

Average Daily Membership (ADM)	<p>Sample student enrollment & class assignment period</p> <p>ADM value</p> <p>Student is enrolled for all of the 20 days in a given reporting period with a full class schedule</p> <p>1</p> <p>Student enrolls halfway into the reporting period with a full class schedule</p> <p>0.5</p> <p>Student has a shortened daily schedule (e.g., a high school senior is assigned to three of the four classes on a four-block schedule and is dismissed early from school each day)</p> <p>0.75</p>																																													
Base funding	Every K-12 public school student generates a base funding amount to cover the student's primary education needs, such as teachers, school counselors, principals, etc. For the 2023-24 TISA allocations, the base funding amount is \$6,860 per ADM.																																													
Basic Education Program (BEP)	The Basic Education Program (BEP) was a K-12 funding formula adopted in 1992 that determined the funding level required for each school district to provide a common, basic level of service for all students. The BEP formula consisted of 46 components grouped into four categories: Instructional Salaries and Wages, Instructional Benefits, Classroom, and Non-classroom. The BEP was replaced by the TISA funding formula, which was first implemented in the 2023-24 school year.																																													
Characteristics of dyslexia	<p>Students who meet the following assessment criteria are considered to exhibit characteristics of dyslexia:</p> <ul style="list-style-type: none">Grades K-3: The student falls below the 25th percentile on the composite score of the Tennessee universal reading screener or a State Board of Education-approved nationally normed, skills-based screener.Grades 4-8: The student falls below the 25th percentile on the composite score on a nationally normed, skills-based universal reading screener.Grades 9-12: The school district's Early Warning System detects that the student may be at-risk for a reading deficit. <p>The student, regardless of grade, must also display deficits in 50 percent or more of the grade-appropriate subtests identified by the state's Minimum Universal Reading Screening Matrix.</p> <p>Additionally, all students must have a finalized Dyslexia Individualized Learning Plan (ILP-D) entered in the state's student plan system, and the student's teacher and parent(s) or guardian(s) must observe and agree that the student has characteristics of dyslexia to be eligible for this Unique Learning Needs (ULN) weight. ULN levels are used to generate additional TISA funding based on the supports students need (see "Unique Learning Needs" for more information). Students with characteristics of dyslexia fall under the ULN 2 level and generate 20 percent of base funding. For the 2023-24 TISA allocations, actual ADMs were not available for this weight because the ILP-D system was not fully implemented in the prior year. Rather, 5 percent of a district's base ADM was used to generate funding for this weight.</p>																																													
Concentrated poverty	The concentrated poverty designation applies to students who attend a Title I eligible school. Title I eligible schools are schools with a schoolwide poverty rate of 40 percent or higher.																																													
Direct funding	<p>Direct funding is intended to support students in areas identified by the state as priorities. Direct funding amounts are flat funding amounts provided on a per student or ADM basis. Direct funding is 100 percent state-funded and does not require a local contribution. Direct funding is available for:</p> <ul style="list-style-type: none">Grades K-3 literacy support: funding is intended to support early literacy instruction so students are able to read on grade level by grade 3. For school year 2023-24, the funding amount was \$500 per eligible student ADM.Grade 4 literacy support: funding is intended to provide students with additional literacy-related supports, such as tutoring and other interventions. Grade 3 students who scored "below" or "approaching" on the ELA section of the TCAP are eligible for funding. For school year 2023-24, the funding amount was \$500 per eligible student.Career and Technical Education (CTE) programs: funding is provided based on student participation in CTE courses. Funding is structured to incentivize school districts to align CTE program offerings with high-wage, in-demand careers. For the 2023-24 school year, direct funding allocations for all CTE students are \$5,000 per CTE ADM.Public charter school students: funding for this component is subject to annual appropriations by the General Assembly. For school year 2023-24, charter school appropriations were \$22,000,000, which was divided evenly across all public charter schools based on student enrollment. For school year 2023-24, the funding amount was \$509 per charter school student. This component replaces the Charter School Facilities Fund, which provided funding for public charter schools outside of the Basic Education Program, Tennessee's previous K-12 funding formula.Postsecondary readiness assessment (ACT tests): funding is generated for all 11th graders to take the ACT and be provided with a retake opportunity in grade 12. For school year 2023-24, the funding amount was \$93 per eligible student ADM.																																													
Economically disadvantaged	Students identified as economically disadvantaged fall into one of the following categories: students experiencing homelessness, foster care, unaccompanied youth, or migrant status, or students meeting direct certification eligibility guidelines, usually related to receiving SNAP (formerly food stamps) or TANF supports. This definition is in alignment with Tennessee's Every Student Succeeds Act (ESSA) plan.																																													
