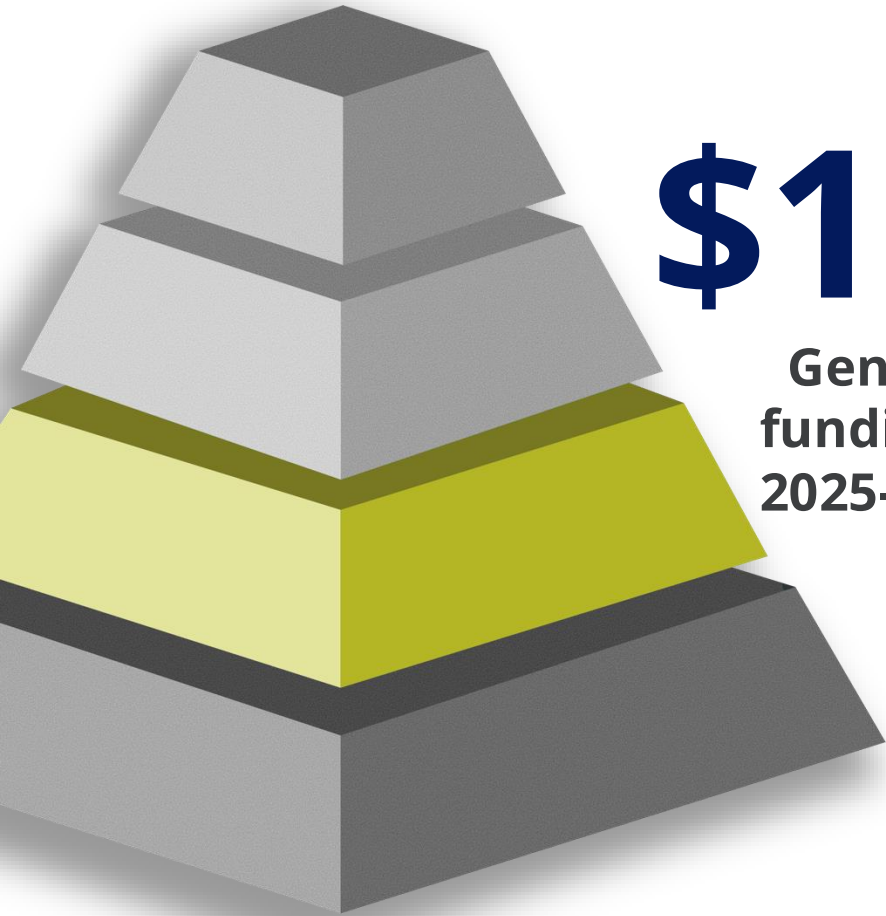


\$7.05B

**Generated base
funding for the
2025-26 school
year**

- Covers the basics of education needs such as teachers, school counselors, principals, facility operations, and more.
- Gives every student the same, strong education foundation.
 - Schools are funded on a student basis.
 - Base funding is the same for every student in the state, regardless of student's geographic location.
- As with the last 3 years, this includes a \$125 million investment for existing educator salary increases to meet the required minimum of \$50,000 by the 2026-27 school year.
- Proposed base for 2026-27 school year is \$7,530

Overview: Weight Funding



\$1.9B

Generated weights
funding for the
2025-26 school year

- Ensures every student's education needs are supported **by providing additional funds as multipliers onto the base funding**
- Provides additional resources for:
 - **Economically disadvantaged (ED)** students
 - Students living in **concentrated poverty**
 - Students living in **small or sparse communities**
 - **Unique Learning Needs (ULN)**
 - Students with Disabilities (SWD)
 - English Learners (EL)
 - Students Experiencing Characteristics of Dyslexia (CoD)

Weights: Small District

Who qualifies as a small district?

A small district is a district with a student membership of 1,000 or fewer students.

- 22 districts qualified as a small district in the 2025-26 school year.

Who receives small weight funding?

A student enrolled in a small district generates a weighted allocation of 5% of the base amount.

- Calculation: (Small district ADM average) * (Base Funding Amount) * 5%

Weights: Sparse District

Who qualifies as a sparse district?

A county LEA with fewer than 25 students per square mile.

- 84 districts qualified as a sparse district in the 2025-26 school year.

Who receives sparse weight funding?

