



TISA

Tennessee Investment in Student Achievement

Guide



2025–26 School Year

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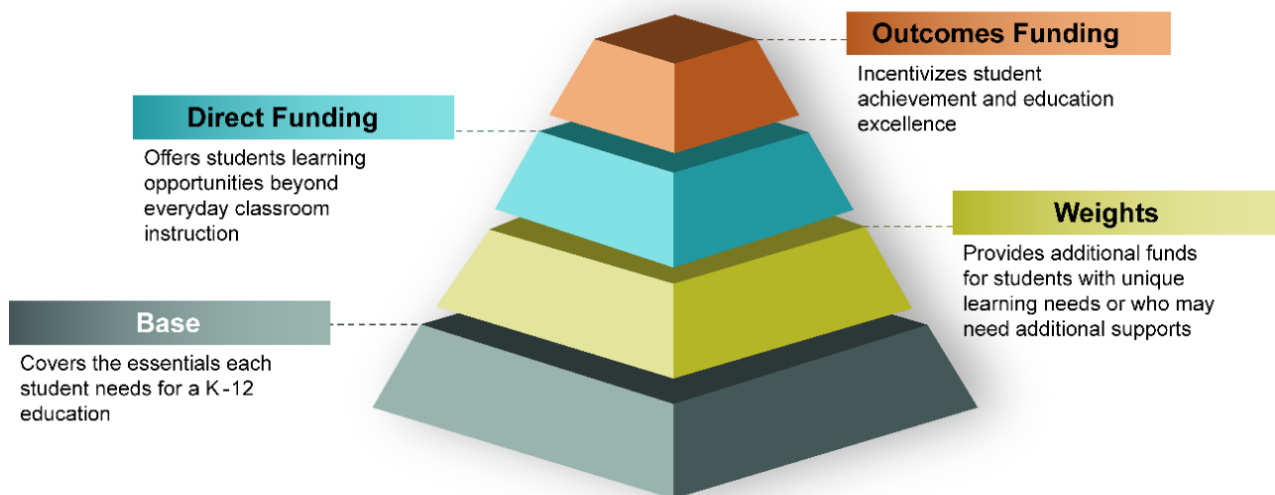
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Introduction

About TISA

Introduced ahead of the 2023-24 school year, the Tennessee Investment in Student Achievement (TISA) public school funding formula was launched as an updated state investment in public education. TISA empowers each student to read proficiently by third grade, prepares each high school graduate for postsecondary success, and provides resources aligned to students' needs to ensure they succeed. TISA includes:

- **Base funding** amount provided for every public-school student;
- **Weighted funding** to address individual student needs like those students who may be low-income or attend schools with concentrated poverty, English Learners, students with disabilities, have characteristics of dyslexia, or live in a sparse or small community;
- **Direct funding** intended to support students in key priority areas like early literacy, career and technical education (CTE) programming, and postsecondary readiness; and
- **Outcomes funding** based on student achievement to empower districts and schools to help all students reach their full potential.



Purpose of the TISA Guide

The TISA guide outlines in detail all components of the TISA formula, with information on data collection, formula calculation, and answers to frequently asked questions. This guide is intended to support school districts in collecting and submitting data to the Tennessee Department of Education (the department) to implement TISA and is not intended to guide how districts must use TISA funds.

With TISA, funding is allocated to districts based on the students they serve, and districts have the local discretion on how funds are spent.¹

Pursuant to T.C.A. § 49-3-103(d), the department is required to annually publish the TISA Guide that includes at minimum, the following information:

- Data the department must receive from each local education agency (LEA) for purposes of administering TISA;
- Directions on how and when the required data must be submitted to the department;
- Procedures for LEAs to dispute an alleged error in an allocation made to the LEA;
- The requirement that the comptroller must not approve a local government budget that fails to include the local contribution; and
- LEAs that qualify as a sparse LEA or a small LEA.

The TISA guide is intended to be a resource to LEAs, schools, and educators, and the department welcomes input from all stakeholders on additional information to be included in the guide. This guide will be updated as more information becomes available.

2025-26 Funding Levels

TISA funding elements are subject to annual appropriations by the Tennessee General Assembly. The table below provides the 2025-26 school year funding levels for the key formula elements.

¹ While LEAs have local discretion in spending TISA funds, T.C.A. § 49-3-105(e) and Tennessee Investment in Student Achievement Rule 0520-12-05-.14 specifies that any annual increase in the TISA base funding amount may be restricted by the Tennessee General Assembly for the sole purpose of providing salary increases to existing educators. More information about these requirements can be found in the Educator Salary Increases section of this guide.

ELEMENT	WEIGHT (IF APPLICABLE)	AMOUNT
Base		\$ 7,295.00
WEIGHTS		
Economically Disadvantaged	25%	\$ 1,823.75
Concentrated Poverty	5%	\$ 364.75
Small	5%	\$ 364.75
Sparse	5%	\$ 364.75
ULN 1	15%	\$ 1,094.25
ULN 2	20%	\$ 1,459.00
ULN 3	40%	\$ 2,918.00
ULN 4	60%	\$ 4,377.00
ULN 5	70%	\$ 5,106.50
ULN 6	75%	\$ 5,471.25
ULN 7	80%	\$ 5,836.00
ULN 8	100%	\$ 7,295.00
ULN 9	125%	\$ 9,118.75
ULN 10	150%	\$ 10,942.50
DIRECT		
K-3 Literacy		\$ 500.00
4th Grade Supports		\$ 500.00
CTE		Varies- See CTE Programs Section
ACT (Per Test)		\$ 43.00
Charter		\$ 500.47

ADDITIONAL FUNDING LEVELS		
ELEMENT	AMOUNT	ADDITIONAL INFORMATION
Outcomes	\$ 80,000,000.00	If the budget for outcomes is less than the funds generated for all outcomes bonuses statewide, the department will prorate the awards to fit within the available funding. If the funds generated for all outcomes bonuses statewide are less than the state budget, excess funds will be moved into the subsequent fiscal year to fund outcomes bonuses.
Fast-Growth and Infrastructure Stipends	\$ 60,000,000.00	\$60,000,000 has been included in the state budget, with up to \$5,000,000 of these funds to be made available for infrastructure stipends.
Restricted Funds for Existing Educator Salary Increases (Included in Base)	\$ 125,000,000.00	Funding for existing educator salary increases is included in the appropriations as a set aside of any increase made to the base funding amount statewide. These funds are included in the base of TISA and thus awarded based on each LEA's proportional share of base ADMs statewide.

The TISA Formula

Average Daily Membership (ADM)

The TISA formula uses **Average Daily Membership (ADM)** to calculate student counts for most funding elements. Rather than measuring raw numbers of students, ADM accounts for each student’s enrollment and daily class schedule across nine reporting periods throughout the year. Each reporting period covers approximately 20 instructional days based on the LEA’s school calendar.

ADM is a foundational data element within the TISA formula. It informs the base funding, student weights, and most direct funding components. Importantly, a **student cannot generate more than 1.0 ADM.**

The table below provides examples of the calculation of ADM within a given period.

Enrollment & Schedule Scenario	ADM Value (for the reporting period)
Student is enrolled all 20 days with a full class schedule	1
Student enrolls halfway into the reporting period with a full schedule	.5
Student has a truncated daily schedule (e.g., 3 classes in a 4-block schedule)	.75

In the ADM calculation, the decimal place results do not represent a partial student, but rather a partial enrollment and/or daily schedule. ADM is also not an attendance measure. To generate full ADM, a student’s time scheduled in classes must be equivalent to the student standard day as set in the district’s calendar.

For TISA purposes, the ADM is calculated for each applicable funding line, for each student, across all nine reporting periods. These nine values are averaged to determine the final ADM used in the funding formula. Data from every day of the academic year is used to drive the formula, providing a comprehensive view of student participation.

Using all nine reporting periods also enables the TISA formula to capture real-time student mobility. For example, if a student transfers from LEA A to LEA B halfway through a reporting period, the student will generate 0.5 ADM for LEA A and 0.5 for LEA B for that given reporting period. This ensures that funding follows the student and reflects where services were provided.

It is important to note that the **TISA funding formula relies on the prior year data to drive subsequent year allocations.**

Early Graduates

ADM data for early graduates is included in TISA funding calculations. Early graduates should be coded with withdrawal code “12- Early Graduate” to generate ADM for funding purposes through the school year.

Adult Schools

Students enrolled in adult high schools or adult programs who are scheduled into courses and factored into grading assignments 9-12 are included in the K-12 funding formula.

Alternative Schools

Students with secondary enrollments in an alternative school or program, who have been suspended or expelled from their regular school program, are included in the K-12 funding formula via their school of primary enrollment.

Base Funding

About the Base

Every K-12 public school student generates a base funding amount to cover students’ primary education needs. The base funding serves as a launchpad for students, accounting for elements such as teachers, school counselors, principals, facility operations and much more. Schools are allocated base funding for each of their students, offering each student in Tennessee—whether they live in an urban, suburban or rural community—a firm education foundation.

Base – Data & Calculation

Inputs

An LEA’s base funding is determined by prior year ADM, a measure of student enrollment and assigned class schedule, averaged across all nine reporting periods (~20 instructional days) of the school year. Students who have primary enrollments in grades K-12 and receive instructional service are included in the ADM calculation.

LEAs report student enrollment and assigned class schedule daily through local student information systems (SIS) to the state’s Education Information System (EIS). Reports are available in EIS to review ADM and to inform any necessary adjustments in LEA’s local systems.

Funding

The base funding amount is subject to annual appropriations by the Tennessee General Assembly. For the 2025-26 TISA allocations, the base funding amount is **\$7,295 per ADM**.

Calculation

(Student ADM 9 Period Average) * (Base Funding Amount) = Base Funding Generated by Student

Weighted Funding

About the Weights

In addition to the base funding amount, TISA provides additional dollars to students based on their individual needs, also known as weighted funding. Weights are presented as a percentage of the base funding amount as specified in T.C.A. § 49-3-105. To calculate the funding value of the weight, the weight percentage is multiplied by the base funding amount of \$7,295 for the 2025-26 school year, which results in the dollar value attributed to that weight. Additional detail is provided below on each student-based TISA weight, the data points used to determine qualifying students, and the calculation.

Note that students may qualify for multiple weights and generate funding for each.

Economically Disadvantaged

About the Economically Disadvantaged Weight

For the purposes of TISA funding, “economically disadvantaged” (ED) is defined in law as a student identified as experiencing homelessness, foster care, unaccompanied youth, or migrant status, or a student meeting the direct certification eligibility guidelines established pursuant to 42 U.S.C. §§ 1751-1769, usually related to receiving SNAP or TANF supports. This definition is in alignment with Tennessee’s Every Student Succeeds Act (ESSA) plan.