Educator Salary Increases	Educator Salary Increases are funds that are appropriated by the General Assembly for educator salaries. The funds must be used by districts on salary increases for existing educators in district schools and any public charter schools located in the district. The funds cannot be used for other expenditures, such as hiring additional teachers or purchasing materials. Funds are awarded based on each school district's proportional share of statewide student enrollment. For school year 2023-24, the General Assembly allocated \$125 million in funding for educator salary increases.																																													
English learner (EL)	<p>To be eligible for the EL tiering, a student must be initially identified for services through a home language survey and entry screener and progress monitored using the WIDA assessment. The WIDA assessment is a suite of English language proficiency assessments for grades K-12. The student must also have an established Individual Learning Plan (ILP). After determining eligibility, EL students are placed in one of the three tiers aligned to levels of support. Students qualify for funding if they receive services in one of the following categories:</p> <ul style="list-style-type: none">Direct ESL servicesIndirect services (i.e., a parent/guardian waives direct ESL services)Transition Year 1 (T1) – students who are in the first year since they exited ESL servicesTransition Year 2 (T2) – students who are in the second year since they exited ESL services <table><tr><th>English Learner Tier</th><th>Descriptions</th></tr><tr><td>Tier 1</td><td><ul style="list-style-type: none">Student receives indirect services, orStudent is in Transition Year 1 or Transition Year 2, orStudent is a long-term English Learners (seven or more years of ESL services)</td></tr><tr><td>Tier 2</td><td><ul style="list-style-type: none">Student receives direct ESL services and meets one of the following:<ul style="list-style-type: none">Received ESL services for four or more years, orScored above a 3 on WIDA</td></tr><tr><td>Tier 3</td><td><ul style="list-style-type: none">Student receives direct ESL services (L), andReceived ESL services for a maximum of three years, andScored a 3 or lower on WIDA</td></tr></table> <p>After determining a student's EL tier, the tiers are then converted to their Unique Learning Needs (ULN) level. ULN levels are used to generate additional TISA funding based on the supports students need. EL Tier 1 students receive an additional 20 percent funding under ULN 2. EL Tier 2 students receive 60 percent additional funding under ULN 4, and EL Tier 3 students receive 70 percent additional funding under ULN 5 (see "Unique Learning Needs" for more information).</p>	English Learner Tier	Descriptions	Tier 1	<ul style="list-style-type: none">Student receives indirect services, orStudent is in Transition Year 1 or Transition Year 2, orStudent is a long-term English Learners (seven or more years of ESL services)	Tier 2	<ul style="list-style-type: none">Student receives direct ESL services and meets one of the following:<ul style="list-style-type: none">Received ESL services for four or more years, orScored above a 3 on WIDA	Tier 3	<ul style="list-style-type: none">Student receives direct ESL services (L), andReceived ESL services for a maximum of three years, andScored a 3 or lower on WIDA																																					
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Fast-growth funds	<p>Fast-growth funds are appropriated annually by the General Assembly and are available to school districts with fast-growing student populations. Qualifying districts may qualify for one or both stipends available: fast-growth stipends and infrastructure stipends. Fast-growth stipends are for districts with more than 1.25 percent growth in their total TISA allocations (as generated by student enrollment) in a single school year. Infrastructure stipends are for districts with student enrollment growth that exceeds 2 percent every year for three consecutive years. (Enrollment for school year 2020-21 will not be included when determining infrastructure stipend eligibility. This is to reduce the negative effect on stipend eligibility of enrollment declines related to the COVID-19 pandemic.) For school year 2023-24, \$35 million was allocated for fast-growth funds, with up to \$10 million of the \$35 million available for infrastructure stipends.</p> <p>Virtual school students are not included when determining district eligibility for fast-growth funds.</p>																																													
Fiscal capacity	Fiscal capacity estimates the ability of a county to contribute financially to K-12 education. Fiscal capacity is calculated using an average of two formulas, one by the Boyd Center for Business and Economic Research and the other by the Tennessee Advisory Commission on Intergovernmental Relations. Fiscal capacity is applied to the funding generated under the base and weights components of the TISA formula. For both components, the state funds 70 percent and local governments are responsible for the remaining 30 percent (known as the local share). The fiscal capacity calculation assigns each county a percentage of the total local share, which is the county's required local match .																																													