A student enrolled in a sparse district generates a weighted allocation of 5% of the base amount.

- Calculation: (Sparse district ADM average) * (Base Funding Amount) * 5%

Weights: Concentrated Poverty

Who qualifies for concentrated poverty (CP)?

Schools are considered concentrated poverty if they are eligible for Title I schoolwide designation, meaning the schoolwide poverty rate is equal to or greater than 40%.

Who receives concentrated poverty weight funding?

All students enrolled in schools identified as concentrated poverty generate a weighted allocation of 5% of the base amount.

- Calculation: $(\text{CP ADM Average}) * (\text{Base Funding Amount}) * 5\%$

Weights: Economically disadvantaged (ED)

Who qualifies for economically disadvantaged (ED)?

Economically disadvantaged is defined as a student identified as experiencing **homelessness, foster care, unaccompanied youth, or migrant status**, or a student meeting the **direct certification eligibility guideline**, related to receiving **SNAP or TANF** supports.

Students classified as Medicaid-free or Medicaid-reduced classifications are **not** included in the ED definition.

Who receives economically disadvantaged weight funding?

The weighted allocation for a student who is classified as economically disadvantaged is twenty-five percent (25%) of the base amount.

- Calculation: (ED ADM Average) * (Base Funding Amount) * 25%

FY27 Economically Disadvantaged (ED) Hold Harmless

Who qualifies for economically disadvantaged (ED)?

Economically disadvantaged is defined as a student identified as experiencing **homelessness, foster care, unaccompanied youth, or migrant status**, or a student meeting the **direct certification eligibility guideline**, related to receiving **SNAP or TANF** supports. ED does NOT include Medicaid Free or Medicaid Reduced.

How does ED Hold Harmless work?

Pending approval through the appropriations bill, districts will generate TISA funds to cover **100%** of the gap between 2025-26 actual ED ADM and 2024-25 funded ED ADM. If a district's 2025-26 ED ADM exceeds 2024-25 funded ED ADM, funding will be based on the actual ED ADM for the 2025-26 school year.

Example:

| District | 2024-25 Funded ED ADM | 2025-26 Actual ED ADM | FY27 Funded ED ADM |
|------------|-----------------------|-----------------------|--------------------|
| District A | 50.0 | 75.0 | 75.0 |
| District B | 200.0 | 125.0 | 200.0 |

Unique Learning Needs (ULN) Subgroups

Unique Learning Needs (ULNs)

TISA Rule defines the types of student ULN subgroups and places them into ULN levels based on need.

- ULNs are divided into 10 categories ranging from ULN 1 through ULN 10, aligned to higher levels of support necessary to meet the student's unique learning needs.
- Each ULN has a weight percentage assigned to correspond to services needed and is multiplied by the base funding amount to generate additional funds for students.
- To generate ULN funding, a student must have an assessment for identification of needs and a plan for providing services to support those needs.

ULN Student Subgroup Categories

- **Students with disabilities (SWD)**
- **English Learners (EL)**
- Students experiencing **Characteristics of Dyslexia (CoD)**

| ULN | Weight |
|--------|--------|
| ULN 1 | 15% |
| ULN 2 | 20% |
| ULN 3 | 40% |
| ULN 4 | 60% |
| ULN 5 | 70% |
| ULN 6 | 75% |
| ULN 7 | 80% |
| ULN 8 | 100% |
| ULN 9 | 125% |
| ULN 10 | 150% |

