

Local Finance Update

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Director of Local Finance | Operations & Finance

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Agenda

- From Now Until June 30
- Year-end Adjustments
- Fiscal Reporting
- Reminders for FY27
- Fiscal Resources



From Now Until June 30

Career Ladder – Active Teachers

- Eligibility
 - Must work at least 100 days
 - Must be in an instructional position
 - Must have an active license with a Career Ladder endorsement
 - Special eligibility provision for nutrition supervisors
- For more information on teacher eligibility, refer to this one-pager, [Career Ladder Overview](#).



Career Ladder – Retirees

- Retirees working on a 120-day contract or working under the 70% retirement allowance follow the same eligibility criteria as active teachers.
- Retirees who returned to work under the 85% salary provision are not eligible.



Career Ladder Payments

- First payment in mid-October
 - Based on prior year's December 1 report in TN Compass
 - Adjusted for CL reserve
 - 50% of estimated total payment
- Second payment in mid-April
 - Based on teacher data reported by LEAs on the current year December 1 report in TN Compass
- Total FY26 payments = \$5.7 million



CEO Supplement

- Supplement will be paid for FY26.
- Earning CEO credits is optional.
- Supplement is given in increments of \$100/day for completing a minimum of four credits and maximum of ten.
- Revenue = 46590 Other State Education Funds
- Expenditure object code = 189 Other Salaries and Wages



Paid Parental Leave (PPL)

- Three reimbursement request submission periods
- Total paid in FY25 = \$25 million
- FY26 reimbursements as of March = \$10 million
 - LEA and charter school submissions = 160
 - Employees included = 948
- Final FY26 PPL submission tool opens June 1 and closes June 22



Weighted Full-Time Equivalent Average Daily Attendance

- Used to distribute county local taxes for education in multi-system counties
 - Tenn. Code Ann § 49-3-315
- Based on average of highest two periods' ADA of the first three periods of the year
- Not used in TISA calculations
- Typically emailed to directors of schools and district finance directors in April.

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Drivers Education

- Funded in part through traffic fines
- Student count taken from TEDS to determine payment to LEA
 - Students scheduled for Driver's Education course code G08H03
 - Includes students enrolled in both semesters
 - Student counts pulled around February 1 each year
- \$1,200,000 paid to LEAs in FY26
 - \$101.32 per student



Outcomes Funding

- Provides incentive bonuses for student performance based on academic targets.
 - \$94 million issued to LEAs in December
 - 100% state-funded
 - No local contribution required



Fast-Growth Stipends

- \$60 million in FY26 state budget
- Current year growth in allocation generated by students in non-virtual schools
- Growth in excess of 1.25% compared to previous year
- Equivalent of 20% of total stipend paid in November, January, March, May, and July
- 15 districts paid so far this year
- July payment must be accrued on financials



Infrastructure Stipends

- Supports districts with sustained ADM growth exceeding 2% each of three consecutive years
- Up to \$5 million
- Only paid if funds remain after paying fast-growth stipends
- Per-student flat dollar amount across all eligible LEAs
- Single payment made by October 15
- Based on prior year calculations



Growth Funding

- After the initial fast-growth stipends and infrastructure stipends have been paid, if funds remain available in the fast-growth funds budget, additional fast-growth stipends may be paid by capturing growth lower than the initial threshold of 1.25%.



June Payments

- June 15 TISA payment
 - 75% of final payment
- June 30 TISA payment
 - 25% of final payment less applicable adjustments
 - Must be accrued if received after June 30
- June 15 Salary Equity payment
 - 100% of final payment
- Paid Parental Leave
 - Must be accrued if received after June 30





Year-end Adjustments

Year-end Adjustments

- Total June TISA payments may vary based on year-end adjustments.
 - Individualized education accounts (IEA)
 - Juvenile detention centers (JDC)
 - Education Savings Accounts (ESA)
 - MNPS, MSCS, Hamilton, and ASD
 - Knox County L & N STEM School
 - Fast-growth stipends adjustments
 - ADM true-ups for charter schools



