

# Comparing the BEP and TISA

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## **Basic Education Program Formula**

The BEP has four major categories of funding, each made up of separate components related to the basic needs of students, teachers, and administrators within a school system. These categories are:

- Instruction; (70% state funded)
- Benefits; (70% state funded)
- Classroom (75% state funded); and
- Non-classroom (50% state funded).

There are 45 individual components, most of which are based on a school system's ADM (average daily membership). For example, for every 20 students in K-3, the formula generates the salary and benefits for one teaching position.

### **Staffing**

The formula uses these ratios to determine the number of positions funded for classroom teachers, principals and assistant principals, special education personnel, social workers, librarians, psychologists, ELL instructors and translators, RTI and CTE instructors, nurses, school and system administrative support, custodians, technology coordinators, etc.

### **Materials and Infrastructure**

The formula also generates funding for materials, textbooks, equipment, technology, training, transportation, etc. These items are generally based on a certain amount per pupil. The formula also provides funding on a per square foot basis for maintenance and capital outlay for school buildings. The square footage per student varies across grade levels.

### **Equalization**

The BEP arose from litigation which demonstrated that small, rural districts with a small tax base were not able to provide the same educational opportunity as wealthier systems. Therefore, the formula uses "fiscal capacity" to determine how much of the local share the county is required to fund. Two different models (TACIR and CBER) are blended to determine this percentage.

### **High Growth**

Systems experiencing more than 2% growth in ADM or I&S (identified and served special education) qualify for additional funding.

### **Adjustments**

In addition to growth, there are stability provisions that prevent a district from losing funding for one year and other adjustments for "cost differential factors" based on variations in cost of living from county to county.

## **Tennessee Investment in Student Achievement**

TISA is described as a student-centered funding formula. Whereas the BEP takes the number of students in a system and generates staffing positions, materials and facility needs to serve those students, TISA assigns a unique funding amount for each student in a system. The state will pay 70% of the base and all weights generated for a student with local funding bodies paying the other 30%. The state will pay 100% of direct allocations, outcomes-based funding and funding for fast growing systems.

### **Base Funding**

Every student in every grade in every county begins with a base funding amount of \$6,860. The student is then assigned weights based on where they live, their economic conditions and any special ed needs.

### **Weighted Funding**

These weights include:

- Economically disadvantaged (25%);
- Concentration of poverty (5%);
- Attending a charter school (4%);
- Sparse districts (5%);
- Small districts (5%);
- Unique learning needs – these include special ed, dyslexia, gifted, ELL, etc. There will be ten different weights (ranging from 15-150%).

### **Direct Allocation**

TISA also provides direct funding for the following:

- All K-3 students
- 4<sup>th</sup> grade tutoring (for students not proficient in ELA on the TCAP)
- CTE programs at varying levels
- ACT testing and retesting

The amounts for direct allocation will be set by rule of the Dept. of Education.

### **Outcomes Based Funding**

The TISA will also provide funding based on student outcomes. Specific qualifications and metrics will be set annually by the Dept. of Education.

### **Equalization**

The TISA also uses fiscal capacity to determine how much of the 30% a system is expected to pay, but it bases this solely on the CBER model.

### **High Growth**

TISA provides comparable growth funding for LEAs with student growth over 2% from the prior year. Additionally, LEAs with 2% for three consecutive years may receive an infrastructure stipend.

### **Hold Harmless**

If during the first year of TISA an LEA's would receive less than under the BEP for the prior year, the LEA gets the prior year's funding. This declines over time. Annual decreases are capped at 5%. Subject to appropriations, the Dept. may make grants to economically distressed districts.