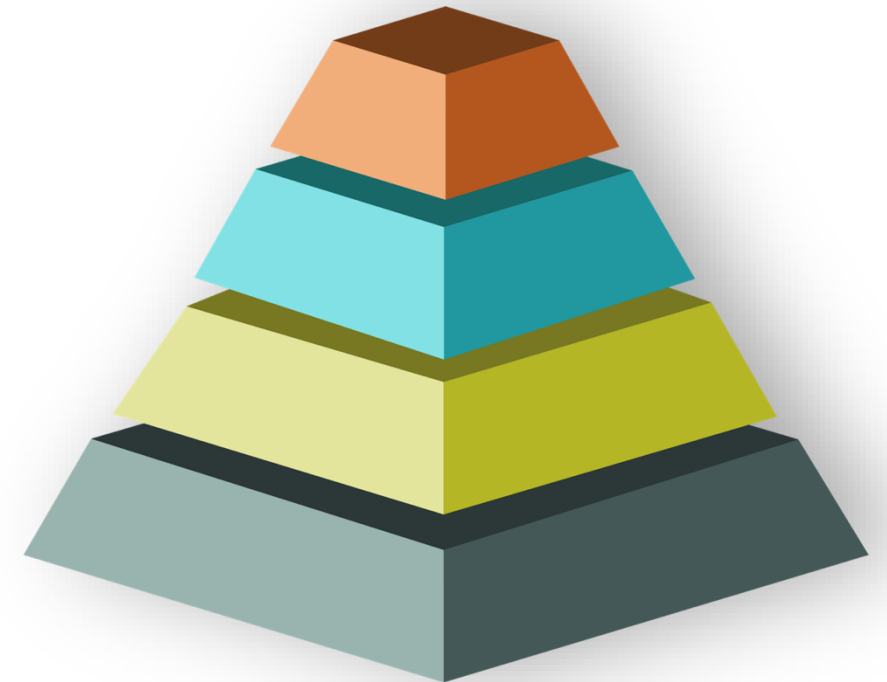
Base x ULN%
Range: 15% - 150%

Putting It All Together

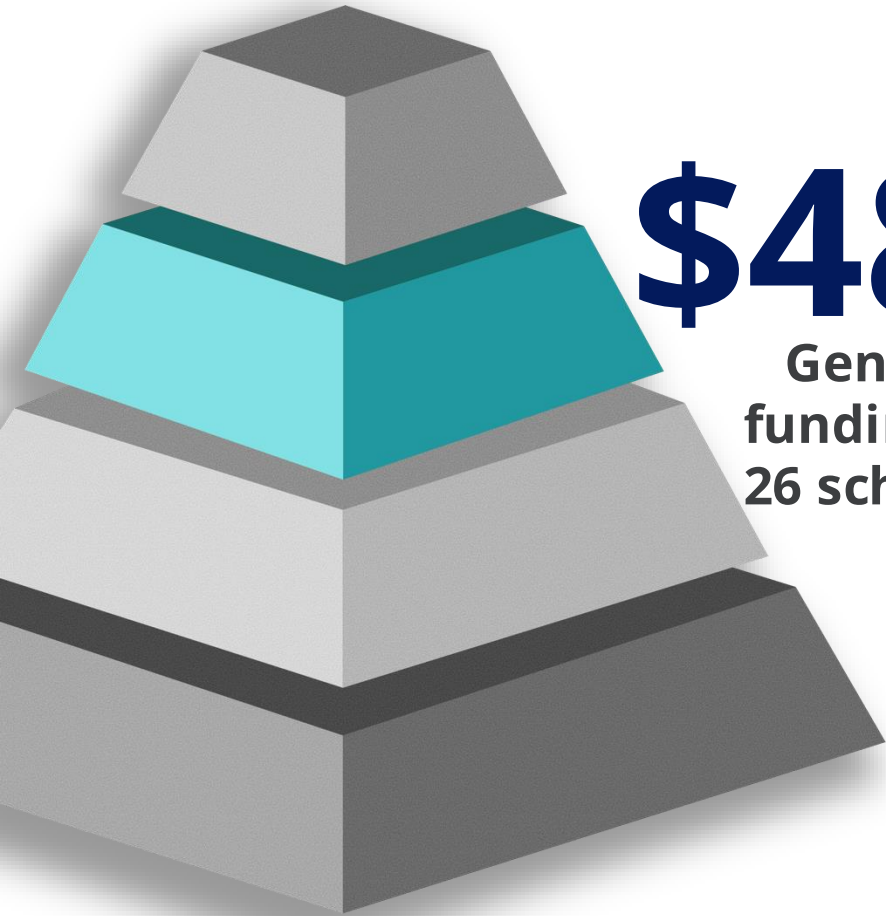
| Weight Category | Weight | Descriptions |
|-----------------------------------|--------|---|
| Economically Disadvantaged | 25% | Direct certification, homeless, migrant, runaway, and foster students. |
| Concentrated Poverty | 5% | Students attending a Title I eligible school. |
| Small | 5% | District with 1,000 or fewer students. |
| Sparse | 5% | District with fewer than 25 students per square mile. |
| ULN 1 | 15% | Special Education Option 1 |
| ULN 2 | 20% | <ul style="list-style-type: none"> Special Education Option 2 English Learner Tier I Characteristics of Dyslexia |
| ULN 3 | 40% | Special Education Option 3 |
| ULN 4 | 60% | English Learner Tier II |
| ULN 5 | 70% | English Learner Tier III |
| ULN 6 | 75% | Special Education Option 4 |
| ULN 7 | 80% | Special Education Option 5 |
| ULN 8 | 100% | Special Education Option 6 |
| ULN 9 | 125% | <ul style="list-style-type: none"> Special Education Option 7 Special Education Option 8 |
| ULN 10 | 150% | <ul style="list-style-type: none"> Special Education Option 9 Special Education Option 10 |