Individualized Education Account

- Student enrolled in the IEA program
 - Correct student classification and course code keeps the student enrolled for funding purposes only
 - Classification code 8
 - Course code 9696
- Student's share of TISA funding (state and required local match) distributed to student/parent during the year
- Amount deducted from the final June TISA payment for the LEA in which the student was previously enrolled



Juvenile Detention Centers

- Students remanded to a JDC remain enrolled in their home district.
 - Student classification code indicating the JDC (e.g. JCC005)
- TDOE transfers funds from home district to the district in which the JDC is located.
- Amount transferred is the number of days the student was coded with a JDC code multiplied by the daily rate.
- Daily rate is calculated based on each district's prior year revenues.



TISA On-behalf Payments

- Funds generated by students but not issued to LEA
 - ACT
 - Education Savings Account (ESA) Program
 - Individualized Education Account (IEA) Program
 - Juvenile Detention Centers (JDC)



Reporting TISA On-behalf Payments

- LEAs notified of TISA On-behalf Payments in mid-July
 - Post via journal entries dated June 30
- LEAs must report payments in Fund 141 in the State Funds FER
 - Revenue = 141 46513
 - Expenditure = 141 71XXX **595**





Fiscal Reporting

FY26 State Funds Final Budget

- Final budget amendments must be approved by the school board and funding body, as applicable.
 - Follow local procedures
 - Approvals must occur by June 30
 - Don't forget TISA On-behalf Payments
- A final amended budget for each fund used by the LEA, excluding fund 142, must be entered into the State Funds application.
 - Enter as soon as possible after final amendments approved.



FY26 State Funds Final Budget (continued)

- Ensure that every account with expenditures has at least a \$1 budget in ePlan.
- Do not click to submit your final budgets in ePlan until after any remaining State funds payments have been processed.
 - Parental leave
 - CEO supplement
 - Final TISA allocation
 - Final TISA growth



FY26 Accounting Records Closed

- The deadline to close accounting records is no later than two (2) months after the close of the fiscal year, per Tenn. Code Ann. § 9-2-102.
 - LEAs risk an audit finding if books are not closed in a timely manner.



FY27 State Funds Budget

- The FY27 State Funds application is open in ePlan.
- The LEA may use the ePlan application to check for MOE compliance.
- The MOE test could be affected by:
 - FY26 local revenue budget amendments.
 - Shifts in current year ADMs, if using second-level test.
- Notify TDOE promptly when additional local funding has been appropriated for nonrecurring expenditures.



FY27 State Funds Budget (continued)

- Complete the State Funds budget application for all funds, excluding fund 142, when budgets have been approved by the funding body.
 - Due within thirty (30) days after the beginning of each fiscal year.
 - Comptroller’s Office will verify that the required local contribution has been met.
 - Budget entry may be delayed if current year budget is not yet adopted.
 - If budgeting to use fund balance, enter budgets but don’t submit until prior year FER is approved.

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Final Expenditure Reports (FERs)

- FERs can be started beginning July 1.
- The final deadline for FERs is October 1.
 - TDOE may require an earlier deadline for some FERs.
 - [2026 FER Deadlines](#) are posted in ePlan.
- Timely completion of FERs by LEAs allows TDOE to meet its state and federal reporting deadlines.



State Funds FER, Budget, & TISA

- October TISA payments will be withheld for LEAs that did not submit their FY26 State Funds FER or FY27 State Funds budgets in ePlan by October 1.
- TISA funds will continue to be withheld until the FER and budget are submitted.



Per Pupil Expenditures (PPE)

- Requirement under ESSA for each LEA and school
 - Report for preceding fiscal year
 - Personnel and non-personnel expenditures
 - Disaggregated by source of funds (federal, state, local)
 - Remember: One-time teacher bonuses should be reported at the school-level for PPE.
 - Prior years' data can be viewed and downloaded from the Data Download section on the [State Report Card](#).