During the 2023-24 school year, Tennessee participated in a demonstration project facilitated by the U.S. Department of Agriculture to pilot the use of Medicaid data in identifying students eligible for school nutrition supports. It is important to note that students who only meet Medicaid Free or Medicaid Reduced criteria are not included in the state’s definition of economically disadvantaged under Tennessee’s ESSA plan.

Economically Disadvantaged - 2025-26 School Year Updates

Economically Disadvantaged Hold Harmless Provision

Some districts reported a decrease in the number of students identified as economically disadvantaged for the 2024-25 school year. In response, the department collaborated with the Department of Human Services (DHS) to examine statewide changes in SNAP and TANF participation.

DHS confirmed that a significant portion of the reduction in benefit cases during the summer of 2023 was due to the expiration of federal pandemic-era waivers and shifts in eligibility requirements.

To help offset the impact of these federal changes on district funding, a hold harmless provision for Economically Disadvantaged Average Daily Membership (ED ADM) was included in the state's budget. For fiscal year 2026, additional funding was allocated to fund 75% of the difference between a district's 2024-25 actual ED ADM and 2023-24 funded ED ADM. This provision only applies to the FY26 TISA allocations.

Economically Disadvantaged - Data & Calculation

Inputs

Student Classification

Students generate funding for the economically disadvantaged weight based on student classifications in the LEA's Student Information System (SIS) using the following codes that are reported nightly to the state, along with student membership data:

- Direct certification of economic disadvantage (J)
- Foster care (FOS01)
- Homeless (H)
- Migrant (I)
- Runaway (U)

Students who qualify for more than one of these codes are counted once in the TISA calculation. All classifications are treated the same for funding purposes under the ED weighted funding.

Student Classification – Service Period

Alongside each student classification for economically disadvantaged, data reflecting the start and end date of each classification is also pulled from data reported in district's SIS. The service beginning and ending dates capture the period of the school year, and by default the days of each reporting period, that the student was assigned the specific student classification.

Economically Disadvantaged ADM (ED ADM)

This data is then used to determine an economically disadvantaged average daily membership (ED ADM) for each identified student by reporting period. ED ADM data for all nine reporting periods is averaged together to generate the final ED ADM used for each student in the economically disadvantaged weighted funding.

A student's ED ADM may not match their base ADM as it is calculated from the student's date of eligibility for the classification code, not by their date of enrollment in the LEA. For example, Student A

may enroll on September 1, but not be determined to meet the eligibility requirements for direct certification until January 1; therefore, the student's base ADM would differ from the student's ED ADM.

Funding

The weighted allocation for a student who is classified as economically disadvantaged is twenty-five percent (25%) of the base amount.

Calculation

$(\text{ED ADM 9 Period Average}) * (\text{Base Funding Amount}) * 25\% = \text{ED Funding Generated}$

Concentrated Poverty

About the Concentrated Poverty Weight

For the purposes of TISA funding, "concentrated poverty" means that a student is a member in a school that is eligible for Title I schoolwide designation.³ In accordance with Tennessee's ESSA plan, schools are eligible for this designation if the schoolwide poverty rate is equal to or greater than 40%.

Concentrated poverty does not include students who are members of schools eligible for Title I schoolwide designation based on waivers and grandfather status. New schools not eligible for the Title I schoolwide designation do not qualify as concentrated poverty schools. Schools not included in an LEA's Title I spiraling work, such as adult high schools, do not qualify as concentrated poverty schools because they are not eligible for the Title I schoolwide designation.

Concentrated Poverty - Data & Calculation

Inputs

Schoolwide Poverty Data

Title I – Schoolwide eligibility status is determined annually by the poverty data that LEAs submit in their consolidated funding applications (CFAs) in ePlan. From this reporting, each school's poverty rate is calculated in ePlan according to the LEA's selected methodology. The adjusted poverty count and rate are used to determine Title I eligibility status and the spiraling of funds. TISA uses the adjusted poverty rate to identify schools with concentrated poverty.

CFAs are submitted March through May and approved by July 1 each year. The prior year's CFA is used to determine school eligibility for the Concentrated Poverty weight.

The adjusted poverty rates by school are publicly available in ePlan for every LEA by navigating to the LEA's most recently approved consolidated funding application. As with all TISA inputs, the schoolwide poverty data is used from the prior year to inform the subsequent year allocations.

ePlan Navigation: Funding > Funding Applications > Consolidated > Title I, Part A, School Eligibility Review poverty rates in “Adjusted Percent” column for the data used in the concentrated poverty weight determinations.

Concentrated Poverty ADM (Base ADM of Eligible Students)

All students enrolled in schools identified as concentrated poverty generate the weighted funding for this element. The TISA formula uses each student’s base funding ADM generated at an identified school to drive the funding allocation (CP ADM).

Funding

The weighted allocation for a student who experiences Concentrated Poverty is five percent (5%) of the base amount.

Calculation

$(\text{CP ADM 9 Period Average}) * (\text{Base Funding Amount}) * 5\% = \text{CP Funding Generated}$

Small District

About the Small District Weight

For the purposes of TISA funding, “small district” is defined in law as an LEA with a student membership of 1,000 or fewer students. Appendix B includes the list of districts who qualify for the small district weight for current year TISA allocations.

Small District - Data & Calculation

Inputs

Base ADM

Final determination of small district status will be based on the LEA’s total nine period average ADM at the end of the year. The counts for this funding line will always match the base funding ADM counts if a district qualifies for the weight.

Funding

A student enrolled in a small district generates a weighted allocation of five percent (5%) of the base amount.

Calculation

$(\text{Small ADM 9 Period Average}) * (\text{Base Funding Amount}) * 5\% = \text{Small District Funding Generated}$

Sparse District

About the Sparse District Weight

For the purposes of TISA funding, “sparse district” is defined in law as a county LEA located in a county with fewer than 25 students per square mile. Appendix C includes the list of LEAs who qualify as a sparse district for current year TISA allocations.

Sparse District - Data & Calculation

Inputs

County LEA Status

Under the TISA law, only county LEAs are eligible for review for sparse status. LEAs that are municipal and special school districts that operate within a county are thus not eligible for this weighted funding.

County Square Mileage

The sparse weight uses square mileage data pulled from the U.S. Census Bureau Geography Division based on its TIGER/Geographic Identification Code Scheme (TIGER/GICS) computer file. A list of all counties’ square mileage used in the sparse funding determinations is available on the department’s website.

Base ADM

Final determination of sparse district status will be based on the LEA’s total nine period average ADM at the end of the year. The counts for this funding line will always match the base funding ADM counts if an LEA qualifies for the weight.

Funding

A student enrolled in a sparse district generates a weighted allocation of five percent (5%) of the base amount.

Calculation

$(\text{Sparse ADM 9 Period Average}) * (\text{Base Funding Amount}) * 5\% = \text{Sparse District Funding Generated}$

Unique Learning Needs (ULN)

TISA includes weights for students with unique learning needs (ULNs). Students with ULNs may generate funding under multiple weighted categories, depending on the support each student needs. Both the TISA law and TISA Rule set the structure and operations of the ULNs. T.C.A. § 49-3-105 creates ten levels of ULNs and assigns the percentage weight that each ULN generates. The TISA Rule assigns

categories of student needs to each ULN based on the additional resources required to support each ULN.

In the TISA Rule, three student subgroups are identified for ULN assignments—students with disabilities, English Learners, and students with Characteristics of Dyslexia. For the first two student subgroups, the rule further differentiates ULN assignments based on need levels. For each subgroup, the initial eligibility for the ULN weight relies on both:

- An assessment for identification of needs, and
- A plan for providing services to support those needs.

The assessment and plan required for each subgroup will be noted in the sections below. More information on assessment, plans, and monitoring protocols for each subgroup is available on both the department's and the SBE's websites.

Once a student has been categorized into a ULN, the student's ADM for the period of service will be used to determine the multiplier against the designated ULN weight and base funding. The ADM value for each ULN runs from the time a student's plan is in place under a given ULN until such time as it is no longer assigned. If a student's status changes during the year, the ULN and ADM value will follow suit.

Depending on their needs, students may generate up to four ULN codes:

- Special Education Primary Option Code;
- Special Education Secondary Option Code;
- English Learner Tier; and/or
- Characteristics of Dyslexia.

Students may generate the same ULN code more than once if they meet multiple criteria. For example, if a student is a Tier 1 English Learner and has Characteristics of Dyslexia, then they will qualify for ULN 2 funding twice and receive the 20% weights twice, representing each qualification.

The table below lists the ULNs with the assigned weight and the descriptions of qualifying student needs.

ULN	Weight	ULN Descriptions
ULN 1	15%	Special Education Option Code 1
ULN 2	20%	<ul style="list-style-type: none"> • Special Education Option Code 2 • 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%	<ul style="list-style-type: none"> • Special Education Option Code 7 • Special Education Option Code 8
ULN 10	150%	<ul style="list-style-type: none"> • Special Education Option Code 9 • Special Education Option Code 10

Special Education

About the Special Education ULN Weights

Students with disabilities qualify for additional weighted funding based on the services and hours determined in their Individualized Education Program (IEP). 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 special education law. These services and hours capture the instructional supports needed by the student as determined by the IEP team and entered in the state's student plan system, TN PULSE. The services and hours are then translated into funding categories via the following process:

1. IEP team documents services and hours in TN PULSE.
2. Services and hours are cross-walked into Special Education Option Codes in the state system.
3. Option Codes are assigned to ULNs based on the TISA Rule.

A student may generate both a primary and secondary option code, depending on the number and type of service hours needed. For the funding formula, both the primary and secondary option codes, if applicable, generate funding for the student.

The TISA funding formula does not alter how IEPs operate; the application of ULNs to special education data points relies on data generated from these service processes. Educators should continue to follow all requirements outlined in state and federal law and regulations, including ensuring students with disabilities are educated in their least restrictive environments.

Additional information on requirements of IEPs is available on both the department's website and the State Board of Education's website.

Special Education – Data & Calculation

Special Education Option Code	Services & Hours Descriptions
Option 1	Consultation - Minimum of 2 contacts/month, except OT/PT (minimum of 3 contacts/year). Time must be reported. Direct Services equal to or less than 1 hour/week. Related Services equal less than 1 hour/week.
Option 2	Direct Services more than or equal to 1, but less than 4 hours/week; or any one Related Service more than or equal to 1, but less than 4 hours/week.
Option 3	Direct Services more than or equal to 4, but less than 9 hours/week; or any one Related Service more than or equal to 4, but less than 9 hours/week.
Option 4	Direct Services more than or equal to 9, but less than 14 hours/week; or any one Related Service more than or equal to 9, but less than 14 hours/week.
Option 5	Direct Services 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.
Option 6	Ancillary Services - Attendant provided so that the student can have at least 4 hours/day in less restrictive and general education settings.
Option 7	Direct Services - Special Education services 23 or more hours/week; or, any one Related Service 23 or more hours/week.
Option 8	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"> • 1 Hour/Week: Psychological Services, Counseling Services, Speech/Language Services, Vision Services, Hearing Services • 3 contacts/year, with time span reported: Occupational Therapy, Physical Therapy
Option 9	Residential Services - Provided at least 24 hours/day.
Option 10	Hospital/Homebound - Provided 3 or more hours/week.