Weights

Provides additional funds for students with **unique learning needs** or who may need additional supports



Overview: Direct Funding



\$482M

Generated in direct funding for the 2025-26 school year.

- Supports programs that offer students learning opportunities beyond everyday classroom instruction.
- Targets funding to high priority educational areas:
 - **K-3rd grade literacy**
 - **4th grade literacy supports**
 - **Career & Technical Education**
 - **Post-secondary assessments (ACT & Retake Opportunity)**
 - **Charter supports**

Direct Funding Snapshot

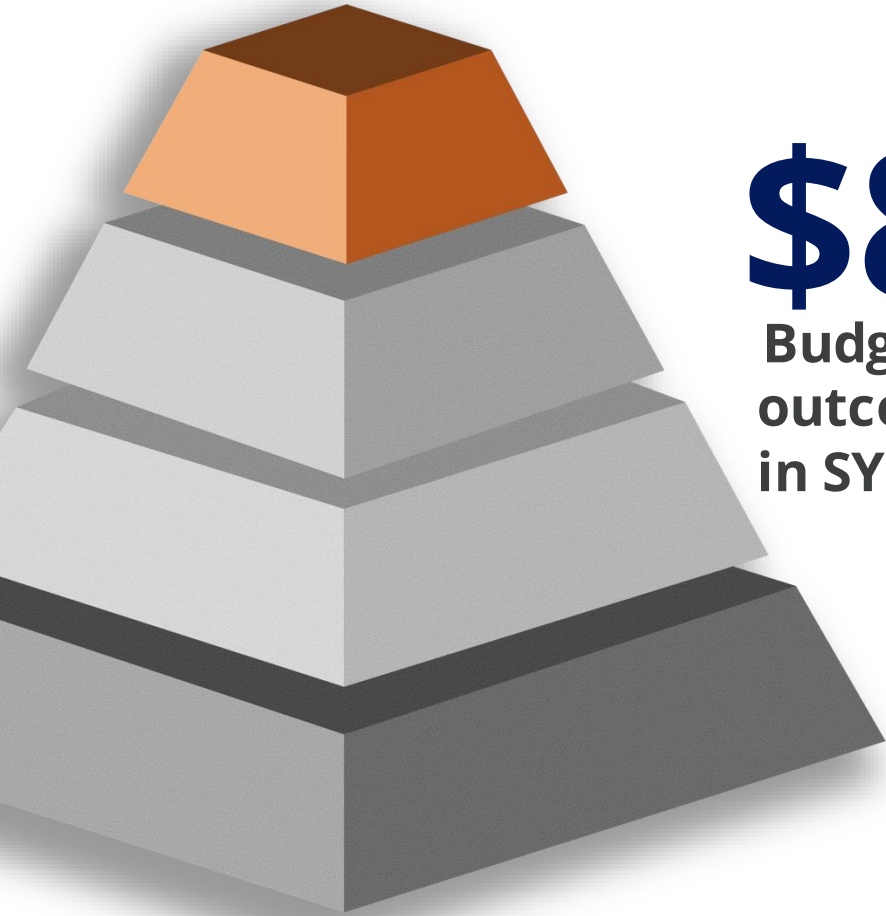
| Direct Funding Categories | Funding Amount |
|--|---|
| Enhance literacy supports for K-3 students. | \$500 per K-3 student |
| Offer 4th grade literacy supports to students who need more help. | \$500 per student |
| Strengthen and expand high-value career and technical education (CTE) offerings . | \$5,000 - \$5,700 per CTE coursework |
| Pay for two administrations of a post-secondary assessment . | \$43 per assessment |
| Provide supports for charter schools . | ~\$500 per student |