TISA Restricted Funds for Existing Educator Salary Increases

- Pursuant to Tenn. Code Ann. § 49-3-105(e) and TISA Rule 0520-12-05-.14(1), LEAs and public charter schools must report how the TISA restricted funds are utilized.
- \$125,000,000 was allocated in TISA base for both FY26 and FY27.
- See your district's final TISA allocation calculation sheet for the restricted funds amount.



TISA Restricted Funds for Existing Educator Salary Increases (continued)

- Funds must be used to improve **existing educators'** salaries.
- Funds may not be used to add new positions or to cover benefits.
- Existing educator is defined in state law as an individual who is evaluated and who provides direct services to students at school sites for the majority of the day.



FY26 TISA Restricted Funds for Existing Educators Salary Survey

- Be prepared to complete the survey when it becomes available in early August.
- The annual survey will be managed through ePlan in a Data and Information tool.
 - Requires approval by the Director of Schools
- Results are shared with the state legislature.



FY25 TISA Restricted Funds Survey Results

Strategy	# of Respondents	% of Respondents
Increase to Salary Schedule	178	74%
Salary Schedule Step Increases	101	42%
Differentiated Pay	18	8%
Bonus Payments	36	15%
Other Uses	0	0%

- 84% of LEAs reported supplementing these funds with local resources to support their chosen strategy.





Reminders for FY27

State Minimum Salary Schedule

- Approval of the FY27 minimum salary schedule will be voted on at the State Board of Education meeting in May.
 - Tenn. Code Ann. § 49-3-306 sets the FY27 base salary for a bachelor's degree and zero experience to \$50,000.
 - Increasing the base salary increases the minimum salary at the experience increments and advanced degree levels.
 - There are no prescribed across-the-board increases.
 - Districts must meet the minimum salaries shown on the schedule. ::::::::::::::::::::::::::::::::::

TCRS Retirement

- Employer rate for teacher legacy plan is 6.35%
- Employer rate for the hybrid plan remains 9.0%
 - Defined contribution portion is 5%
 - Hybrid portion is 4.0%
 - Actuarially Determined Contribution (ADC) rate is 3.15%
 - Federally funded teacher salaries = ADC rate only



State Group Health Insurance

- Medical insurance premiums
 - Increases for calendar year 2027 will be voted on May 21 at the Insurance Committee meeting.
 - Forecasts have been volatile over the last six (6) months.
 - Projected increase is higher than in the past.

Salary Equity Funding

- Funding for FY27 = \$14.5 million
- No change to amounts in FY27
- Must be used to increase the salaries of existing positions
- May not be used to fund newly created positions
- Will continue to be paid out 10 times during the year, on the same schedule as TISA payments
- Record in 46590 Other State Education Funds

