



SNAPSHOT

Tennessee Investment in Student Achievement

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In 2022, the General Assembly created a new K-12 education funding formula – the Tennessee Investment in Student Achievement (TISA). TISA replaced the Basic Education Program (BEP), the state’s former funding formula, and made a number of changes in the way state education dollars are allocated to public schools, such as shifting from a resource-based formula to a student-based formula. In FY 2023-24, the General Assembly appropriated a recurring \$6.5 billion for K-12 education through TISA.

As a student-based funding model, TISA allocates base funding for all students and additional weighted funding for students who meet certain criteria, such as those who are classified as economically disadvantaged, experience concentrated poverty, reside in a small or sparse district, or have unique learning needs. TISA also includes direct funding from the state to support students in five priority areas (K-3 literacy, grade 4 literacy support, career and technical education, ACT testing for grades 11 and 12, and charter school students).

Another component of TISA, outcomes funding, allocates additional state funding to districts that achieve specific student performance targets. TISA also includes funding for other purposes, including additional funding for districts with fast-growing student populations or those with declining enrollment.

State law requires the Comptroller’s Office of Research and Education Accountability (OREA) to review and study TISA to determine the effectiveness of state expenditures on K-12 education. In accordance with the law, OREA reported conclusions and recommendations to the Speakers of the House and Senate and members of the House and Senate education committees on December 30, 2024.

Conclusions

All locally administered school districts received more state money in the first year of TISA than in the last year of the BEP.

In the first year of TISA, the General Assembly invested an additional \$1.16 billion in K-12 education. This funding increase equated to a 21.6 percent budget increase for K-12 education, significantly higher than the annual increases of the previous 12 years. The substantial investment of additional funding coupled with TISA’s design resulted in increased funding for all locally administered school districts in TISA’s first year.

The percentage increase in state funding varied by district. Madison County saw the largest percentage increase in state funding (over 38 percent). Four other districts – Hamilton County, Bristol City Schools, Union City Schools, and McMinn County – saw increases of over 30 percent in TISA’s first year.

School district leaders are generally complimentary of the transition from the BEP to TISA.

In June 2024, OREA surveyed district directors across the state with a 76 percent response rate. In their responses to the OREA survey, district leaders were generally complimentary of the transition from the BEP to TISA, citing improvements such as increased funding and effective communication efforts by the Tennessee Department of Education (TDOE).

Conclusions

School district leaders identified some shortcomings in the first year of TISA implementation.

While districts' assessments of TISA implementation were generally positive, challenges were also identified. Out of the 110 districts that responded to the OREA survey, 54 cited issues with data tracking (including the new TN PULSE data collection system) and a general lack of clarity or information when the formula was first implemented in the 2023-24 school year.

Fifty of 110 survey respondents stated that their districts were still experiencing some or many TISA-related issues as of June 2024. These districts mentioned continued struggles with data tracking and TN PULSE.

TISA's impact on student outcomes can be measured in the coming years using metrics and accountability requirements included in the TISA funding formula.

This report focuses on TISA implementation given the relative newness of the funding formula. Evaluating the formula's effects on districts' spending decisions and the resulting impact on student achievement will require more years of data. The report identifies metrics to gauge the impact of TISA on student outcomes in the coming years.

TDOE has met most requirements in statute and rule for the implementation of TISA, but three requirements are either partially incomplete or have not been met.

Both TISA law and promulgated rules detail requirements for the implementation of TISA. As of December 2024, TDOE has met most requirements, but three requirements remain incomplete or unmet, including requirements related to professional development, Outcomes Review Committee meetings, and the TISA Progress Review Board. The report includes recommendations on how the department can address these shortcomings.