CTE Funding Matrix

- CTE funding is tiered based on Program of Study (POS) level and progression year through the program.
- Programs of Study are leveled every three years base on wage, demand, and skill of aligned occupations.
- Progression years represent the advanced status of the course, beginning with introductory courses (Year 1) up to more intensive learning experiences (Year 4).
- The matrix below shows funding levels for the 2025-26 school year.

| Program of Study Level | Progression Year | | | |
|------------------------|------------------|---------|---------|---------|
| | Year 1 | Year 2 | Year 3 | Year 4 |
| Level 1 | \$5,000 | \$5,050 | \$5,150 | \$5,300 |
| Level 2 | \$5,200 | \$5,250 | \$5,350 | \$5,500 |
| Level 3 | \$5,400 | \$5,450 | \$5,550 | \$5,700 |

Overview: Outcomes Funding



\$80M

**Budgeted for
outcomes funding
in SY25-26**

- Incentivizes achievement and education excellence by awarding student-based bonuses when students demonstrate success in educational careers.
- Acknowledges student academic success and improvement for:
 - Early literacy in elementary schools
 - Math and ELA in middle schools
 - College and career readiness benchmarks in high school

Outcomes Overview

- Capture student-based performance indicators.
- 100% state-funded, no local contribution.
- Awarded once per year, based on outcomes from prior year.
- Students may generate one outcome bonus in elementary school, one in middle school, and one in high school.
- The TISA Outcomes Committee (3-year terms) makes recommendations on TISA Outcomes targets.



Outcomes Funding Targets

Elementary, Middle, High School Goal 1 + 2

Funding Values:

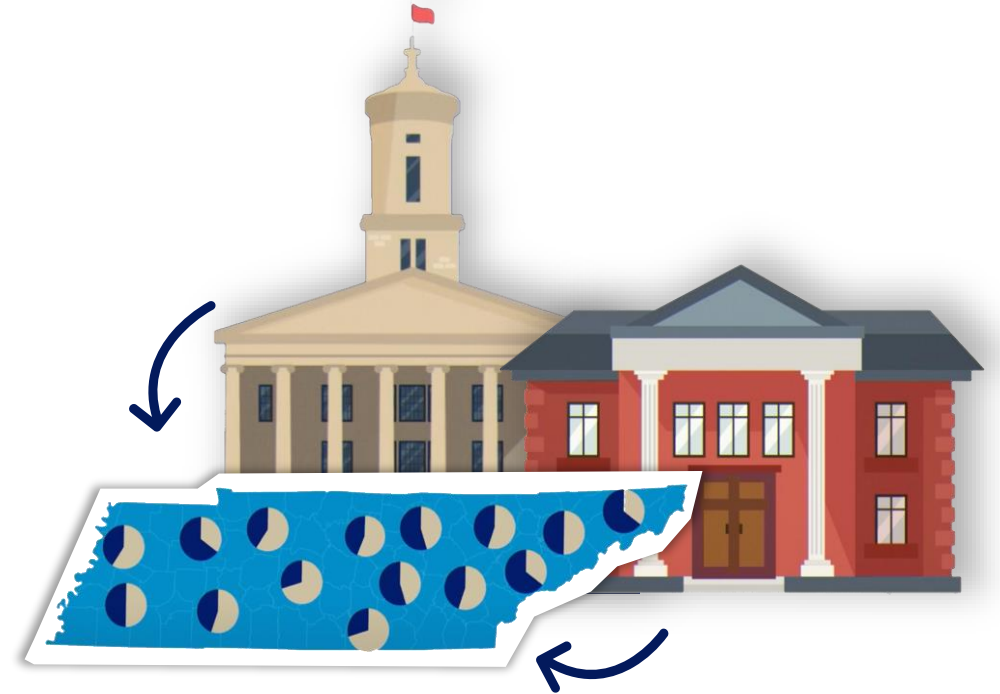
Students identified as ED, EL, or SWD generate a bonus of **20%** of the base funding amount. All other students generate a bonus of **10%** of the base funding amount.

