

Federal Education Funding Task Force

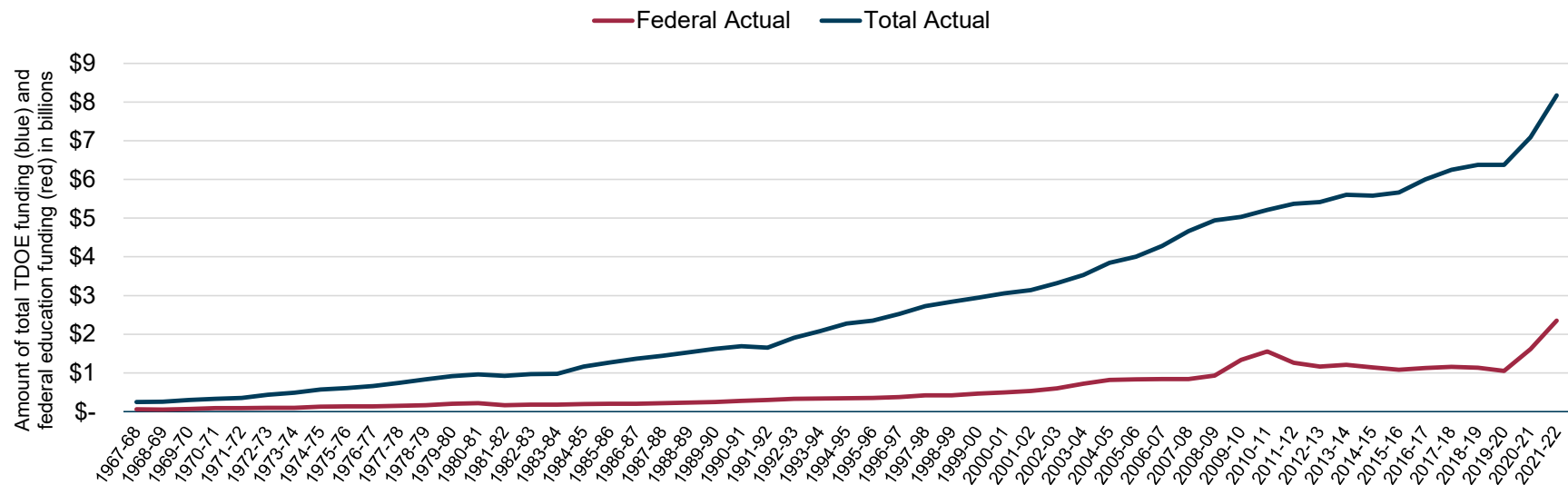
Office of Research & Education Accountability

11.6.23

TENNESSEE COMPTROLLER OF THE TREASURY



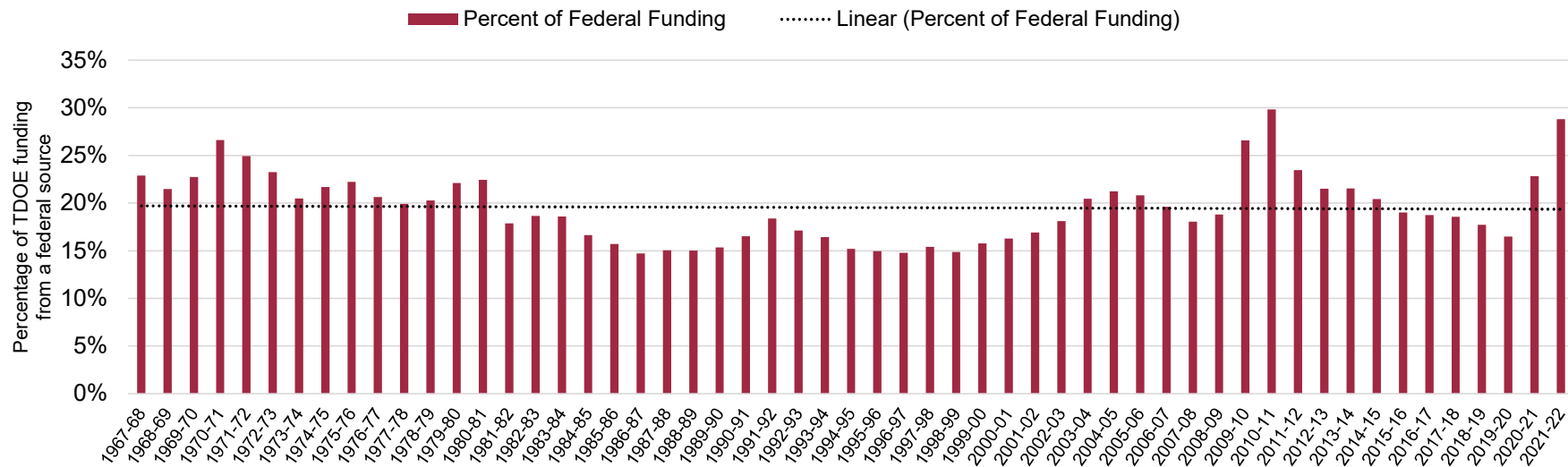
Federal funding to the Tennessee Department of Education | 1968-2022