Inputs

Special Education Option Codes

As IEP teams enter services and hours into TN PULSE, the supports are converted into special education option codes using the table below. Note, this crosswalk is consistent with prior years and assigns the same option codes to services/hours as generated in the prior funding formula.

All special education option code data is pulled from EIS for the purpose of TISA. While LEAs enter the data into TN PULSE, the information is pushed into EIS to be merged with ADM data.

Special Education Option Code ULN Assignments

After determining a student's special education option code(s) from the IEP, the option codes are then converted to their ULN assignments following the TISA Rule. The table provided in the funding section below includes the crosswalk of option codes to ULN assignments.

Please note that option codes are not direct matches to their ULN assignments.

Special Education ADM

Special education ADM (SPED ADM) is calculated based on the service period the student generated a given ULN. The beginning and ending date of services is pulled from TN PULSE into EIS to generate SPED ADM. A student may generate SPED ADM in two different ULNs for the same period of time if the student has both a primary and secondary option code. Similarly, if a student's IEP meeting occurs in the middle of a reporting period and services shift the student's ULN, the SPED ADM reported within that period would reflect the pro-rated amount of the period the student was served under each ULN.

For example, if a student's IEP meeting is held ten days into a twenty-day reporting period, and the new services move the student from a ULN 1 to a ULN 2, then the student would generate a SPED ADM of .5 under ULN 1 and a SPED ADM of .5 under ULN 2 for that reporting period.

Funding

A student with disabilities generates a weighted allocation ranging from fifteen percent (15%) to one hundred fifty percent (150%) of the base amount, depending on the ULN assignment.

Special Education Option Code	ULN Assignment	ULN Weight
Option 1	ULN 1	15%
Option 2	ULN 2	20%
Option 3	ULN 3	40%
Option 4	ULN 6	75%
Option 5	ULN 7	80%
Option 6	ULN 8	100%
Option 7	ULN 9	125%
Option 8	ULN 9	125%
Option 9	ULN 10	150%
Option 10	ULN 10	150%

Calculation

(ULN SPED ADM 9 Period Average) * (Base Funding Amount) * (ULN Weight) = ULN Special Education Funding Generated

English Learners

About the English Learners ULN Weights

The TISA Rule sets three tiers of English Learners (EL), placing students in each tier based on three data points: EL status, years of English as a Second Language (ESL) services, and EL assessment scores. 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 EL assessment. The student must also have an established Individual Learning Plan (ILP) entered in TN PULSE. After determining eligibility, ELs are placed in one of the three tiers aligned to levels of support.

The TISA funding formula does not alter how ILPs operate, or any relevant state or federal regulations related to English Learners. Educators must continue to follow legal requirements and are encouraged to follow best practices for the identification, planning, and services for EL students.

Additional information on requirements of ILPs is available on both the department’s website and the State Board of Education’s website.

English Learners - 2025-26 School Year Updates

WIDA to ELPA 21 Transition

Beginning in the 2024-25 school year, the WIDA assessment was replaced with the ELPA assessment. The scores on the new assessment will be used for TISA funding beginning in the 2026-27 school year. The TISA Rule will be adjusted to reflect new EL Tiering requirements under the new EL assessment. See the table below for the timing of the assessment transition’s impact on funding.

Funding Year	Based on Prior Year ADM Data	EL Assessment Score Year	EL Assessment
2025-26	2024-25	Spring 2024	WIDA
2026-27	2025-26	Spring 2025	ELPA

English Learners – Data & Calculation

Inputs

English Learner Status

All English Learner data is pulled from EIS to inform the tiering purpose. While LEAs enter the data into TN PULSE, the information is pushed into EIS to be merged with ADM data.

Eligible students include the following codes reported from LEAs:

- Direct services (L)
- Indirect services / Waived (W)
- Transition Year 1 (T1)
- Transition Year 2 (T2)

Beyond EL students receiving direct services, students receiving indirect services due to a parent/guardian waiving direct services also qualify for the tiering process. EL students continue to qualify for the tiering process for the first and second year after they exit from ESL services as well.

ESL Years of Service

A student's years of ESL services are pulled through two different methods. First, LEAs may directly enter the years of ESL services a student has received into TN PULSE. Second, the state runs an audit on EIS historical data to generate the number of years a student has received ESL services in the state of Tennessee. The two counts are compared, and the higher of the two is used in the tiering process. This allows the more robust data source to inform the tiering. In some instances, LEAs may not have sufficient information from other LEAs in the state to capture the right number of service years. In other instances, the LEA may have more nuanced data on a student transferring in from out of state. By using the higher of the two counts, the tiering process is informed by the most accurate information available. Both counts are displayed in the student files shared with LEAs throughout the TISA projections and final allocations processes.

WIDA Scores

Every EL student's spring WIDA scores are pulled from the prior year state assessment files to inform the tiering process. These scores reflect assessment data shared with LEAs at the close of assessment reporting windows. For funding in FY26, EL assessments scores from the spring 2024 WIDA assessment that determined supports for students in the 2024-25 school year were used in calculating EL tiers.

English Learner Tiers

The TISA Rule establishes a process driven by the inputs listed above to place each eligible EL student into one of three tiers. The assignment of EL students to tiers is reflected in the table below.

English Learner Tier	Descriptions
Tier 1	<ul style="list-style-type: none">• Student receives indirect services (W), OR• Student is in Transition Year 1 (T1) or Transition Year 2 (T2), OR• Long-term English Learners (7 or more years of ESL services)
Tier 2	<ul style="list-style-type: none">• Student receives direct ESL services (L), AND• Meets one of the following:<ul style="list-style-type: none">◦ Received ESL services for 4 or more years, OR◦ Scored above a 3 on WIDA
Tier 3	<ul style="list-style-type: none">• Student receives direct ESL services (L), AND• Received ESL services for a maximum of 3 years, AND• Scored a 3 or lower on WIDA

English Learner Tiers ULN Assignments

After determining a student's EL Tier, the tiers are then converted to their ULN assignments following the TISA Rule. The table provided in the funding section below includes the crosswalk of option codes to ULN assignments.

Please note that EL tiers are not direct matches to their ULN assignments.

EL ADM

English Learner ADM (EL ADM) is calculated based on the service period the student generated a given ULN. The beginning and ending date of services is pulled from the student's ILP in TN PULSE into EIS to generate EL ADM. If a student shifts EL status within a year, thus shifting the student's generated ULN associated with being an EL, the EL ADM will shift accordingly. For example, if a parent opted to waive services fifteen days into a twenty-day reporting period, the student would generate a .25 EL ADM for ULN 2 for the reporting period, reflecting the five days of waived services. The remainder of the period would align to the ULN generated prior to the parent waiving services.

Any English Learner with a previously finalized ILP in Tennessee will generate EL ADM from their enrollment date. The student's EL Tier will be updated to reflect any changes based on updated scores on the EL assessment. New EL students will also generate funding from their enrollment date, provided districts maintain compliance with the SBE English as a Second Language Programs Rule 0520-01-19. Pursuant to the rule, LEAs have 30 calendar days from enrollment to establish eligibility and an additional 30 days to establish an ILP after eligibility has taken place.

Funding

These three tiers of ELs are then placed into ULNs in alignment with mapping laid out in the TISA Rule:

EL Tier	ULN Assignment	ULN Weight
EL Tier 1	ULN 2	20%
EL Tier 2	ULN 4	60%
EL Tier 3	ULN 5	70%

Calculation

- **EL Tier 1:** (ULN 2 EL 9 Period Average) * (Base Funding Amount) * 20% = ULN 2 EL Funding Generated
- **EL Tier 2:** (ULN 4 EL ADM 9 Period Average) * (Base Funding Amount) * 60% = ULN 4 EL Funding Generated
- **EL Tier 3:** (ULN 5 EL ADM 9 Period Average) * (Base Funding Amount) * 70% = ULN 5 EL Funding Generated

Characteristics of Dyslexia

About the Characteristics of Dyslexia ULN Weight

For the purposes of TISA funding, “characteristics of dyslexia” means a student who meets the following assessment criteria:

- Grades K-3: The student falls below the 25th percentile on the composite score of the Tennessee universal reading screener (provided by the department) or a SBE approved screener as a 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 LEA’s Early Warning System detects that a student might be at-risk for a reading deficit and the student displays deficits in 50% or more of the grade-appropriate subtests identified by Tennessee’s Minimum Universal Reading Screening Matrix.

The student, regardless of grade, must also display deficits in fifty percent (50%) or more of the grade-appropriate subtests identified by the state’s Minimum Universal Reading Screening Matrix.

Additionally, all students must have a finalized Dyslexia Individualized Learning Plan (ILP-D) entered in TN PULSE, 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 ULN weight.

It is important to note that characteristics of dyslexia are not the same thing as a specific learning disability in reading. Students whose parent/guardian declines an ILP-D, or a student who has or is later determined to qualify for an IEP to support deficiencies in the areas of basic reading, reading fluency, or reading comprehension do not also qualify for the characteristics of dyslexia ULN.

Additional information on requirements of ILP-Ds is available on both the department's website and the State Board of Education's website.

Characteristics of Dyslexia - Data & Calculation

Inputs

Students will generate this allocation if they meet the criteria listed above. LEAs enter ILP-Ds directly into the state's student plan system, TN PULSE, which will push data into EIS. This includes relevant assessment data used to identify students, some of which is shared directly with the state for the purposes of the universal reading screener.

Characteristics of Dyslexia ADM (CoD ADM)

Characteristics of dyslexia ADM (CoD ADM) is calculated based on the service period the student generated the given ULN. The beginning and end date of services is pulled from TN PULSE into EIS to generate CoD ADM.

Funding

A student who meets the criteria for characteristics of dyslexia, a ULN 2 category, generates a weighted allocation of twenty percent (20%) of the base amount.

Calculation

$(\text{CoD ADM 9 Period Average}) * (\text{Base Funding Amount}) * 20\% = \text{ULN 2 Funding Generated}$

Direct Funding

About Direct Funding

In addition to the base and weights, students may also generate funding under direct funding categories through TISA. These include targeted funding support for the following categories of students:

- Students in grades K-3 to support early literacy;
- Rising 4th grade students in need of additional literacy supports;
- Career and Technical education students;
- Students taking post-secondary readiness assessments (ACT); and
- Public charter school students.