| Grade Level | Outcomes Funding Criteria |
|---------------------|---|
| Elementary School | <ul style="list-style-type: none"> - Meets/exceeds on 3rd grade ELA TCAP OR - Approaching/below on 3rd grade ELA TCAP AND improves by at least one performance level on 4th grade ELA TCAP |
| Middle School | <ul style="list-style-type: none"> - Meets/exceeds on both 8th grade ELA and Math TCAP OR - Improves by at least one performance level from 7th to 8th grade in both ELA and Math <i>(Includes analysis of high school math EOC if taken in lieu of 8th grade Math TCAP)</i> |
| High School, Goal 1 | <ul style="list-style-type: none"> - Earns ≥ 2 EPSO credits AND ACT ≥ 21 or ACT +4 improvement OR - Earns 3 EPSO credits OR - ASVAB AFQT ≥ 31 AND earns ≥ 2 EPSO credits |
| High School, Goal 2 | <p>Students with Disabilities only: No Goal 1 outcome AND district meets Indicator 5 ($\geq 80\%$ gen ed setting) AND Meets 2 of 3:</p> <ol style="list-style-type: none"> 1. Graduation with a general education diploma (Indicator 1) 2. Alternate assessment proficiency (Indicator 3C) 3. Meets post-school outcomes (Indicator 14) |

Generates a bonus of **10%** of the base funding amount.

