Department of Education

The Balancing Act:

Understanding WFTEADA Under the Big Top

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Regional Finance Consultant | Division of Local Finance

November 2026



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Agenda

- What is WFTEADA?
- WFTEADA Background
- Taxes Subject to WFTEADA
- How it Works
- Key Takeaways
- Q&A

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What is WFTEADA?

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WFTEADA Explained

- WFTEADA = Weighted full-time equivalent average daily attendance
- Used to apportion local taxes for education in multi-system counties
- Formula: Full-time equivalent average daily attendance (FTEADA) x cost differential for a program
- Tenn. Code Ann. § 49-3-302

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Key Terms

- Average daily attendance (ADA) is the aggregate days' attendance of a given school during a given reporting period divided by the number of days school is in session during this period.
- Average daily membership (ADM) is the sum of the total number of days a student is enrolled divided by the number of days school is in session during this period.

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Key Terms – Cont.

- FTEADA is the average of the aggregated full-time equivalent (FTEs) students in attendance in one (1) program during the given reporting periods.
- Cost differential is that factor establishing a rate of reimbursement for a program relative to the reimbursement of one (1) FTEADA as established in Tenn. Code Ann. § 49-3-306(g)(1).

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Cost Differentials – 1 of 4

Regular academic:

- Kindergarten (K) through grade three (3).....1.287
- Grades four (4).....1.218
- Grades five (5) and six (6).....1.037
- Grades seven (7) and eight (8).....1.137
- Grade nine (9).....1.261
- Grade ten (10) through twelve (12).....1.371

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Cost Differentials – 2 of 4

Career and technical education:

- Agriculture, Food & Natural Resources.....2.027
- Architecture & Construction…..…….……..1.911
- Arts, A/V Technology & Communication…….....……1.911
- Business Management & Administration……...1.580
- Education and Training……1.580
- Finance……1.580
- General CTE.....1.580

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Cost Differentials – 3 of 4

Career and technical education:

- Government & Public Administration……..1.580
- Health Sciences……..……..1.634
- Hospitality & Tourism…….……..……..1.911
- Human Services……..……1.580
- Information Technology……....1.911
- Law, Public Safety, Corrections & Security..……1.911
- Manufacturing……1.911
- Marketing.....1.580

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Cost Differentials – 4 of 4

Career and technical education:

- STEM……..1.911
- Transportation, Distribution & Logistics…….....1.911
- Work-Based Learning……..……..……..1.580

Special Education

- Identified and served handicapped……1.07

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WFTEADA Background

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Historical Background

- Created under the Tennessee Education Finance Act of 1977 to tie local funding to student attendance and program complexity.
- Evolved along with the Basic Education Program (BEP) and more recent Tennessee Investment in Student Achievement (TISA) reforms
  - Standard ADA evolved into FTEADA
  - Later weighted via cost differentials - WFTEADA

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Legislative Background

- Tenn. Code Ann. § 49-3-302
- Tenn. Code Ann. § 49-3-315
- SB2188/HB2388 (2026) introduced to refine WFTEADA, seeking to exclude non-resident virtual students. Did not pass.

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Why Was WFTEADA Introduced

- To provide fair distribution of operational funds across LEAs within a county
- Ensures funding aligns with attendance and program complexity, not arbitrary factors
- Supports equity by compensating districts for higher-cost services

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Taxes Subject to WFTEADA

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Tax Considerations

- What revenue is involved?
- Who collects it?
- What statute controls it?
- What is the required purpose?
- Which LEAs does that statute identify?
- Does that statute use WFTEADA?

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What Taxes Are Subject to WFTEADA?

- All school funds for current operations and maintenance purposes collected by the county
  - Local county property taxes
    - Excludes property taxes designated for student transportation, Tenn. Code Ann. § 49-3-315(a)
  - Local option sales tax – county-levied education portion
  - Mixed drink tax - special statutory distribution
    - Tenn. Code Ann. § 57-4-306
  - Other: business tax, marriage license tax, special taxes, etc.

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How It Works

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To Whom Does WFTEADA Apply?

- Counties with multiple LEAs
  - County school system
  - City school system(s)
  - Special school district(s)
- County trustee divides local current operation and maintenance funds among LEAs based on their respective WFTEADA for the current school year.

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Attendance Data

- WFTEADA is calculated using the ADA of the two highest periods in the first three periods of the school year.
- WFTEADA looks at attendance, not membership.

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How WFTEADA Works

- Step 1: Calculate WFTEADA (weighted full-time equivalent average daily attendance)
- Step 2: Apply cost-differential factor
- Step 3: Sum weighted figures to produce county-wide WFTEADA

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Application

- The department calculates the WFTEADA for each county that has multiple LEAs.
- County Trustees use the WFTEADA to apportion applicable county taxes to the LEAs.