Direct funding amounts are generally flat funding amounts and provided on a per student basis. Aside from the rising 4th grade supports direct funding line, all direct funding lines are multiplied by the corresponding ADM values of eligible students to generate funding. As a result, the data pulls and calculations for most direct funding lines are subsets of existing data pulls.

Grades K-3 Students

About K-3 Students

TISA includes direct funding for any student in grades kindergarten through 3rd grade (K-3) intended to support early literacy instruction in support of the goal of all students reading at grade level by third grade.

Grades K-3 Students – Data and Calculation

Inputs

Base ADM

A district's grades K-3 direct funding is based on the prior year ADM of all students in grades kindergarten through 3rd grade, averaged across all nine reporting periods. This is the same data pull used in the base ADM, filtered down to these respective grades.

Funding

The direct funding for K-3 students is subject to annual appropriations by the Tennessee General Assembly. For the 2025-26 TISA allocations, the K-3 student direct funding amount is **\$500 per ADM**.

Calculation

$(\text{K-3 Student ADM 9 Period Average}) * (\text{K-3 Funding Amount}) = \text{K-3 Direct Funding Generated}$

Rising 4th Grade Students

About Rising 4th Grade Students

TISA includes direct funding for rising 4th grade students who may need additional supports in literacy based on their performance on the 3rd grade English Language Arts (ELA) TCAP. These funds provide resources to support students with additional instructional opportunities, including tutoring or other interventions.

Rising 4th Grade Students – Data and Calculation

Inputs

3rd Grade ELA TCAP Results

Eligibility for this funding is determined after TCAP administration each spring, with results pulled from the state assessment results files. Students scoring "below" or "approaching" on the ELA section of the 3rd Grade TCAP generate funds under this direct funding component. This does not include results from alternative assessments. Because TISA is based on prior year data, funds are generated based on the LEA in which the student tested, rather than where they enrolled in the following year.

This direct funding line is based on actual student counts rather than an ADM calculation.

Funding

The direct funding for rising 4th student supports is subject to annual appropriations by the Tennessee General Assembly. For the 2025-26 TISA allocations, the funding for rising 4th grade students who qualify for this category is **\$500 for each student**.

Calculation

(Number of eligible rising 4th grade) * (Rising 4th Grade Funding Amount) = Rising 4th Grade Funding Generated

Career and Technical Education (CTE) Programs

About CTE Program Funding

TISA provides direct funding for student participation in Career and Technical Education (CTE) programs to drive college and career readiness outcomes. The direct funding is further structured to incentivize LEAs to align program of study offerings with careers that are in-demand and provide strong earning potential.

CTE Programs - 2025-26 School Year Updates

The state budget differentiated funding based on CTE program of study levels and progression years for the first time in fiscal year 2026. More information on the differentiated funding is included in the funding section below.

CTE Program Funding – Data and Calculation

Inputs

CTE Course Enrollment

CTE students must be enrolled in a “C” course listed in the department’s CTE course matrix to qualify for CTE funding. “G” coded courses will not qualify. Additionally, CTE courses must be scheduled as traditional courses to generate ADM for funding purposes; CTE courses scheduled as pullout courses do not generate ADM required for funding. Course enrollment data is entered by LEAs in local student information systems and pushed into EIS for state data pulls.

CTE ADM

Career and Technical Education ADM (CTE ADM) is calculated using the standard ADM calculation, then adjusted based on the proportion of the student’s instructional day spent in qualifying CTE courses. Because of this, a student’s CTE ADM will differ from their base ADM.

For example, if a student is on a block schedule and takes one CTE course for the full reporting period, then the student generates a .25 CTE ADM for that reporting period. This reflects taking one CTE course out of the four courses provided in the student’s instructional day.

CTE Course Matrix and Program of Study Levels

CTE Funding relies on two main data sources:

1. CTE Course Matrix: Published annually on the department's [CTE webpage](#), this matrix assigns course codes to specific programs of study and progression years. Progression years range from introductory courses (Year 1) up to more intensive learning experiences (Year 4). Course codes assigned to multiple programs of study appear in the same progression year within each. LEAs are not required to follow the progression years in how coursework is offered to students. LEAs may exercise flexibility in course sequencing while ensuring students' progress through appropriate coursework and expectations of the program of study. If an LEA exercises this flexibility, however, it does not alter the progression year assignment of the course code for funding purposes.
2. Program of Study Levels: Programs of study are assigned a level (1, 2, or 3), based on labor market data, including demand, wage, and skill data. Each program of study was aligned to occupation (SOC) codes by various CTE stakeholders, including CTE Directors, the Tennessee Department of Economic and Community Development, and Advance CTE. Before the assigning of levels process begins, the ten SOC codes with the highest projected employment are identified for each program of study. These top ten codes are the only occupations considered in the level assignment process.

Using occupation data from Tennessee Department of Labor and Workforce Development (TDLWD), each program of study produces a score for high demand (1-5), high wage (1-4), and high skill (0-2). The final program score is determined based on the following weights: wage is 70%, demand is 20%, and skill is 10%. These scores are then used to level each POS as follows:

- Level 3 – at or above 80th percentile
- Level 2 – between the 40th and 80th percentile
- Level 1 – below the 40th percentile

If a course code appears in multiple programs of study, it receives funding based on the highest aligned level of funding. For example, if a course code appears in a program of study designated as Level 1 and a separate program of study designated as Level 2, the course will be funded at the Level 2 rate.

A full list of programs of study by level and a detailed methodology for scoring are available on the department's CTE webpage. Program levels are evaluated annually but will be updated for TISA funding purposes **every three years** to allow local education agencies (LEAs) appropriate time to align programs.

For each CTE student's course enrollment, the progression year and program of study level inform funding determinations.

Funding

Pursuant to T.C.A. § 49-3-105(c)(2), a direct allocation amount is generated for each student membership in a CTE program based on:

- i. The level of the program; and
- ii. The student year progression in coursework through the program.

The direct funding for each CTE level and progression year is subject to annual appropriations by the Tennessee General Assembly. For the 2025-26 TISA allocations, the funding levels are detailed below:

Program of Study Level	Progression Year			
	Year 1	Year 2	Year 3	Year 4
Level 1	\$5,000	\$5,050	\$5,150	\$5,300
Level 2	\$5,200	\$5,250	\$5,350	\$5,500
Level 3	\$5,400	\$5,450	\$5,550	\$5,700

CTE High Cost Funding

To support programs that require additional resources, the CTE TISA Additional Allocation ensures that students enrolled in a program of study that requires the most additional resources and is determined to be a Level 2 or Level 3 are funded at an increased amount. Additional CTE funding is a set amount of \$2,000,000 for the 2025-26 school year. This amount is divided by the statewide student membership in CTE courses that have been identified and distributed proportionally to districts with students participating in these programs. This amounts to \$600.71 per CTE ADM for the 2025-26 school year.

Calculation

(CTE ADM) * (Funding Matrix Assignment) = CTE Funding Generated

Public Charter School Students

About Public Charter School Students

TISA includes direct funding for students enrolled in public charter schools, reflecting funding previously provided outside the state's funding formula through the Charter School Facilities Fund. These funds continue to support the facilities needs of public charter schools.

Public Charter School Students – Data and Calculation

Inputs

Base ADM

An LEA's ADMs that are enrolled in public charter schools, averaged across all nine reporting periods, generate funds for this direct funding element. This is the same data pull used in the base ADM, filtered down to these respective schools. Schools are identified as charter schools based on their school number and information from the state's school directory.

As with all other TISA elements related to public charter schools, ADM values for each public charter school are assigned to the geographic LEA in which the charter school is located.

Funding

The direct funding for public charter school students is subject to annual appropriations by the Tennessee General Assembly. For the 2025-26 TISA allocations, the statewide funding for the direct funding line for public school charter students is \$22,000,000, matching the prior year grant funds, divided evenly across all public charter school ADMs.

Calculation

$(\text{LEA-Level Charter School ADM 9 Period Average}) * (\text{ADM Direct Charter Funding Amount}) = \text{Charter School Direct Funding Generated}$

Postsecondary Readiness Assessment

About Postsecondary Readiness Assessment

In support of college and career readiness, TISA includes direct funding for students to take the ACT in their 11th or 12th grade year. Students generate funding for the cost of the initial test opportunity in 11th grade and one retake opportunity. This funding will be held at the state level and used to pay for the tests via a statewide contract, eliminating the administrative burden on LEAs.

Postsecondary Readiness Assessment – Data and Calculation

Inputs

Base ADM

Allocations for this funding category are determined by combining the LEA's total ADM in 11th and 12th grades for each of the nine reporting periods and using the average of all nine periods. This represents an initial test opportunity and a retake opportunity. This is the same data pull used in the base ADM, filtered down to these respective grades.

Funding

Funding for the postsecondary readiness assessment is based on the cost of the ACT test according to the state contract. Funds generated in this section will be deducted from the LEA's allocation and held

at the state level. For the 2025-2026 school year, the General Assembly has allocated **\$43 for each ACT test** (\$86 combined for the initial take and retake opportunity).

Calculation

(Grades 11 and 12 ADM 9 Period Average) * (Cost Per Test) = Postsecondary Readiness Assessment Funding Generated

Outcomes Funding

About Outcomes Funding

The final element of the TISA is outcomes funding which provides incentive bonuses for student performance on academic targets. The Commissioner of Education is required to convene an Outcomes Committee with a specific set of stakeholders to develop outcomes, targets, and funding criteria. The Outcomes Committee convenes throughout the year to evaluate current targets and set new targets as appropriate. The targets for the 2025-26 academic year's performance are aligned to specific goals for elementary, middle, and high school.

Funds awarded for outcome bonuses are 100% state-funded and therefore do not require an additional local contribution. The department will report outcome bonuses by LEA after payments are issued.

Outcome bonuses will be distributed to LEAs once per year (by the 5th payment period) following the academic year for which the performance indicators are measured. The outcomes targets are measured as lag indicators, pulling performance data reported for the prior academic year.

A student may generate one outcome bonus in elementary school, one in middle school, and one in high school.

The state budget for outcomes bonuses is set by the General Assembly's appropriations process. If the budget for outcomes is less than the funds generated for all outcomes bonuses statewide, the department will pro-rate the awards to fit within the available funding. If the funds generated for all outcomes bonuses statewide are less than the state budget, excess funds will be moved into the subsequent fiscal year to fund outcomes bonuses.

Elementary School Outcome

Target

- Student scores “meets expectations” or “exceeds expectations” on 3rd grade ELA TCAP; **OR**
- Student scored “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

Inputs

Assessment Data

Data to measure students meeting this outcome target will be pulled from state assessment files from the academic year being measured and the immediately preceding year. Students reaching the highest performance level on the state alternate assessment in 3rd grade will also be included in generating this outcomes bonus.

Improvement of a performance level is defined as moving from “below” to “approaching” or higher or moving from “approaching” to “meets expectations” or higher.