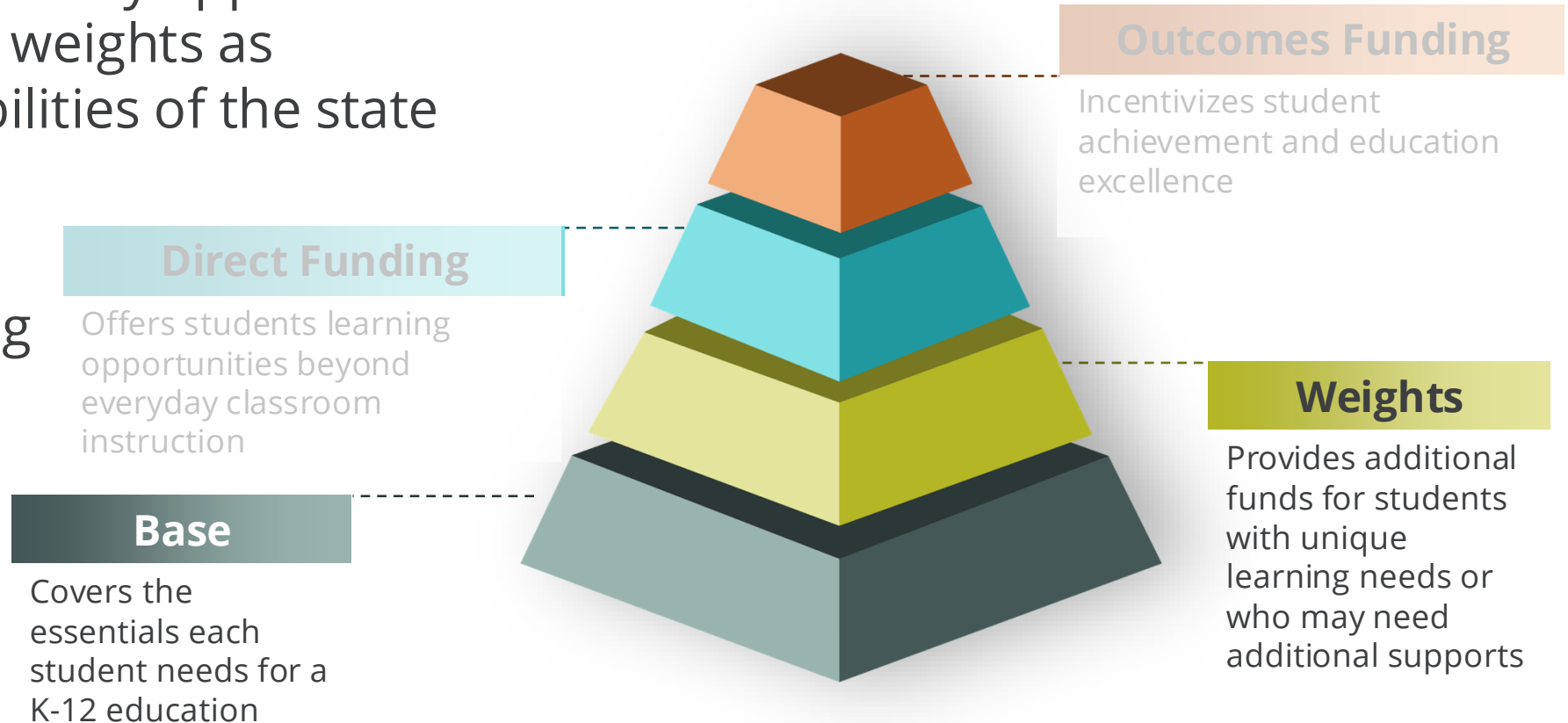
Local Contribution

- T.C.A. § 49-3-104; SBE Rule 0520-12-05-.08
- Funding is a shared responsibility between the state and local governments
- TISA first calculates the total formula education dollars.
- 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.



TISA - Local Contribution Elements

- Local contribution only applies to the base and the weights as shared responsibilities of the state and locals.
- Direct and outcomes funding are 100% state funded.



Key Terms

- **Local Share:**
 - Set percentage of *all* funds statewide generated for the base and weights for which local governments are responsible (30%)
- **Fiscal Capacity:**
 - Calculation using CBER and TACIR to measure each county's ability to raise funds to support education
- **Local Contribution:**
 - Funding amount each individual district is expected to receive from its local funding entity
- **Maintenance of Effort:** Requires local funding bodies to budget the same or more funds to education as in the immediately prior year (not changed under TISA)

Local Contribution Calculation

- The state funds 70% of the statewide base and weights amounts
- The remaining 30% is funded collectively by all districts in the state
- The base and weight amounts are multiplied by 30% (each calculated separately)
- The fiscal capacity of the county is then applied to base and weights amount
- That is the local contribution for that county

Applying Fiscal Capacity

| TISA State & Local Contributions Estimate | | | | | |
|---|---|-----------------|--|---|-----------------|
| | | BASE | | | WEIGHTS |
| 1. Calculation of Statewide Local Share | | | | | |
| Statewide Total | | \$6,850,000,000 | | | \$1,800,000,000 |
| Multiply by Local Share % | x | 30% | | x | 30% |
| Statewide Local Share | = | \$2,055,000,000 | | = | \$540,000,000 |
| 2. Application of County Fiscal Capacity | | | | | |
| Statewide Local Share | | \$2,055,000,000 | | | \$540,000,000 |
| Sample County Fiscal Capacity | x | 0.75% | | x | 0.75% |
| Sample County Local Contribution (All Systems) | = | \$15,412,500 | | = | \$4,050,000 |

The TISA formula uses Fiscal Capacity indices from the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) and the Boyd Center for Business and Economic Research (CBER) at the University of Tennessee provided no later than May 1 each year, weighted equally, to determine the Fiscal Capacity of each county.



Fast-Growth Stipends

Eligibility

Districts with a TISA allocation increase of over **1.25%** are eligible for fast-growth stipends.

Calculation

- Based on a comparison between:
 - Actual TISA allocations (based on prior year data) and
 - Growth comparison allocations which run current year student data through the TISA formula.
- Factors in only the base, weights, and direct funding lines for non-virtual students.
- Measured and paid out to districts at 5 points throughout the year.

Funding

- For the 2025-26 school year, the state budget provides up to \$60 million for fast-growth stipends and \$5 million for infrastructure stipends.

Infrastructure Stipends

- Subset of fast-growth funds designed to support districts with sustained growth over a three-year period.
- Provided only if there are available funds remaining in the state budget after paying out the fast-growth stipends.
- For the 2025-26 school year, the state budget provides up to \$5 million for infrastructure stipends.

Eligibility

- Districts with an increase in average daily membership (ADM) of non-virtual students over 2% in each of the prior 3 school years.



Funding Support Provisions

TISA includes three key provisions to support financial predictability:

- 1 Funding Floor**

Any district whose 2026-27 TISA allocation is less than their 2025-26 TISA allocation and they experience a decline in non-virtual base ADM qualifies for funding floor.
- 2 BEP Transition**

Any district that was slated to receive less funds in the first year of TISA has received up to four years of gradual stepped down funding to provide time to adjust to the TISA allocations.
- 3 5% Safety Net**

Any district that would experience more than a 5% decrease of funding from one year to the next qualifies for a safety net provision and will receive 95% of the funding from the prior year.