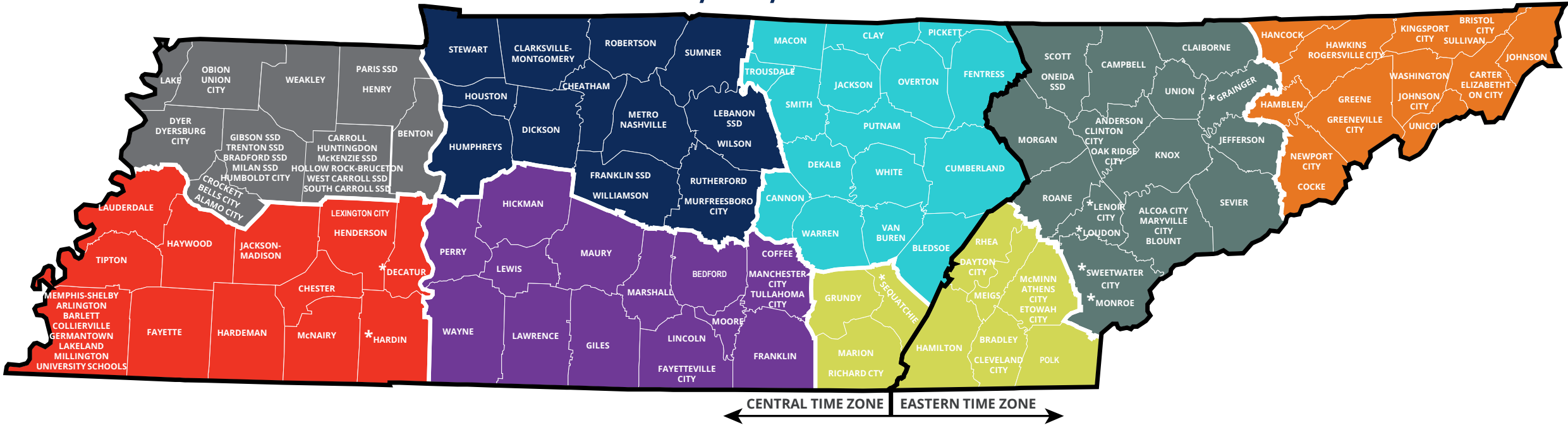




Resources

Regional Finance Consultant District Map

1/26/2026



Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Cindy Smith	Meribeth Carpenter	Rob Mynhier	Joshua Dehnz	Bryan Clark	Taffe Bishop	Shelby Ownbey	Open Position
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Regional Finance Consultant District Assignments

1/26/2026

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Cindy Smith	Meribeth Carpenter	Rob Mynhier	Joshua Dehnz	Bryan Clark	Taffe Bishop	Shelby Ownbey	Open Position
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Districts: Alamo City Bells City Benton County Bradford SSD Carroll County Crockett County Dyer County Dyersburg City Gibson County SSD Henry County Hollow Rock-Bruceton SSD Humboldt City Huntingdon SSD Lake County McKenzie SSD Milan SSD Obion County Paris SSD South Carroll SSD Trenton SSD Union City Weakley County West Carroll SSD	Districts: Achievement School District Arlington Community Bartlett City Chester County Collierville Schools Fayette County Germantown Municipal Hardeman County Haywood County Henderson County Jackson-Madison County Lakeland School System Lauderdale County Lexington City McNairy County Memphis-Shelby County Millington Municipal Tipton County University Schools-Memphis West TN School for the Deaf	Districts: Cheatham County Clarksville-Montgomery Dickson County Dept. of Children Services Dept. of Corrections Franklin SSD Houston County Humphreys County Lebanon SSD Metro Nashville Murfreesboro City Robertson County Rutherford County Stewart County Sumner County TN Charter Commission TN School for the Blind Williamson County Wilson County	Districts: Alvin C. York Institute Bledsoe County Cannon County Clay County Cumberland County DeKalb County Fentress County Jackson County Macon County Overton County Pickett County Putnam County Smith County Trousdale County Van Buren County Warren County White County *Sequatchie County	Districts: Bedford County Coffee County Fayetteville City Franklin County Giles County Hickman County Lawrence County Lewis County Lincoln County Manchester City Marshall County Maury County Moore County Perry County Tullahoma City Wayne County *Decatur County *Hardin County	Districts: Athens City Bradley County Cleveland City Dayton City Etowah City Grundy County Hamilton County Marion County McMinn County Meigs County Polk County Rhea County Richard City SSD *Lenoir City *Loudon County *Monroe County *Sweetwater City +Bristol City +Carter County +Cocke County +Elizabethton City +Greene County +Greeneville City +Hamblen County +Hancock County +Hawkins County	Districts: Alcoa City Anderson County Blount County Campbell County Claiborne County Clinton City Jefferson County Knox County Maryville City Morgan County Oak Ridge Oneida SSD Roane County Scott County Sevier County TN School for the Deaf Union County +Johnson City +Johnson County +Kingsport City +Newport City +Rogersville City +Sullivan County +Unicoi County +Washington County +Grainger County	Districts: Bristol City Carter County Cocke County Elizabethton City Greene County Greeneville City Hamblen County Hancock County Hawkins County Johnson City Johnson County Kingsport City Newport City Rogersville City Sullivan County Unicoi County Washington County *Grainger County

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Notifications can also be submitted electronically at:
comptroller.tn.gov/hotline





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