Student Classifications

Student classifications for economically disadvantaged, EL, and students with disabilities are identified for all eligible students. The student classification codes used to inform this outcomes measure are aligned to the same codes used in the weighted funding lines of the TISA formula.

Student Counts

The counts for students will be raw counts based on performance outcomes rather than reflective of ADM calculations.

Funding

- A student meeting this outcomes target generates a bonus of **10% of the base funding amount.**
- If a student is identified as economically disadvantaged, an EL, or a student with a disability, then a student meeting this outcomes target generates a bonus of **20% of the base funding amount.**

Calculation

- Students not identified as ED, EL, SWD: (Students Meeting Outcomes Target) * (Base Funding Amount) * 10% = Elementary Outcomes Bonus Funding Generated
- ED, EL, SWD: (Students Meeting Outcomes Target) * (Base Funding Amount) * 20% = Elementary Outcomes Bonus Funding Generated

Middle School Outcomes

Target

- A student scores “meets expectations” or “exceeds expectations” on **both** the ELA and Math sections of the 8th grade TCAP; **OR**
- A student who improved by at least one performance level from the 7th grade TCAP to the 8th grade TCAP on **both** the ELA and Math sections.

Inputs

Assessment Data

Data to measure students meeting this outcome target will be pulled from state assessment files from the academic year being measured and the immediately preceding year. Students reaching the highest performance level on the state alternate assessment in 8th grade will also be included in generating this outcomes bonus.

Improvement of a performance level is defined as moving from “below” to “approaching” or higher or moving from “approaching” to “meets expectations” or higher.

Student Classifications

Student classifications for economically disadvantaged, EL, and students with disabilities are identified for all eligible students. The student classification codes used to inform this outcomes measure are aligned to the same codes used in the weighted funding lines of the TISA formula.

Student Counts

The counts for students will be raw counts based on performance outcomes rather than reflective of ADM calculations.

Funding

- A student meeting this outcomes target generates a bonus of **10% of the base funding amount**.
- If a student is identified as economically disadvantaged, an EL, or a student with a disability, then a student meeting this outcomes target generates a bonus of **20% of the base funding amount**.

Calculation

- Students not identified as ED, EL, SWD: (Students Meeting Outcomes Target) * (Base Funding Amount) * 10% = Middle School Outcomes Bonus Funding Generated
- ED, EL, SWD: (Students Meeting Outcomes Target) * (Base Funding Amount) * 20% = Middle School Outcomes Bonus Funding Generated

High School Outcomes

Two outcomes target goals have been established for high school students. Both goals are applied to a graduating class. The first goal considers the most recent graduating class; the second goal, reliant on more lagging indicators, considers the graduating class from the year prior.

Target – Goal 1

- A student earning at least 2 Early Post-Secondary Credit Opportunity (EPSO) credits **AND** meeting one of the following:
 - Scoring a composite of 21 or higher on the ACT, **OR**
 - Improving their ACT composite by at least 4 points between first 11th grade ACT and a retake; **OR**
- A student earning at least 3 EPSO credits; **OR**
- A student scoring 31 or higher on the Armed Services Vocational Aptitude Battery (ASVAB) Armed Forces Qualifying Test **AND** earning at least two EPSO credits

Inputs – Goal 1

Graduating Class

The Graduating Class for TISA outcomes purposes includes all students who received a regular diploma or an alternate academic diploma (AAD) during the current school year (including the following summer) regardless of their first year entering 9th grade or the number of years taken to complete high school. Early and late graduates are included with their actual graduation year. Students who graduate from a CTE or adult high school with a “P” in their enrollment status are eligible for TISA high school outcomes bonuses.

Assessment Data

Data to measure students meeting this outcome target will be pulled from state assessment files for the ACT from the academic year being measured and the preceding years.

The first junior year test is considered the first test administration on or after August 1st of the student’s first junior year.

Student Counts

The counts for students will be raw counts based on performance outcomes rather than reflective of ADM calculations.

EPSO Credit

EPSO credits are defined in the TISA rule as:

- Earning post-secondary credits/clock hours (such as dual enrollment),

- Earning a passing score on approved exams (such as Advance Placement or International Baccalaureate), or
- Earning a [Tier II or Tier III industry credential](#).

Data for each EPSO credit is reported in state level files and collected from districts through the [College and Career Readiness \(CCR\) Data Verification](#) process.

Student Classifications

Student classifications for economically disadvantaged, EL, and students with disabilities are identified for all eligible students. The student classification codes used to inform this outcomes measure are aligned to the same codes used in the weighted funding lines of the TISA formula.

Funding – Goal 1

- A student meeting this outcomes target generates a bonus of **10% of the base funding amount**.
- If a student is identified as economically disadvantaged, an EL, or a student with a disability, then a student meeting this outcomes target generates a bonus of **20% of the base funding amount**.

Calculation – Goal 1

- Students not identified as ED, EL, SWD: (Students Meeting Outcomes Target) * (Base Funding Amount) * 10% = High School Outcomes Bonus Funding Generated
- ED, EL, SWD: (Students Meeting Outcomes Target) * (Base Funding Amount) * 20% = High School Outcomes Bonus Funding Generated

Target – Goal 2

The second high school outcome target is limited to students with disabilities in a graduating class who:

1. Did not generate a bonus under the goal 1 targets detailed above; **AND**
2. Are enrolled in an LEA that has met the state's target percent of students with disabilities participating in their least restrictive environments at least 80% of the instructional day as defined in the state's Individuals with Disabilities in Education Act (IDEA) Annual Performance Report (APR) state plan (Indicator 5). For the 2023-24 school year, the state's IDEA APR target for this indicator was 77.20%.

If an LEA and student meet the eligibility requirements above, a student may generate outcomes funding by **meeting at least two of the three targets** below related to other indicators in the state's IDEA APR:

1. Graduation with a general education diploma (Indicator 1)
2. Proficiency on the state's alternate assessment (Indicator 3C)

3. Post-school outcomes, including enrollment in higher education, training programs, or being competitively employed (Indicator 14)

Inputs – Goal 2

Assessment Data

Data to measure students meeting this outcome target will be pulled from state assessment files for the alternate assessment.

Graduation Data

Graduation data is reported via LEA's student information system into EIS.

APR Indicator 14 Data

Data regarding post-school outcomes for students with disabilities is collected at the state level for the purpose of the state's IDEA APR.

Student Counts

The counts for students will be raw counts based on performance outcomes rather than reflective of ADM calculations.

Student Classifications

Student classifications for students with disabilities are used to identify all eligible students. The student classification codes used to inform this outcomes measure are aligned to the same codes used in the weighted funding lines of the TISA formula.

Funding – Goal 2

- A student meeting this outcomes target generates a bonus of **10% of the base funding amount**.

Calculation – Goal 2

- $(\text{Students Meeting Outcomes Target}) * (\text{Base Funding Amount}) * 10\% = \text{High School Outcomes Bonus Funding Generated}$

Fast-Growth Funds

An LEA experiencing fast-growth of student populations and needs may qualify for one of two fast-growth funding opportunities. Fast-growth stipends are additional funds provided to LEAs experiencing significant growth within a school year, meaning that the students being served are significantly higher in population and/or needs than the student totals that generated the TISA allocation. Infrastructure

stipends are additional funds provided once per year to LEAs experiencing consistent growth over a three-year period.

For both fast-growth funding opportunities, counts of student population and needs only include students in non-virtual schools.

Funding

The funds available for fast-growth funds are set annually by the General Assembly's appropriations. For the 2025-26 school year, \$60,000,000 has been included in the state budget, with up to \$5,000,000 of these funds to be made available for infrastructure stipends.

Per law, all fast-growth stipends must be paid out first, using up to the full budgeted funding for fast-growth funds. After all fast-growth stipends have been paid, eligibility and awards for infrastructure stipends will be processed up to the amount in the state budget. As a result, infrastructure stipends are paid on a different schedule than fast-growth stipends to ensure funding availability. After the initial fast-growth stipends and infrastructure stipends have been paid, should funds remain available in the fast-growth funds budget, additional fast-growth stipends may be paid out capturing growth lower than the initial threshold of 1.25% until such time as all funds are paid out.

Fast-Growth Stipends

An LEA that experiences growth in the total allocation generated by students in non-virtual schools in the LEA in the current year in excess of 1.25% compared to the previous year is eligible for a fast-growth stipend equal to the state portion of increases in allocations in excess of 1.25%. Fast-growth stipends are calculated within each academic year and are not considered recurring grants to LEAs.

Fast-growth stipends will be calculated using the following method ("prior year" means the year informing the TISA allocations; "current year" references the academic year of service to students):

- **Step 1:** The department will run the TISA formula for an LEA using prior year data, excluding outcome bonuses and virtual schools ADM. This includes the application of BEP Transition funding or Safety Net funding, where applicable. This will establish a fast-growth baseline.
- **Step 2:** The department will run the same TISA formula for the current year using current school year data, still excluding outcome bonuses and virtual schools ADM. This creates the growth comparison allocation. This run will occur five times during the school year.
- **Step 3:** Each time the department runs the formula to generate the growth comparison allocations, the resulting growth comparison allocations will be compared to the fast-growth baseline allocations. If the growth comparison allocation is more than 1.25% higher than the fast-growth baseline, the LEA qualifies for a fast-growth stipend.
- **Step 4:** If an LEA is eligible for a fast-growth stipend, the initial amount of the stipend will equal the state portion of the difference between the growth comparison allocation and the fast-growth baseline above the 1.25% eligibility threshold.

- **Step 5:** Payments equal to one fifth (1/5) of the stipend value will be made at five points during the year, on or before the 15th of November, January, March, May, and July. The final July calculation will be a reconciliation of the verified reporting periods of the recently completed school year averaged together, mirroring the overall TISA calculation process.

Note: Each of the first four payments is an estimate. The total fast growth stipend is determined in the final calculation, using all data. The funds provided will be trued up based on the final calculation. If a district receives a fast-growth stipend but is determined not eligible for the stipend on the final data pull and calculation, the district's final TISA allocation for the school year will be decreased by any fast growth funding received. Additionally, if the amount of the fast growth stipend that the district generated in the final calculation has decreased from the earlier calculations, the district can expect the final payment to be reduced to account for the overall decrease.

If the statewide total of generated fast-growth stipends exceeds the state budget set for this purpose, then the fast-growth stipends will be pro-rated to fit within available funds.

Example

The Sample LEA below shows the fast-growth baseline and growth comparison allocations, excluding outcomes funding and virtual school ADMs.