Funding Floor

Initial qualification: To qualify for funding floor for the first time, a district must have both:

- A decrease in total TISA allocation; and
- A decrease in non-virtual base ADM.

| Sample District | Funding |
|--|--------------|
| 2026-27 TISA Allocation | \$74,000,000 |
| 2025-26 TISA Allocation | \$78,000,000 |
| 2025-26 Non-virtual Base ADM | 50,000 |
| 2024-25 Non-virtual Base ADM | 51,000 |
| Decrease in TISA Allocation? | Yes |
| Decrease in Non-virtual Base ADM? | Yes |
| Eligible for Funding Floor? | Yes |
| 2026-27 Funding Floor Final Allocation | \$78,000,000 |

Resources, *TISA Website*

The TISA Website has professional development quick guides, slide decks, and videos on major topics. There are also data reports and calculation resources available.

TISA Resources

- > **TISA Guide**
- ∨ **TISA Professional Development**
 - **Overview**
 - [Video](#)
 - [Slide Deck](#)
 - [Quick Guide](#)
 - **Local Contribution**
 - [Video](#)
 - [Slide Deck](#)
 - [Quick Guide](#)
 - **Unique Learning Needs**

∨ **Additional Resources**

Fiscal Capacity and Sparse County Calculations

- [FY26 County Fiscal Capacity Calculations](#)
- [FY25 County Fiscal Capacity Calculations](#)
- [FY24 County Fiscal Capacity Calculations](#)
- [Sparse County Square Mileage Data](#)

TISA Calculation and Data Resources

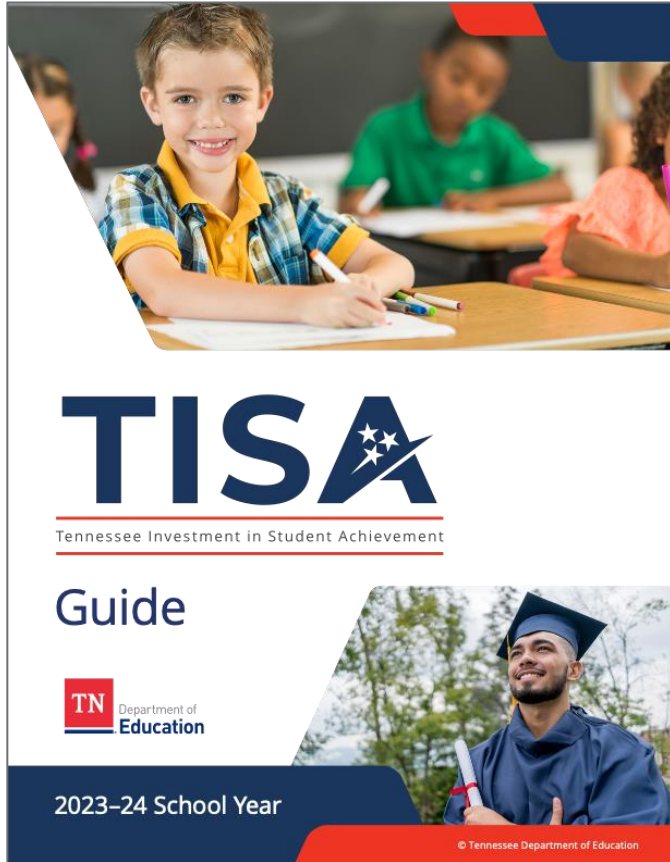
- [BEP Transition Funding Calculator](#)
- [Economically Disadvantaged Guidance](#)
- [TISA Appeal Application](#)
- [TISA FY27 Calculator](#)
- [TISA Outcomes Funding Calculator](#)

TISA Reports

- [2024-25 Tennessee Investment in Student Achievement \(TISA\) Annual Report](#)
- [2023-24 Tennessee Investment in Student Achievement \(TISA\) Annual Report](#)
- [TISA Accountability Report ePlan Data and Information Guide August 2025](#)
- [TISA Accountability Report FAQs](#)

TISA Rules Resources

More Information



TISA Webpage:

<https://www.tn.gov/education/best-for-all/tnedufunding.html>

CTE Webpage: <https://futureready.tnedu.gov/home>

For questions, contact tnedu.funding@tn.gov

