

# TISA

Tennessee Investment in Student Achievement

## Economically Disadvantaged Funding

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# Objectives

- Economically Disadvantaged (ED) Definition
- ED Funding Over Time
  - ED and TISA
  - ED and BEP
- Medicaid Addition Fiscal Impact



# Economically Disadvantaged (ED) Definition Over the Past 10 Years

The ED definition has remained constant since TISA was signed into law in 2022 and under the Basic Education Program (BEP) funding formula since the passage of the BEP Enhancement Act of 2016.

## Economically Disadvantaged (ED) Definition

Economically disadvantaged subgroup for assessment, accountability, and TISA funding is defined in law and Tennessee's Every Student Succeeds Act (ESSA) plan 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.

# Economically Disadvantaged (ED) and TISA

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%

For FY27:

- $\$7,530 * 25\% = \$1,882.50$  per student

# TISA ED Hold Harmless Funding

- In recent years, some districts have experienced declines in the number of students identified as ED.
- To help mitigate the fiscal impact of decreases in ED student counts, the state implemented temporary funding protections for the 2024-25, 2025-26, and 2026-27 school years.
  - **2024-25:** Districts were funded based on the higher of their 2022-23 or 2023-24 ED ADM
  - **2025-26:** Additional funding was generated to cover 75 percent of the difference between a district's 2024-25 actual ED ADM and its 2023-24 funded ED ADM.
  - **2026-27:** Additional funding was generated to cover 100% of the gap between 2025-26 actual ED ADM and 2024-25 funded ED ADM.

# Economically Disadvantaged (ED) and the Basic Education Program (BEP)

To calculate economically disadvantaged (ED) funding under the BEP, the number of ED students was multiplied by a unit cost per student

- Counts of ED students were based on an October 1 raw count rather than on Average Daily Membership (ADM)

FY23 (Final year under BEP funding)

- Unit cost: \$1,009.75
- ED students: 316,910
- ED Funding: \$319,999,873



# Economically Disadvantaged (ED) Funding Over Time

<b>Fiscal Year</b>	<b>ED Allocations</b>	<b>Actual ED Average Daily Membership (ADM)</b>	<b>ED Hold Harmless Average Daily Membership (ADM)</b>
FY23 (BEP)	\$319,999,873.00	316,910.00	-
FY24	\$488,771,841.23	285,009.87	-
FY25	\$529,064,896.05	270,139.12	299,117.96
FY26	\$541,245,635.82	262,252.06	296,776.22

# Impact of Medicaid Data

## Economically Disadvantaged Funding, 2025-26

Fiscal Year	ED Allocations	Actual ED Average Daily Membership (ADM)	ED Hold Harmless Average Daily Membership (ADM)
FY26	\$541,245,635.82	262,252.06	296,776.22

## Inclusion of Medicaid Fiscal Impact

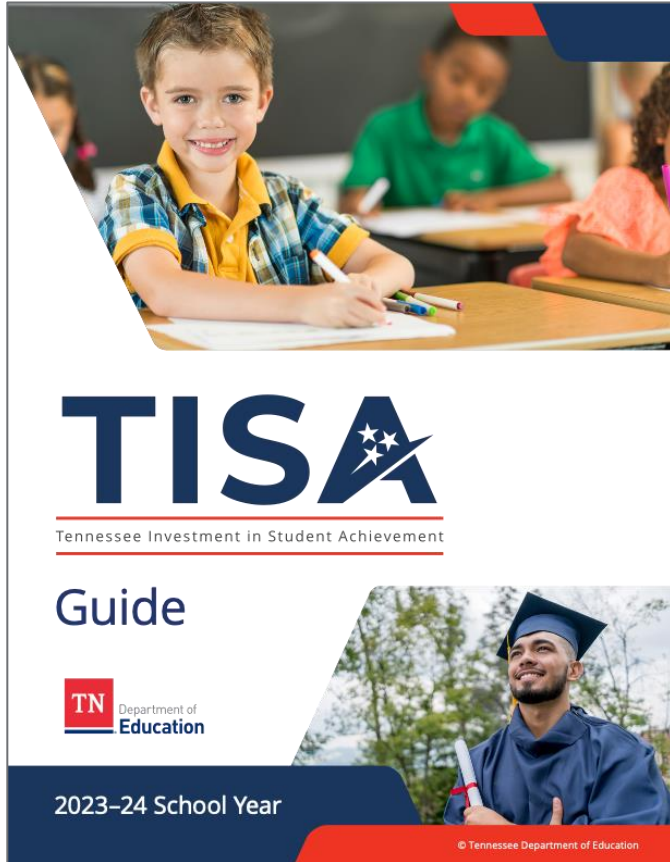
TISA Base Funding for FY27	\$7,530.00
Estimated TISA Base Funding for FY28 (average increase of 3.16% annually)	$\$7,530 * 3.16\% = \$7,768$
TISA ED Weighted Funding Amount	25%
Additional ED ADM from Medicaid Free	120,000.00*

\*This figure is approximate, based on current school-year data reported by districts, rounded to account for data fluctuations. This figure could be currently underreported as districts continue to submit data throughout the school year.

<b>Medicaid Free Total Cost</b>	<b><math>\\$7,768 * 25% * 120,000</math></b>	<b>\$233,040,000.00</b>
Medicaid Free State Cost	$\$7,768 * 25% * 120,000 * 70%$	\$163,128,000.00
Medicaid Free Local Cost	$\$7,768 * 25% * 120,000 * 30%$	\$69,912,000.00



# More Information



TISA Webpage:

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

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