Sample LEA		
	TISA Allocation (Fast-Growth Baseline)	Growth Comparison Allocation
Base	\$10,000,000	\$10,350,000
Weights	\$2,500,000	\$2,600,000
Direct	\$1,500,000	\$1,650,000
TOTAL	\$14,000,000	\$14,600,000
Full % Increase	4.29%	
Excess Over 1.25% Threshold	4.29% - 1.25% = 3.04%	
Excess \$ Over Threshold	3.04% x \$14,000,000 = \$425,000	

The full percentage difference between the fast-growth baseline and the growth comparison allocation is 4.29%, which is 3.04% above the eligibility threshold of 1.25%. The 3.04% is then multiplied by the

fast-growth baseline to determine funds generated in the growth comparison allocation above the eligibility threshold, or \$425,000 for the sample district.

To determine the state portion of these excess funds, the LEA’s TISA calculator is pulled for state and local contributions, looking at the overall funds in the TISA allocations provided by the state compared to the full allocation.

TISA State & Local Contributions				
<i>4. Total Local Contribution</i>				
Adding Local Contribution Totals	\$2,300,000		+	\$700,000
		=		\$3,000,000
Total Funding (Base, Weights, Direct)				\$14,000,000
Local			-	\$3,000,000
State			=	\$11,000,000

For the sample LEA, \$11,000,000 of the overall \$14,000,000 TISA allocation is provided by the state, or 78.57%. This value is then multiplied by the excess funds generated in the calculation above:

$$(78.57\%) * (\$425,000) = \$333,929$$

This total represents the initial amount of the fast-growth stipends for the Sample LEA. Should pro-rating of the stipends be necessary, this value would be adjusted proportional to all other qualifying LEAs’ stipend values to fit within the available budget.

Infrastructure Stipends

Any LEA that experiences ADM growth in non-virtual schools exceeding two percent (2%) for each year of a three-consecutive-year period is eligible for an infrastructure stipend. The infrastructure stipend is a per-student flat dollar amount and will be uniform across all eligible LEAs.

Infrastructure stipends will be calculated using the following method:

- **Step 1:** The department will compare the LEA’s non-virtual school base ADM for the three school years prior to the current year. If the non-virtual school base ADM increased by more than 2% each year, then the LEA is eligible for an infrastructure stipend.
- **Step 2:** The department will determine how many ADMs above the two percent (2%) growth threshold each qualifying LEA reported for the current school year compared to the prior year.

- **Step 3:** Using the information in Step 2, the department will determine each LEA's proportional share of the funds available for infrastructure stipends statewide.
- **Step 4:** The department will issue stipend payments as a single payment to eligible LEAs by October 15th of each year.

Example

The table below provides the ADM counts and calculation of a sample LEA's eligibility and ADM value for infrastructure stipends.

Sample LEA				
	Year 1	Year 2	Year 3	Year 4
Non-Virtual ADMs	1,000	1,025	1,150	1,300
Growth % From Prior Year	-	2.5%	4.5%	13%
Above 2%?		Yes	Yes	Yes

The sample LEA's three consecutive years of growth of over 2% in non-virtual ADMs makes the LEA eligible for the infrastructure stipends. To determine the LEA's ADM value to compare with statewide totals, the following math is used:

$$13\% - 2\% = 11\%$$

$$11\% * (1,150 \text{ ADM}) = 126.5 \text{ ADM}$$

The first line determined the growth in the most recent year from the prior year that is above the eligibility threshold. In this case, 13% minus the 2% eligibility threshold is 11%. This value is then multiplied by the prior year ADM, or 1,150, to generate the amount of growth in the current year that is more than the eligibility threshold, which is 126.5 ADM for the sample LEA.

This ADM value is then compared to the statewide count of growth ADMs. For example, if the statewide value of growth ADMs is 2,500, then the following math is used:

$$126.5 / 2,500 = 5.06\%$$

This means the sample LEA will receive 5.06% of funds available for infrastructure stipends.

Educator Salary Increases

TISA requires that any funding specifically appropriated by the Tennessee General Assembly for teacher salaries must be used on salary increases for existing educators within LEAs and public charter

schools. These funds cannot be used for other expenditures like hiring additional teachers or purchasing materials. Funding for existing educator salary increases will be included in the appropriations as a set aside of any increase made to the base funding amount statewide. These funds are included in the base of TISA and thus awarded based on each LEA's proportional share of base ADMs statewide.

TISA also requires the SBE to increase the minimum salary schedule each year, in alignment with the recurring funding towards salaries.

For the 2025-26 school year, the Tennessee General Assembly appropriated \$125 million for teacher salaries, and the SBE approved the minimum base salary for a licensed educator to be \$47,000.

LEAs are not required to provide across-the-board pay increases based solely on seniority or educational attainment, but rather have the ability and flexibility to determine areas of need and adjust compensation structures accordingly provided all educators meet the minimum salary schedule.

In TISA, an existing educator is defined as an individual who is evaluated under the state's evaluation system and who provides direct services to students at a school site. Because TISA is a funding plan and not a spending plan, each LEA will utilize its additional instructional salary funds to meet its unique compensation needs.

Local Contribution and Fiscal Capacity

For funding generated by the base and weights in the TISA formula, the state pays 70% of the statewide total. The remaining 30%, known as the local share, is the collective responsibility of local funding entities. Each LEA contributes a proportion of the statewide local share of 30% based on their fiscal capacity, or their ability to contribute financially. This amount, called the required local contribution, or local match, makes up a portion of the funds generated by TISA, and must be included in local budgets.

Pursuant to T.C.A. § 49-3-108(h), the Comptroller shall not approve a local government budget that fails to include the local contribution.

Funding generated in the direct and outcomes categories does not require a local match. These funding elements are 100% state funded.

Fiscal Capacity

Fiscal capacity is calculated using an average of two calculations: one developed by the Boyd Center for Business and Economic Research (CBER) at the University of Tennessee and one by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR). These calculations are delivered to the department by May 1 of each year to factor into allocations for the upcoming fiscal year.

Maintenance of Effort

In addition to the required local contribution, many local governments contribute additional funds towards K-12 education. To ensure that additional state education dollars are not used to supplant these local funds, local governments must continue to provide the same amount of local funding from year to year. This total, called the maintenance of effort, may be higher than the required local contribution. Local governments are required to meet the maintenance of effort every year. This legal requirement was not altered in the passage of the TISA Act.

Local Contribution Calculation

Step 1:

The first step takes the statewide total of both the base and weights generated by districts, multiplying each by the 30% local share. This math will be consistent for every LEA in the state.

Step 2:

The second step uses the fiscal capacity estimates, calculated as an average of the values provided by CBER and TACIR, to determine each county's responsibility of the statewide local share. Note that fiscal capacity is calculated at the county level and not the LEA level.

Step 3:

For counties including multiple LEAs, this step splits the county's total local contribution into proportional shares for each included LEA. To do so, each LEA's total funds generated for the base funding line is divided by the total of all base funding generated within the county. The resulting percentage is then multiplied by the county's local contribution responsibility for the base funding determined in Step 2. The math is repeated for the weights. The result of these calculations is each LEA's local contribution responsibility for both the base and the weights.

Step 4:

The final step totals the LEA's local contribution requirement by adding the results of Step 3 together for the base and the weights.

LEAs receive a State and Local Contributions table in their TISA estimates and final allocations, transparently displaying the steps detailed above.

Example

In the sample below, the calculation walks through the four steps of determining local contributions.

Note that the funding levels are for example purposes only.

TISA State & Local Contributions Estimate					
1. Calculation of Statewide Local Share		BASE			WEIGHTS
Statewide Total		\$6,600,000,000			\$1,700,000,000
Multiply by Local Share %	x	30%		x	30%
Statewide Local Share	=	\$1,980,000,000		=	\$510,000,000
2. Application of County Fiscal Capacity					
Statewide Local Share		\$1,980,000,000			\$510,000,000
Sample County Fiscal Capacity	x	0.75%		x	0.75%
Sample County Local Contribution (All Systems)	=	\$14,850,000		=	\$3,825,000
3. Multi-System County Calculation		Base Funds Generated			Weight Funds Generated
Sample County		\$30,000,000			\$8,500,000
All Systems within County Total	/	\$70,000,000		/	\$15,000,000
Sample County % of County Total Funds	=	42.86%		=	56.67%
County Local Contribution (All Systems)	x	\$14,850,000		x	\$3,825,000
Sample County Local Contribution	=	\$6,364,710		=	\$2,167,627.50
4. Total Local Contribution					
Adding Local Contribution Totals		\$6,364,710		+	\$2,167,627.50
			=		\$8,532,337.50

Distribution of Funds

Distribution of State TISA Funds

Timing

TISA funds will be distributed to LEAs and public charter schools in ten separate payments throughout the school year. The first payment will be distributed on August 15, 2025, and then each month until April 15, 2026, with a final payment on July 15, 2026.

Support Funds

TISA includes two provisions for support funds for LEAs that may experience declines in student population and needs. The safety net provision ensures that no LEA experiences a decline of more than 5% from one fiscal year to the next in total TISA allocations. In the initial transition to TISA, a Basic Education Program (BEP) transition funding opportunity ensures that no LEA receives less funding in

the first year of TISA compared to the prior fiscal year. The BEP transition funds also provide scaled down support for up to a four-year period as LEAs adjust operations.

5% Safety Net

Eligibility for this provision is determined by comparing final TISA allocations with the prior year TISA allocations, each based on the combined total of the base, weights, and direct funding lines, based on funds generated by students in non-virtual schools only. Outcomes funding is not included. If an LEA's allocations are 5% less than the prior year, or below this threshold, then the LEA qualifies for the safety net provision.

Qualifying LEAs will then receive safety net adjusted TISA allocations reflecting 95% of the prior year's TISA allocation.

The eligibility test for the safety net provisions is conducted annually against the final TISA allocation each LEA received for the prior year. If the LEA received a safety net adjusted allocation in the prior year, the test in the upcoming year will run against the safety net adjust allocation, ensuring that no LEA experiences more than a 5% decrease in funding from one year to the next.

Example

The table below provides a sample LEA for which the 2025-26 TISA allocation is \$59,000,000, reflecting a 7.8% decrease from the sample LEA's 2024-25 TISA allocation of \$64,000,000. Because this decrease is over the 5% threshold, the LEA qualifies for the safety net provision.

Sample LEA	Funding
2025-26 TISA Allocation	\$59,000,000
2024-25 TISA Allocation	\$64,000,000
% Decrease	-7.8%
Eligible for Safety Net?	Yes
Application of Safety Net	$\$64,000,000 \times 95\% =$
2025-26 Safety Net Final Allocation	\$60,800,000

The final step is to apply the 95% safety net to the 2023-24 TISA allocation, generating for the sample LEA an updated 2025-26 safety net adjusted TISA allocation of \$60,800,000.

