



Tennessee Investment in Student Achievement



## Summary for Districts and Schools

On May 2, 2022, Governor Bill Lee and the Tennessee General Assembly enacted the **Tennessee Investment in Student Achievement (TISA) Act** ([Chapter 966 of the Public Acts of 2022](#)), a new student-based approach to K-12 public school funding. Beginning in the 2023-24 school year, the TISA will replace the current Basic Education Program (BEP) and invest an additional recurring state investment of \$1 billion for Tennessee public schools, an historic investment in our districts and schools and the students they serve.

This monumental piece of legislation is designed to meet the needs of each individual student, increase transparency, and ensure school and district leaders, students, and families, can advocate for the necessary resources for their schools. The TISA further invests in the essential work of our districts and schools as we work together to empower each student to read proficiently by 3rd grade, prepare students for postsecondary success, and provide students with the resources needed to succeed regardless of individual circumstances.

## Student-Based Funding Model

As a student-based funding model, the TISA generates education funds based on the individual needs of students. There are 4 components of funding under the TISA public school funding formula, including:

**BASE FUNDING:** This is the amount of funding allocated for each student. For each student enrolled, the district will receive a base funding amount of \$6,860 per student.

**WEIGHTED FUNDING:** In addition to the base funding amount, the TISA provides additional dollars to districts based on the individual needs of the students that they serve. The TISA includes weights for students who are economically disadvantaged (25%), attend a Title I eligible school (5%), attend a sparse district (5%), attend a small district (5%), and have unique learning needs (between 15%-150%). Students with unique learning needs (ULN) includes students with special education services, including gifted students, English learners, and students with characteristics of dyslexia.

**DIRECT FUNDING:** On top of the base funding and weighted funding, the TISA provides direct funding allocations for students enrolled in public charter schools and certain students participating in high-impact, strategic programming. This includes additional funding for K-3 literacy, 4th grade tutoring, career and technical education (CTE) programs, and the ACT. The specific direct funding amounts are subject to an annual appropriation by the General Assembly and will be further defined by the department and approved by the State Board of Education.

**OUTCOMES FUNDING:** The TISA also provides funding based on student outcomes. Determining the appropriate outcomes to reflect Tennessee values will involve convening public stakeholders, such as directors of schools, local school board members, elected officials, teachers, and parents to advise the department on setting outcome goals and funding. The specific outcomes and outcome funding amounts are subject to an annual appropriation by the General Assembly and will be defined annually by the department and approved by the State Board of Education.



## Fast-Growth Stipends

The TISA recognizes Tennessee as a constantly evolving and growing state and many districts may experience fast growth that places a burden on the district's ability to serve their students. As such, the TISA provides funding for fast-growing districts. Under the TISA, if a district experiences an increase over 1.25% in new student enrollment from the prior year, the district is eligible for a fast-growth stipend proportional to their increase. Additionally, if a district experiences a 2% growth in their student enrollment for 3 consecutive years, they are also eligible for an additional stipend. This is a critical tool to ensure districts have the resources to serve the unique needs of all their students.



## Teacher Pay

Teachers are the foundation for student success, and the TISA ensures that when state dollars are invested for teacher raises, those dollars will go toward teacher raises. The TISA requires that school districts must spend any state funds allocated for teacher salaries on salary increases for current educators.



## Local Contribution and Fiscal Capacity

Like the BEP, the TISA includes local contribution and fiscal capacity requirements. The TISA outlines the state and local split in providing contributions to this new funding structure. Specifically, the state will contribute 70% of the share for the base and weighted funding. Additionally, the state will cover the full amount for direct funding, outcomes funding, and fast-growth stipends. The local share is the remaining 30% of the base and weighted funding. Fiscal capacity, which is the percentage of the local share that a county must contribute, will continue to be determined (as it is now under the BEP) by the average of estimates developed by the Boyd Center for Business and Economic Research (CBER) and the Tennessee Advisory Commission on Intergovernmental Relations (TACIR).



## Accountability and Transparency

The TISA increases transparency for students, families, and district and school leaders, to ensure they have the information needed to advocate for additional resources. Starting in 2024, all school districts will have the opportunity to annually provide formal feedback to the department on the TISA. Additionally, the department will produce a public report starting in 2025 on the academic performance of districts, per-pupil expenditures, and an expert review of the TISA, including cost analyses and recommendations.

Furthermore, all districts will be required to develop an accountability report that establishes a 70% reading proficiency goal and details how the district's strategic use of funds enabled them to progress toward this goal. If a district is identified as low performing based on the state's accountability system, they may be required to appear before the State Board of Education and complete a corrective action plan or undergo additional monitoring. This increased reporting, coupled with existing reporting on school and district accountability, helps ensure all Tennesseans understand how state and local education funds are allocated and spent in their districts.



## Engagement and Professional Development

To support all state and local leaders in the implementation of the TISA, leaders such as Directors of Schools, school board members, central office staff, and others will have the opportunity to engage in a department-provided professional development series on how to budget strategically, make investments in student achievement, and hold decision-makers accountable. This resource ensures everyone involved in school funding and spending decisions has a comprehensive understanding of TISA.