TENNESSEE COMPTROLLER OF THE TREASURY



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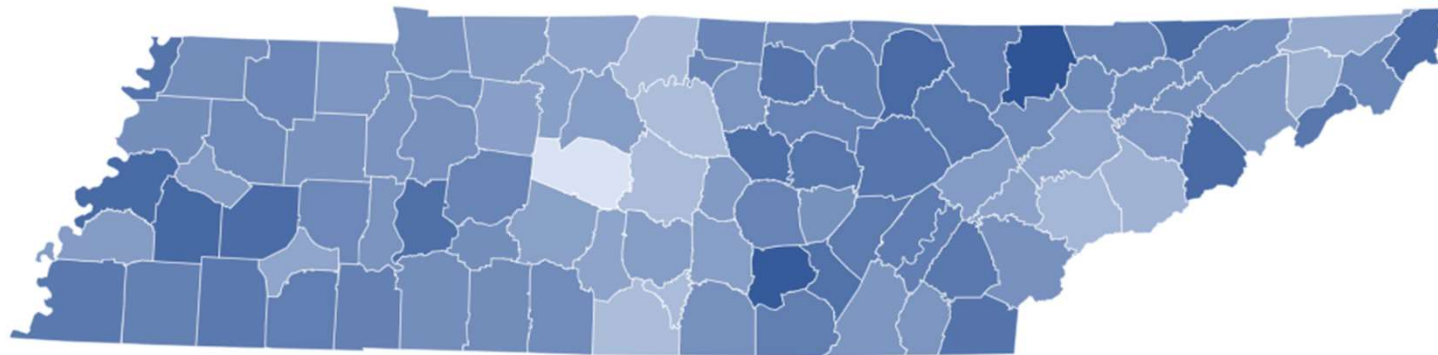
How much does Tennessee receive?

- Formula grants for education (recurring, allocated to all the states based on a formula)
2022 allocation = \$1.44 billion
2023 allocation = \$1.09 billion
- These totals do NOT include one-time grants or COVID-relief funds.
- The decrease in 2023 is primarily due to a \$400 million drop in Child Nutrition reimbursements from USDA.

Where does the money go?

The bulk of federal education funds are passed through to **LEAs**.

FY 2018-19 | Percentage of district current revenues from federal funds
Statewide rate = **11.14%**



FY 2019
3.13% 18.39%

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Percentage of county education revenues from federal funds | FY 2018-19

Top Ten	Federal funds revenues		Bottom Ten	Federal funds revenues
Campbell	18.39%		Williamson*	3.13%
Grundy	17.73%		Wilson*	7.14%
Haywood	16.18%		Lincoln*	7.22%
Fentress	16.09%		Moore	7.30%
Cocke*	15.98%		Rutherford*	7.32%
Lauderdale	15.96%		Sumner	7.59%
Johnson	15.88%		Blount*	7.82%
Hancock	15.84%		Sevier	8.28%
Madison	15.77%		Washington*	8.55%
DeKalb	15.47%		Sullivan*	9.19%

*County that contains more than one LEA

- Federal funds tend to make up a higher percentage of school district revenues in lower income and rural areas.
- Federal funds tend to make up a lower percentage of school district revenues in more affluent areas.