BEP Transition Funding

In the first year of TISA implementation, 2023-24, the BEP transition funding provision measured

whether or not an LEA received less funding in the 2023-24 TISA allocations when compared against the 2022-23 baseline funding. The baseline funding amount included the LEA's BEP allocation (inclusive of state and local funds), plus grant funds received in 2022-23 for Coordinated School Health, School Safety, or Family Resource Centers. If an LEA's TISA allocation for 2023-24 was less than this baseline funding amount, the LEA qualified for BEP transition funding.

If in any given year of BEP transition funding, a qualifying district's TISA allocation for the year exceeds the baseline funding amount, the LEA will shift to the standard TISA allocation and will no longer receive BEP transition funding.

To qualify for BEP transition funding, an LEA must qualify in the first year of TISA implementation. Once an LEA moves off BEP transition funding, it may not move back on to it.

An LEA receiving BEP transition funding does not qualify for the safety net provision funding.

Calculation

For qualifying LEAs, the BEP transition funding provides up to four years of scaled down funding, allowing the LEA to adjust to its TISA allocations. The scaled down funding operates as follows:

- 2023-24: LEA was held harmless 100% back to the baseline amount
- 2024-25: LEA is held harmless 75% back to the baseline amount compared to the 2024-25 TISA allocation
- 2025-26: LEA is held harmless 50% back to the baseline amount compared to the 2025-26 TISA allocation
- 2026-27: LEA is held harmless 25% back to the baseline amount compared to the 2026-27 TISA allocation

By 2027-28, all LEAs qualifying for BEP transition fundings will shift to standard TISA allocations.

To determine state and local contribution, the TISA Rule details that the scaled down percentages for each given year of eligibility will also be applied to the state portion. State funds are determined by identifying the gap between state funds allocated in the baseline funding amount and the current TISA allocation. State funding is adjusted to match the state funds generated in the TISA allocation, plus a percent of the gap determined by the school year. The local contribution is calculated by subtracting the BEP transition state contribution from the overall BEP transition allocation. The calculation for the overall allocation adjustments and the state and local contributions under BEP transition funding are included in the table below.

BEP Transition Implementation

BEP Transition Funding Steps	Fiscal Year	BEP Transition Allocations (All)	BEP Transition - State	BEP Transition - Local
FY24: LEA is held harmless 100% back to baseline compared to FY24 TISA Allocation	FY24	Match Baseline Total	Match Baseline State	Match Baseline Local
FY25: LEA is held harmless 75% back to baseline compared to FY25 TISA Allocation	FY25	(Baseline Total - Projected FY25 All) X 75% + Projected FY25 All	(Baseline State - Projected FY25 State) x 75% + Projected FY25 State	FY25 BEP Transition Allocation All – FY25 BEP Transition Allocation State
FY26: LEA is held harmless 50% back to baseline compared to FY26 TISA Allocation	FY26	(Baseline Total - Projected FY26 All) X 50% + Projected FY26 All	(Baseline State - Projected FY26 State) x 50% + Projected FY26 State	FY26 BEP Transition Allocation All – FY26 BEP Transition Allocation State
FY27: LEA is held harmless 25% back to baseline compared to FY27 TISA Allocation	FY27	(Baseline Total - Projected FY27 All) X 25% + Projected FY27 All	(Baseline State - Projected FY27 State) x 25% + Projected FY27 State	FY27 BEP Transition Allocation All – FY27 BEP Transition Allocation State
FY28: LEA receives FY28 TISA Allocation	FY28	FY28 TISA All	FY28 TISA State	FY28 TISA Local

Example

The example below shows an LEA for which the 2023-24 TISA allocation is less than the 2022-23 baseline funding amount, qualifying the LEA for BEP transition funding

FY23 Baseline Breakdown		FY24 TISA Allocation (Pre-BEP Transition Funding)	
FY23 Baseline (Total)	\$ 29,000,000	FY24 TISA Allocation	\$ 26,500,000
FY23 Baseline (Local)	\$ 11,500,000	FY24 (Local)	\$ 10,600,000
FY23 Baseline (State)	\$ 17,500,000	FY24 (State)	\$ 15,900,000

To determine the state and local contributions for each year, the table below also includes the LEA's TISA allocations for each year of eligibility. Note, these are allocations for the purpose of this example; actual allocations for these future years cannot be determined until the funding year's data has been reported.

	TISA Projected Allocations for Each FY			BEP Transition Implementation			
BEP Transition Funding Steps	Projected TISA Allocations (All)	Projected TISA Allocation - State	Projected TISA Allocation - Local	Fiscal Year	BEP Transition Allocations (All)	BEP Transition - State	BEP Transition - Local
FY24: LEA is held harmless 100% back to baseline compared to FY24 TISA Allocation	\$26,500,000	\$15,900,000	\$10,600,000	FY24	\$29,000,000	\$17,500,000	\$11,500,000
FY25: LEA is held harmless 75% back to baseline compared to FY25 TISA Allocation	\$26,400,000	\$15,850,000	\$10,550,000	FY25	\$28,350,000	\$17,087,500	\$11,262,500
FY26: LEA is held harmless 50% back to baseline compared to FY26 TISA Allocation	\$26,300,000	\$15,800,000	\$10,500,000	FY26	\$27,650,000	\$16,650,000	\$11,000,000
FY27: LEA is held harmless 25% back to baseline compared to FY27 TISA Allocation	\$26,150,000	\$15,750,000	\$10,400,000	FY27	\$26,862,500	\$16,187,500	\$10,675,000
FY28: LEA receives FY28 TISA Allocation	\$26,000,000	\$15,700,000	\$10,300,000	FY28	\$26,000,000	\$15,700,000	\$10,300,000

The math in each of the cells on the right-hand side of the table reflects the application of the business rules included in the calculation steps detailed above. For example, for the 2024-25 fiscal year,

- Overall Allocation: $((\$29,000,000 - \$26,400,000) * (75\%)) + (\$26,400,000) = \$28,350,000$
- State Portion: $((\$17,500,000 - \$15,850,000) * (75\%)) + (\$15,850,000) = \$17,087,500$
- Local Portion: $(\$28,350,000) - (\$17,087,500) = \$11,262,500$

Public Charter School Funding

Funding for public charter schools is generated in the geographic LEA in which the school operates, and funding is transferred from both the department and the geographic LEA to the public charter schools. State Board of Education Rule 0520-14-01-.03 governs the process of determining public charter school funding which is broader than TISA funding. The following steps provide an overview of the process:

- **Step 1**

Using prior year enrollment and student characteristics, the state uses the TISA calculator to

determine the full amount of funding generated by a public charter school's students. This amount will include state and local funds, which will vary depending on the required local match. This is the only step in determining public charter school funding that directly uses the TISA formula.

- **Step 2**

If a geographic LEA provides additional local funding above and beyond the local funds required in Step 1 above in their state approved LEA budget, public charter schools located within the geographic bounds of the LEA will receive their proportional share of the additional local funds. The proportional share will be determined by the ADM value used in the base funding determination in Step 1 above, reflecting the public charter school's prior year student membership. If the LEA does not have a fully approved budget in the state's system of record, the Department will use the LEA's budgeted prior year additional local revenues or the district's prior year expenditure report, whichever is more recent, to inform the initial allocations until an LEA budget is fully approved.

The combination of Step 1 and Step 2 generate funding reflective of the public charter school's prior year membership in total, inclusive of formula-generated funds and additional local funds.

- **Step 3**

If a charter experiences a growth or decline in enrollment, the final calculation step is a true-up to current year student membership. For any changes in overall ADM value, positive or negative, compared to the prior year, the public charter school shall receive the average of all state and local funds, inclusive of additional local funding, received by the LEA in the current year. This may result in either an increase or decrease to the public charter school's funding in alignment with the change in ADM value.

TISA State Funding to Public Charter Schools

Beginning with FY26 allocations, Public Chapter 456 requires the department to disburse the state share of TISA funds directly to public charter schools. This marks a change from previous years, in which TISA allocations were transferred through the geographic LEA.

A public charter school's TISA allocation will be split between state and local funding responsibilities, based on the school's geographic district. The state's share of funding will be calculated using the geographic district's state and local percentages for base and weighted funding, separately. These same state percentages will then be applied to the charter school's base and weighted amounts to determine the portion the state will cover. The state will fully fund the charter school's direct funding

allocation. As with district allocations, funding for postsecondary assessments will be held at the state level.

The remaining portion of the base and weighted funding not covered by the state will be the responsibility of the geographic district as the required local share. These funds will continue to be distributed from the LEA to the public charter school. All required local funds, additional local funds, and per pupil funds associated with true-ups of current year ADM will be handled directly between the LEA and the public charter school.

For charter schools authorized by the Tennessee Public Charter School Commission or the Achievement School District, the department will continue to calculate and disburse both state and local funds directly to the authorizing entity for allocation to the school.

Additional information on funding for public charter schools is available in the SBE rule governing the flow of funds to these schools.

TISA Annual Calendar

Date	Events
August 15	<ul style="list-style-type: none"> • TISA Payment
September 15	<ul style="list-style-type: none"> • TISA Payment
October 15	<ul style="list-style-type: none"> • Verify that student data is correct and submitted to EIS • Period 1 data (pulled on October 16) • TISA Payment • TISA Fast Growth Infrastructure Stipend Payment (prior year)
November 15	<ul style="list-style-type: none"> • Period 2 data (pulled on November 16) • TISA Payment • Fast Growth Stipend Payment
December 15	<ul style="list-style-type: none"> • Period 3 data (pulled on December 16) • TISA Payment • TISA Outcomes Payment
January 15	<ul style="list-style-type: none"> • Period 4 data (pulled on January 16) • TISA Payment • TISA Fast Growth Stipend Payment
January 30	<ul style="list-style-type: none"> • Student data sent to LEAs for review
February 15	<ul style="list-style-type: none"> • Period 5 data (pulled on February 16) • TISA Payment
February 28	<ul style="list-style-type: none"> • February preliminary TISA estimates released
March 15	<ul style="list-style-type: none"> • Period 6 data (pulled on March 16) • TISA Payment • TISA Fast Growth Stipend Payment
March 30	<ul style="list-style-type: none"> • March preliminary TISA estimates released

Date	Events
April 15	<ul style="list-style-type: none"> • Period 7 data (pulled on April 16) • TISA Payment
April 30	<ul style="list-style-type: none"> • April preliminary TISA estimates released
May 15	<ul style="list-style-type: none"> • Period 8 data (pulled on May 16) • TISA Fast Growth Stipend Payment • Verify that district and school calendar information is correct and submitted to EIS for the upcoming school year
May 30	<ul style="list-style-type: none"> • May preliminary TISA estimates released
June 15	<ul style="list-style-type: none"> • Period 9 data (pulled June 16) • TISA Payment (75% of final payment)
July 15	<ul style="list-style-type: none"> • TISA Final Payment (true-up) • TISA Final Fast Growth Stipend Payment (true-up) • Final TISA Allocations released

TISA Appeals Process

LEA Appeals

TISA law and rule require a process for LEAs to submit appeals to the department related to TISA data and allocations. The following types of appeals may be submitted to the department for consideration:

- **Data Error** - To correct substantive data reporting discrepancies or errors during a reporting period. This type of appeal must be filed within (15) business days of the final data pull used for final funding allocations for the reporting period for which the error was made.
- **Allocation Calculation** – To correct inaccurate final TISA allocations due to an alleged error in the calculation process. This type of appeal must be filed within fifteen (15) business days from the issuance of final allocations by the department.