Maintenance of Effort (MOE)	Maintenance of Effort (MOE) is a base level of funding that local governments must contribute to education from year to year. The MOE requirement ensures additional state education dollars are not used to supplant local funds. Many local governments contribute more funds than required under the local match provision of TISA. Therefore, a county's MOE funding level may be higher than the required local match under TISA (see "Fiscal capacity" for more information).																																													
Outcomes funding	<p>Outcomes funding provides districts with additional funding based on student academic performance. Outcomes funding is funded entirely by the state. The following summarizes the eligibility criteria for determining the number of students that qualify in each district.</p> <ul style="list-style-type: none">Elementary school:<ul style="list-style-type: none">Student scores "meets expectations" or "exceeds expectations" on the 3rd grade ELA TCAP; orStudent scores "approaching" or "below" on the 3rd grade ELA TCAP in the prior year and improves by at least one performance level on the 4th grade ELA TCAP.Middle school:<ul style="list-style-type: none">Student scores "meets expectations" or "exceeds expectations" on the ELA and math sections of the 8th grade TCAP; orStudent improves by at least one performance level from the 7th grade TCAP to the 8th grade TCAP on the ELA and math sections.High school:<ul style="list-style-type: none">Student earns at least two Early Postsecondary Opportunity (EPSO) credits and meets one of the following:<ul style="list-style-type: none">scores a composite of 21 or higher on the ACT, orimproves their ACT composite score by at least four points between the first time they take the ACT in 11th grade and a retake; orStudent earns at least three EPSO credits; orStudent scores 31 or higher on the Armed Services Vocational Aptitude Battery (ASVAB) and earns at least two EPSO credits.Note: As of October 2023, the criteria for high school students has not yet been officially adopted. <p>For high school students, an additional category is provided for students with disabilities in a graduating class who:</p> <ul style="list-style-type: none">Did not generate additional funding under any other outcomes funding category; andAre enrolled in a school district that has met the state's target percent of students with disabilities participating in their least restrictive environments at least 80 percent of the instructional day; andMeet at least two of the following three State Annual Performance Report Indicators:<ul style="list-style-type: none">Graduation with a general education diploma;Proficiency on the state's alternate assessment;Post-school outcomes. <p>All eligible students are further broken down into two categories: 1) students identified as economically disadvantaged (ED), English learners (EL), or students with disabilities (SWD); and 2) students that are not identified as ED, EL, or SWD. Students in the ED, EL, or SWD category receive additional funding equal to 20 percent of the TISA base funding rate. Students who are not in those categories receive additional funding equal to 10 percent of the base funding rate.</p>																																													
Public charter school funding	<p>Public charter school funding is allocated each year by the General Assembly. For FY 2023-24, the amount was \$22 million, which came out to \$509 per charter school student. Funding is divided among all public charter schools based on student enrollment. For example, a charter school with 200 students would receive \$101,800 (i.e., \$509 per student multiplied by 200 students).</p> <p>The state sends the funding to the school district in which the charter school is located, then the school district transfers the funding to each charter school.</p>																																													
Small district	Small district is defined in law as a school district with a student membership of 1,000 or fewer students.																																													
Sparse district	Sparse district is defined in law as a county school district located in a county with fewer than 25 students per square mile.																																													
Students with disabilities	<p>Students with disabilities qualify for weighted funding based on the amount of time they receive certain services as determined by their Individualized Education Program (IEP). There are 10 special education funding levels (known as option codes) based on the type of service and number of hours.</p> <table><tr><th>Special Education Option Code</th><th>Services & Hours Descriptions</th></tr><tr><td>Option 1</td><td>Consultation – Minimum of two contacts/month, except occupational therapy or physical therapy (minimum of three contacts/year). Time must be reported. Direct services equal to or less than one hour/week. Related services equal less than one hour/week.</td></tr><tr><td>Option 2</td><td>Direct services – Special education services of more than or equal to one, but less than four hours/week; or any one related service more than or equal to one, but less than four hours/week.</td></tr><tr><td>Option 3</td><td>Direct services – Special education services of more than or equal to four, but less than nine hours/week; or any one related service more than or equal to four, but less than nine hours/week.</td></tr><tr><td>Option 4</td><td>Direct services – Special education services of more than or equal to nine, but less than 14 hours/week; or any one related service more than or equal to nine, but less than 14 hours/week.</td></tr><tr><td>Option 5</td><td>Direct services – Special education services of more than or equal to 14, but less than 23 hours/week; or any one related service more than or equal to 14, but less than 23 hours/week.