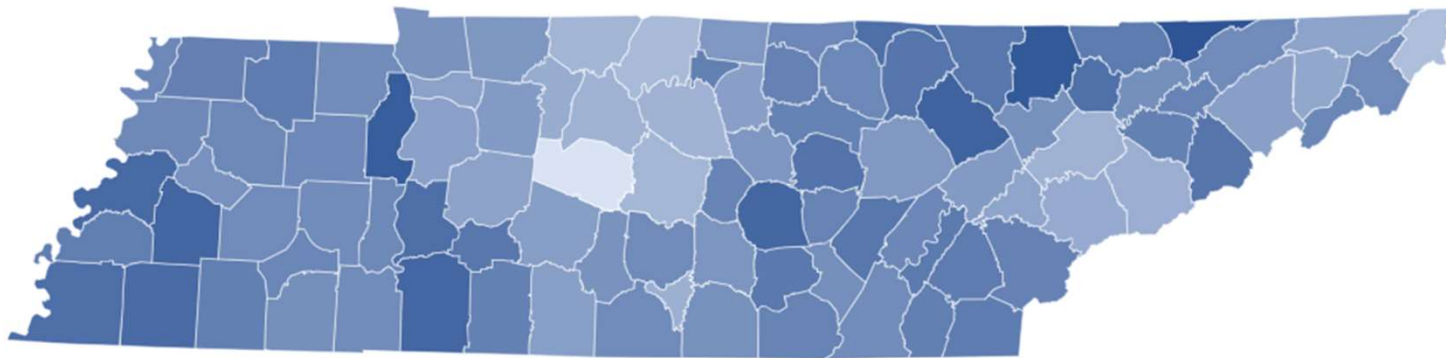
TENNESSEE COMPTROLLER OF THE TREASURY



Where does the money go?

The bulk of federal education funds are passed through to **LEAs**.

FY 2021-22 | Percentage of district current revenues from federal funds
Statewide rate = **19.54%**



FY 2022
6.63% 31.37%

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Percentage of district current revenues from federal funds | FY 2021-22

Top ten	Federal funds revenues	Bottom ten	Federal funds revenues
Hancock	31.37%	Williamson*	6.63%
Campbell	30.58%	Johnson	12.94%
Benton	29.87%	Sumner	13.59%
Morgan	28.79%	Rutherford*	14.34%
Haywood	28.38%	Robertson	14.48%
Wayne	28.19%	Wilson*	14.94%
Warren	28.13%	Davidson	14.95%
Lauderdale	27.69%	Knox	15.08%
Fayette	27.52%	Moore	15.57%
Shelby*	26.89%	Sevier	15.60%

*County that contains more than one LEA

The **five largest grant categories** of federal formula funds are:

- Title I (for disadvantaged students)
- IDEA (for students with disabilities)
- Child Nutrition (for school lunches, breakfasts, snacks, and milk)
- Title II (supporting effective instruction)
- Perkins V (for career & technical education, or CTE)

These five accounted for **93 percent** of all 2023 Tennessee formula fund allocations.

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Title I

(for disadvantaged K-12 students)

- Title I is the largest part of the federal Every Student Succeeds Act of 2015 (ESSA).
- Title I includes **four** main subsections:
 - **Part A** – Additional funds to improve education outcomes for students from low-income families
 - **Part B** - State assessment grants
 - **Part C** - Education of migratory children
 - **Part D** - Prevention and intervention programs for children and youth who are neglected, delinquent, or at-risk
- Both federal and state law include requirements for academic standards, annual state assessments, and an accountability system for school performance.
- Federal law for these grants also requires a comprehensive state plan for using federal dollars, as well as district and school level plans.