To file an appeal, the LEA's director of schools must submit a completed appeal form, which will be made available on the state's website, by the deadline provided above, to the Commissioner of Education.

Decisions regarding approval or denial of the appeal will be made within fifteen (15) business days of receipt, provided all supporting documentation and evidence has been submitted by the appealing LEA.

Public Charter School Appeals

Public chapter 456 requires a process for public charter schools to dispute an alleged error in an allocation to its authorizer. The following types of disputes may be submitted by a charter school to its authorizer for review:

- **Data Error** - To correct substantive data reporting discrepancies or errors during a reporting period, including:
 - Discrepancies between data submitted by the charter school and data recorded in the authorizing LEA's system; or
 - Discrepancies between data submitted by the LEA and data received by the department.
- **Allocation Calculation** – To correct inaccurate final TISA allocations due to an alleged error in the calculation process.

To initiate a dispute, the charter school must submit a written request to its authorizing LEA within five (5) business days of receiving final TISA allocation information from the department. The request must identify the suspected error(s) and include relevant supporting documentation. The department (tnedu.funding@tn.gov) must be copied on all correspondence for tracking purposes.

The authorizing LEA must review the submission and provide a written response within five (5) business days of receipt. The response must be signed by the Director of Schools and indicate whether the LEA agrees that a data or calculation error occurred.

If the LEA agrees that an error occurred, it may submit an appeal to the department within fifteen (15) business days from the issuance of final allocations- the same timeline required for other LEA appeals. The appeal must include:

- The original written dispute submitted by the charter school;
- The LEA's written response; and
- Supporting documentation or evidence relevant to the claim.

The department will review the appeal and issue a written decision within ten (10) business days of receipt, provided all required documentation has been submitted. If an adjustment is warranted, the department will coordinate with the LEA and charter school to make the necessary correction in a timely manner.

Reporting Requirements

To provide transparency to educators, families, and stakeholders, TISA includes certain reporting requirements of the department and LEAs.

Annually, reporting on school and LEA-level funding decisions under TISA will be included in the [State Report Card](#). The State Report Card is a publicly accessible online tool that provides stakeholders with meaningful information on state, school, and LEA performance. The report card contains various indicators including accountability measures, letter grades, assessment results, staffing patterns, messages from local leaders, and finance data.

TISA Reporting on the State Report Card

The State Report Card includes three important tools to better understand TISA allocations and how LEAs spend their funds.

- **TISA Allocations:** The State Report Card will display LEA allocations under the TISA formula. The purpose of sharing allocation information is to provide transparency on how TISA funding is generated by each LEA and to inform local conversation on strategic use of funds. Details on student membership for each line of the TISA funding formula are displayed alongside resulting funding allocations.
- **TISA Calculator:** The TISA Calculator is a tool that allows a parent or guardian to select a student's unique characteristics to estimate the amount of funding a student would generate under the TISA formula. Users can see specifically how each characteristic contributes to the total amount of funding an LEA will receive for that individual student. The purpose of this tool is to deepen stakeholders' understanding of the TISA formula as it easily calculates an estimate of total funding for a student. This tool supports community members in asking informed questions of their school and LEA leaders when local investments decisions are made for their students.
- **LEA Comparison Tool:** The school and LEA comparison tool is a feature of the State Report Card that allows users to select multiple schools or LEAs based on a variety of indicators and compare them all on one screen for easier viewing. Users can toggle between accountability, academic, demographic, staffing, programmatic, and financial measures to understand how their school or LEA compares across the state. Users can select schools and LEAs based on designations, type, or size, or they can simply select the "Similar Schools" button to see a pre-made list of similar schools in the state to make comparisons.

TISA Accountability

TISA Review Committee and Progress Review Board

TISA includes many accountability measures including a TISA Review Committee and Progress Review Board.

TISA Review Committee: T.C.A. § 49-3-113 requires the SBE to establish the TISA Review Committee beginning on January 1, 2026, to meet at least four (4) times per year to regularly review the TISA base

funding, weighted allocations, direct allocations, and outcome incentive dollars, as well as identify any needed revisions, additions, or deletions to the TISA. In addition, the committee must provide a report, on or before November 1 of each year, to the governor, the SBE, the finance, ways and means committees of the senate and the house of representatives, the education committee of the senate, and the education administration committee of the house of representatives. The committee must include the executive director of the SBE, the commissioner of education, the commissioner of finance and administration, the comptroller of the treasury, the director of the Tennessee advisory commission on intergovernmental relations, the chair of the education committee of the senate, the chair of the education administration committee of the house of representatives, and the director of the office of legislative budget analysis, or the director's designee. The SBE must appoint at least 1 member from each of the following groups to serve on the TISA review committee: teachers, school boards, directors of schools, county governments, municipal governments that operate LEAs, finance directors of urban school systems, finance directors of suburban school systems, and finance directors of rural school systems.

Progress Review Board: T.C.A. § 49-3-114 requires the establishment of a Progress Review Board to with the duty to set minimum goals for LEAs to increase third grade student-performance level ratings, review LEA accountability reports, and determine if further action is needed for LEAs to meet outlined goals. The Progress Review Board must include the commissioner of education, the chair of the SBE, two members appointed by the speaker of the senate and two members appointed by the speaker of the house of representatives.

LEA Accountability Reports

Pursuant to T.C.A. § 49-3-112, each LEA is required to produce an accountability report due annually that establishes goals for student achievement, including the goal of 70% of students obtaining “met expectations” or “exceeded expectations” on the 3rd grade ELA portion of the TCAP and how their budget has been utilized and will continue to be utilized in meeting and exceeding these goals.

This report is required to be presented to the public for comment before the report is submitted to the department on November 1 of each year.

Beginning with the 2024-2025 LEA Accountability Reports, LEAs must also include a description of how the LEA's budget and expenditures for prior school years enabled the LEA to make progress toward the student achievement goals established for the prior school years in their annual accountability report.

The Progress Review Board will annually review the Accountability Reports and determine if an LEA is taking the proper steps to achieve the 3rd grade ELA TCAP proficiency goal. At the end of the three-year period, the board will verify goal attainment and determine if further recommended actions are needed.

State Board of Education Hearings

Beginning in the 2024-25 school year, pursuant to T.C.A. § 49-3-112, an LEA that operates a public school that receives a "D" or "F" letter grade, or a public charter school and the public charter school's authorizer that receives a "D" or "F" may be required to appear for a hearing before the SBE, or a committee of the SBE, to report on the public school's performance and how the LEA's or public charter school's spending decisions may have affected the ability of the LEA's public schools or the public charter school to achieve certain performance goals.

At the conclusion of a hearing conducted, the SBE may recommend and the department may impose one of the following corrective actions:

- Require the LEA or public charter school to develop, submit to the department for approval, and implement a corrective action plan in which the department will report implementation of the corrective action plan to the SBE; or
- Require the department to audit and investigate the LEA's or public charter school's academic programming and spending in which the outcomes of the audit and investigation will be reported to the SBE.

Appendices

Appendix A: Small Districts

LEAs that qualify as a small district for the 2025-26 school year:

Alamo	Hancock County	Richard City
Bells	Hollow Rock - Bruceton	Rogersville
Bradford	Humboldt City Schools	South Carroll
Carroll County	Lake County	University Schools
Clay County	Lexington	Van Buren County
Clinton	Moore County	West Carroll Sp Dist
Dayton	Newport	
Etowah	Pickett County	

Appendix B: Sparse Districts

LEAs that qualify as a sparse district for the 2025-26 school year:

Anderson County	Fayette County	Johnson County	Pickett County
Bedford County	Public Schools	Lake County	Polk County
Benton County	Fentress County	Lauderdale County	Rhea County
Bledsoe County	Franklin County	Lawrence County	Roane County
Blount County	Gibson Co Sp Dist	Lewis County	Robertson County
Campbell County	Giles County	Lincoln County	Scott County
Cannon County	Grainger County	Loudon County	Sequatchie County
Carroll County	Greene County	Macon County	Sevier County
Carter County	Grundy County	Madison County	Smith County
Cheatham County	Hancock County	Marion County	Stewart County
Chester County	Hardeman County Schools	Marshall County	Sullivan County
Claiborne County	Hardin County	Maury County	Tipton County
Clay County	Hawkins County	McMinn County	Trousdale County
Cocke County	Haywood County	McNairy County	Unicoi County
Coffee County	Henderson County	Meigs County	Union County
Crockett County	Henry County	Monroe County	Van Buren County
Cumberland County	Hickman County	Moore County	Warren County
Decatur County	Houston County	Morgan County	Washington County
DeKalb County	Humphreys County	Obion County	Wayne County
Dickson County	Jackson County	Overton County	Weakley County
Dyer County	Jefferson County	Perry County	White County

Appendix C: TISA LEA Allocation Sample Template

Note: Information included below is for example purpose only and does not reflect final counts and allocations.

District	STATE	District ID	STATE	County	STATE
Element	Amount	Students/Services	Funding		
Base	\$7,295.00	966,446.90			\$7,050,230,133.22
WEIGHTS	Weight	Students/Services	Funding		
Economic	25%	296,980.23			\$541,617,693.74
Concentra	5%	721,106.52			\$263,023,604.46
Small	5%	13,927.21			\$5,079,949.62
Sparse	5%	332,263.20			\$121,193,002.95
ULN 1	15%	65,787.65			\$71,988,136.53
ULN 2	20%	95,528.06			\$139,375,435.66
ULN 3	40%	35,641.05			\$104,000,571.66
ULN 4	60%	25,553.26			\$111,846,629.56
ULN 5	70%	45,959.26			\$234,690,946.19
ULN 6	75%	19,718.99			\$107,887,497.01
ULN 7	80%	13,308.94			\$77,670,948.17
ULN 8	100%	745.89			\$5,441,250.29
ULN 9	125%	17,024.92			\$155,246,026.44
ULN 10	150%	661.44			\$7,237,846.65
DIRECT					
K-3 Literac	\$500.00	300,982.50			\$150,491,248.14
4th Grade	\$500.00	45,212.00			\$22,606,000.00
CTE	varies	56,275.10			\$280,832,831.33
ACT	\$43.00	144,311.48			\$6,205,393.84
Charter	\$500.47	43,958.52			\$22,000,000.00
OUTCOMES					
TBD					\$80,000,000.00
TOTAL					\$9,558,665,145.46