</td></tr><tr><td>Option 6</td><td>Ancillary services – Attendant provided so that the student can have at least three hours/day in less restrictive and general education settings.</td></tr><tr><td>Option 7</td><td>Direct services – Special education services 23 or more hours/week or any one related service 23 or more hours/week.</td></tr><tr><td>Option 8</td><td>Self-contained or CDC – The sum of all direct services plus related services (listed below) plus up to 10 hours/week of special education educational assistant in the general program equals 32.5 or more hours/week. In addition, at least two related services from those specified below must be received for at least the minimum times listed:<ul style="list-style-type: none">One hour/week: psychological services, counseling services, speech/language services, vision services, hearing servicesThree contacts/year, with time span reported: occupational therapy, physical therapy</td></tr><tr><td>Option 9</td><td>Residential services - Provided no less than 24 hours/day.</td></tr><tr><td>Option 10</td><td>Hospital/homebound - Provided three or more hours/week.</td></tr></table> <p>The type of service and number of hours documented by the IEP team ultimately determine the level of funding generated. A student's special education services may fall into two option codes, a primary one and a secondary one. In such cases, both codes generate funding for the student.</p> <p>To be eligible for special education services, an initial evaluation must be conducted, and an IEP must be established as the service plan for the student in accordance with federal and state law.</p>	Special Education Option Code	Services & Hours Descriptions	Option 1	Consultation – Minimum of two contacts/month, except occupational therapy or physical therapy (minimum of three contacts/year). Time must be reported. Direct services equal to or less than one hour/week. Related services equal less than one hour/week.	Option 2	Direct services – Special education services of more than or equal to one, but less than four hours/week; or any one related service more than or equal to one, but less than four hours/week.	Option 3	Direct services – Special education services of more than or equal to four, but less than nine hours/week; or any one related service more than or equal to four, but less than nine hours/week.	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Unique Learning Needs (ULN)	<p>Students with disabilities, English learners, and students with characteristics of dyslexia generate additional funding through TISA to support their Unique Learning Needs (ULN). Such students' Unique Learning Needs are categorized based on 1) an assessment of need, and 2) a plan for providing services to address the needs identified.</p> <p>Students that generate ULN funding may fall into as few as one or as many as four categories:</p> <ul style="list-style-type: none">Special Education (primary option code)Special Education (secondary option code)English LearnerCharacteristics of Dyslexia <p>These categories are spread across 10 ULN levels, each of which has a weight that determines the amount of additional funding generated.</p> <table><tr><th>ULN level</th><th>Weight</th><th>ULN descriptions</th></tr><tr><td>ULN 1</td><td>15%</td><td>Special Education Option Code 1</td></tr><tr><td></td><td></td><td>Special Education Option Code 2</td></tr><tr><td>ULN 2</td><td>20%</td><td>English Learner Tier 1</td></tr><tr><td></td><td></td><td>Characteristics of Dyslexia</td></tr><tr><td>ULN 3</td><td>40%</td><td>Special Education Option Code 3</td></tr><tr><td>ULN 4</td><td>60%</td><td>English Learner Tier 2</td></tr><tr><td>ULN 5</td><td>70%</td><td>English Learner Tier 3</td></tr><tr><td>ULN 6</td><td>75%</td><td>Special Education Option Code 4</td></tr><tr><td>ULN 7</td><td>80%</td><td>Special Education Option Code 5</td></tr><tr><td>ULN 8</td><td>100%</td><td>Special Education Option Code 6</td></tr><tr><td>ULN 9</td><td>125%</td><td>Special Education Option Code 7</td></tr><tr><td></td><td></td><td>Special Education Option Code 8</td></tr><tr><td></td><td></td><td>Special Education Option Code 9</td></tr><tr><td>ULN 10</td><td>150%</td><td>Special Education Option Code 10</td></tr></table> <p>Students are not restricted to one ULN level. For example, students receiving special education services may qualify for two of the 10 special education levels, a primary one and a secondary one. (See "Students with disabilities" entry for more information.) Such students may fall into two ULN levels as a result. Students in multiple ULN categories generate additional funding for each level.</p> <p>In addition, students may generate additional funding through the same ULN level more than once. For example, an English learner student who also has characteristics of dyslexia could meet two of the criteria under the ULN 2 level and, if so, would have the 20 percent weight applied twice.</p> <p>In case of a status change (for example, a student no longer needs English learner services), students may no longer be assigned to a ULN category and will cease generating the corresponding additional funding.</p>	ULN level	Weight	ULN descriptions	ULN 1	15%	Special Education Option Code 1			Special Education Option Code 2	ULN 2	20%	English Learner Tier 1			Characteristics of Dyslexia	ULN 3	40%	Special Education Option Code 3	ULN 4	60%	English Learner Tier 2	ULN 5	70%	English Learner Tier 3	ULN 6	75%	Special Education Option Code 4	ULN 7	80%	Special Education Option Code 5	ULN 8	100%	Special Education Option Code 6	ULN 9	125%	Special Education Option Code 7			Special Education Option Code 8			Special Education Option Code 9	ULN 10	150%	Special Education Option Code 10
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