Title I funding by category

	2019	2020	2021	2022	2023
Part A	\$309,747,093	\$308,798,568	\$328,541,302	\$323,379,041	\$349,663,715
Part B	\$7,243,602	\$7,259,912	\$7,277,865	\$7,292,324	\$7,319,958
Part C	\$1,374,844	\$1,272,535	\$1,616,588	\$1,703,420	\$1,394,130
Part D	\$227,554	\$297,828	\$250,429	\$243,407	\$277,419
Total	\$318,593,093	\$317,628,843	\$337,686,184	\$332,618,192	\$358,655,222

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Individuals with Disabilities Education Act (IDEA)

	2019	2020	2021	2022	2023
Part B (ages 3-21)	\$ 256,263,704	\$ 257,900,245	\$ 265,485,438	\$ 268,713,861	\$ 281,527,548
Part C (ages birth-2)	\$ 9,068,956	\$ 9,133,835	\$ 9,268,221	\$ 9,545,763	\$ 10,758,600
Total	\$ 265,332,660	\$ 267,034,080	\$ 274,753,659	\$ 278,259,624	\$ 292,286,148

- Both IDEA and state law require:
 - an **individualized education program (IEP)** be prepared for each student with disabilities, setting academic goals and special education services and accommodations the school will provide; and
 - schools to educate students in the **least restrictive environment**, e.g., keeping students in regular classrooms whenever possible.
- Other federal requirements include state and local maintenance of effort, identification and screening of all children who may be eligible, and sharing funds with private schools.

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USDA Child Nutrition funds

	2019	2020	2021	2022	2023
Child Nutrition (National School Lunch Program, School Breakfast Program, etc.)	\$403,300,000.00	\$264,963,421.02	\$457,208,628.53	\$685,477,813.00	\$276,147,289.00
Child Nutrition Administration	\$3,442,864.00	\$2,583,481.00	\$2,933,864.00	\$3,031,325.79	\$2,177,864.00
Total	\$406,742,864.00	\$267,546,902.02	\$464,142,492.53	\$688,509,138.79	\$278,325,153.00

- Child nutrition programs accounted for **over a quarter** of federal formula funding in 2023.
- With the **State Administrative Expense** funds, TDOE employs 21 full-time staff to administer school nutrition programs, including 10 who work regionally to support local school food authorities.
- School districts are reimbursed based on the **number of meals served** and at rates determined by whether the child paid full price or was eligible for free or reduced-price meals.
 - Meals must meet certain **nutritional guidelines** (e.g., ½ cup fruit, ¾ cup vegetables, etc.).

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Title II

(supporting effective instruction)

	2019	2020	2021	2022	2023
Allocation	\$36,482,619.00	\$37,879,390.00	\$41,689,376.00	\$42,693,753.00	\$45,546,902.00

- Title II, Part A, authorizes formula grants for improving teacher and principal quality. States may use the funds to assist districts in improving teacher and principal evaluation programs, reforming teacher and principal certification programs, and expanding alternative certification options.
 - In 2020-21, almost all Tennessee LEAs (96 percent) used Title II-A Funds for professional development.
 - Other uses of the funds included recruiting, hiring, and retaining effective educators (42 percent of LEAs); class size reduction (7 percent of LEAs); and evaluation systems (8 percent of LEAs).

Perkins V

(for career and technical programs, or CTE)

	2019	2020	2021	2022	2023
Allocation	\$25,432,004.00	\$26,916,562.00	\$27,353,102.00	\$28,502,865.00	\$29,506,984.00

- Perkins V funds provide supplemental resources to support the academic, career, and technical skills of secondary students who elect to enroll in career and technical education programs.
 - In FY 2021-22, 122 school districts received a portion of **\$20.67 million** in federal funds that were distributed through the state.
- The state may use Perkins V funds to cover administrative costs, including developing its state plan, reviewing local applications, and monitoring and evaluating program effectiveness.
- School districts may use Perkins funds to improve career and technical education programs, including modernizing, revising, expanding, or upgrading CTE programs.

Summary of 2023 federal funding allocations

Formula grant programs of recurring nature	2023 Allocation
Title I (for disadvantaged students)	\$ 358,655,222
IDEA (individuals with disabilities)	\$ 292,286,148
USDA Child Nutrition	\$ 284,457,608
Title II (supporting effective instruction)	\$ 45,546,902
Perkins V (career and technical education, or CTE)	\$ 29,506,984
Other programs not here detailed	\$ 79,426,733
Total	\$1,089,879,597

TENNESSEE COMPTROLLER OF THE TREASURY



Next Steps

- Inventory of data, presentations, questions, and answers.
- Assist in obtaining answers to any additional questions from the task force.
- Prepare a summary of task force meetings and provide to the task force.