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Example WFTEADA Calculation

	Weights	District A ADA	WFTEADA		District B ADA	WFTEADA
Regular Academic						
Grades K-3	1.287	40	51.48		60	77.22
Grade 4	1.218	10	12.18		15	18.27
Grades 5-6	1.037	20	20.74		30	31.11
Grades 7-8	1.137	20	22.74		30	34.11
Grade 9	1.261	10	12.61		15	18.915
Grade 10-12	1.371	30	41.13		45	61.695
Career and Tech						
Agriculture	2.027	10	20.27		0	0
Health Science	1.634	2	3.268		20	32.68
Education and Training	1.580	3	4.74		10	15.8
STEM	1.911	0	0		5	9.555
Special Education						
Identified	1.070	10	10.7		15	16.05
Total WFTEADA			199.858			315.405
Percent WFTEADA			38.788%			61.212%

Example County Tax Distribution

County Tax	County Revenue Collected	District A Percent WFTEADA	District A Revenue		District B Percent WFTEADA	District B Revenue
Property Tax	$ 1,000,000.00	38.788%	$ 387,875.71		61.212%	$ 612,124.29
Sales Tax	$ 500,000.00	38.788%	$ 193,937.85		61.212%	$ 306,062.15
			$ 581,813.56			$ 918,186.44

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Key Takeaways

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Data Accuracy

- Timely and accurate attendance reporting
- Align data systems with the state definition of FTE and cost factors
- Cross-check attendance and enrollment dates

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Points to Remember

- TISA is Tennessee's current K-12 funding formula.
- WFTEADA is used only for local funding distribution in multi-system counties.
- Some taxes have their own statutory distribution rules.
- Revenue comes first; WFTEADA calculation comes second; apportionment comes last.
- Shifts in attendance can have big effects on revenue distribution.

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Resources

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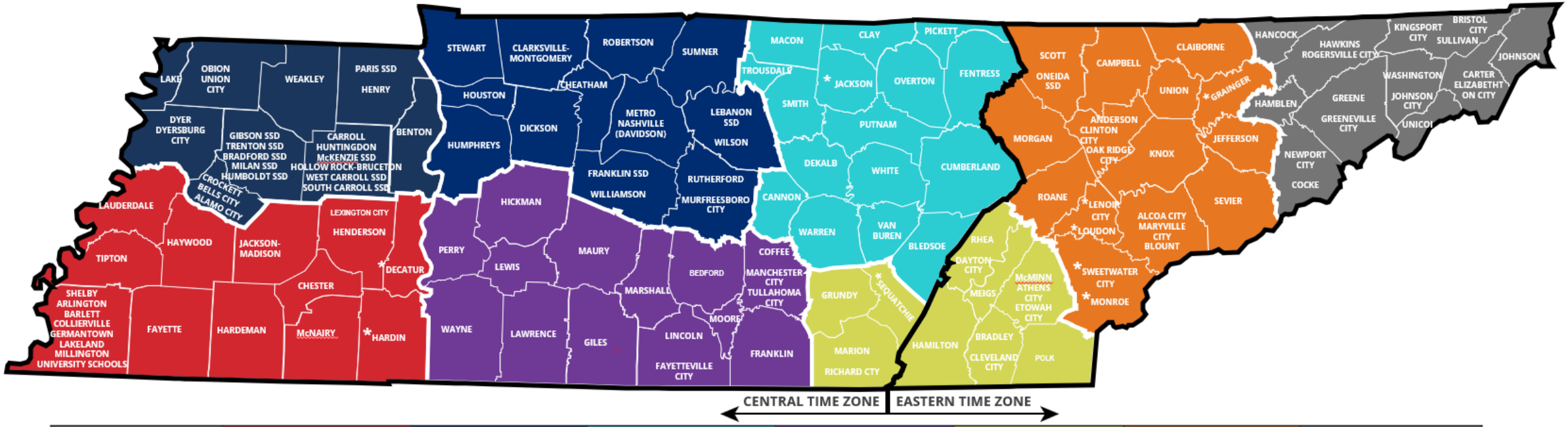
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Local Education Agency Resources

- MTAS-https://www.mtas.tennessee.edu/
- CTAS-https://www.ctas.tennessee.edu/eli
- TN Comptroller of the Treasury-https://comptroller.tn.gov/
- TN Department of Revenue-https://www.tn.gov/revenue/taxes.html

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Regional Finance Consultant District Map



Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Cindy Smith	Meribeth Carpenter	Rob Mynhier	Joshua Dehnz	Open Position	Taffe Bishop	Shelby Ownbey	Open Position
Cindy.Smith@tn.gov	Meribeth.B.Carpenter@tn.gov	Robert.Mynhier@tn.gov	Joshua.Dehnz@tn.gov	*Temporarily Assigned to Multiple Consultants	Taffe.Bishop@tn.gov	Shelby.Ownbey@tn.gov	*Temporarily Assigned to Multiple Consultants

*District assigned to a finance consultant in a different CORE region.

Regional Finance Consultant District Assignment

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Cindy Smith	**Meribeth Carpenter**	**Rob Mynhier**	**Joshua Dehnz**	**Open Position**	**Taffe Bishop**	**Shelby Ownbey**	**Open Position**
Cindy.Smith@tn.gov	Meribeth.B.Carpenter@tn.gov	Robert.Mynhier@tn.gov	Joshua.Dehnz@tn.gov	†Temporarily Assigned to Multiple Consultants	Taffe.Bishop@tn.gov	Shelby.Ownbey@tn.gov	†Temporarily Assigned to Multiple Consultants
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:** 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	**Districts:** Cheatham County Clarksville-Montgomery Dickson County Dept. of Children Services Dept. of Corrections Franklin SSD Houston County Humphreys County Lebanon SSD Metro Nashville Public Schools Murfreesboro City Robertson County Rutherford County Stewart County Sumner County TN Charter Commission TN School for the Blind Williamson County Wilson County †South Central LEAs	**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 †South Central LEAs	**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 †First TN LEAs	**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 *West TN School for the Deaf †First TN LEAs	**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

***Districts assigned to a finance consultant in a different CORE region.**

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