

TISA: LEAs and Local Government

TGFOA, October 2026

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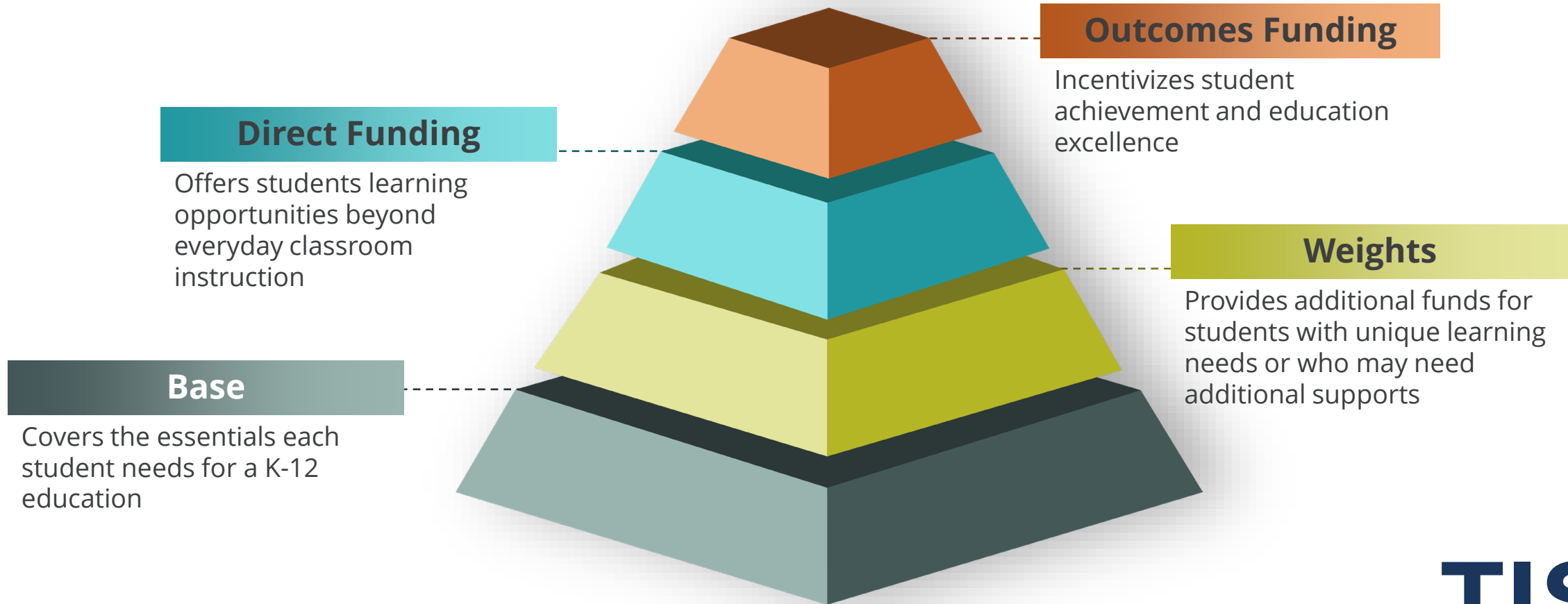


Agenda

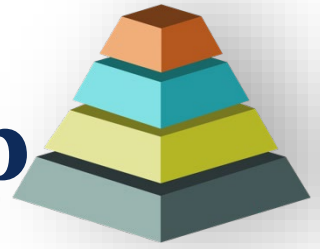
- TISA Formula Overview
- Local Contribution
- Maintenance of Effort
- LEAs and Local Government
- Resources

TISA Student-Based Funding Formula

Base + Weights + Direct + Outcomes

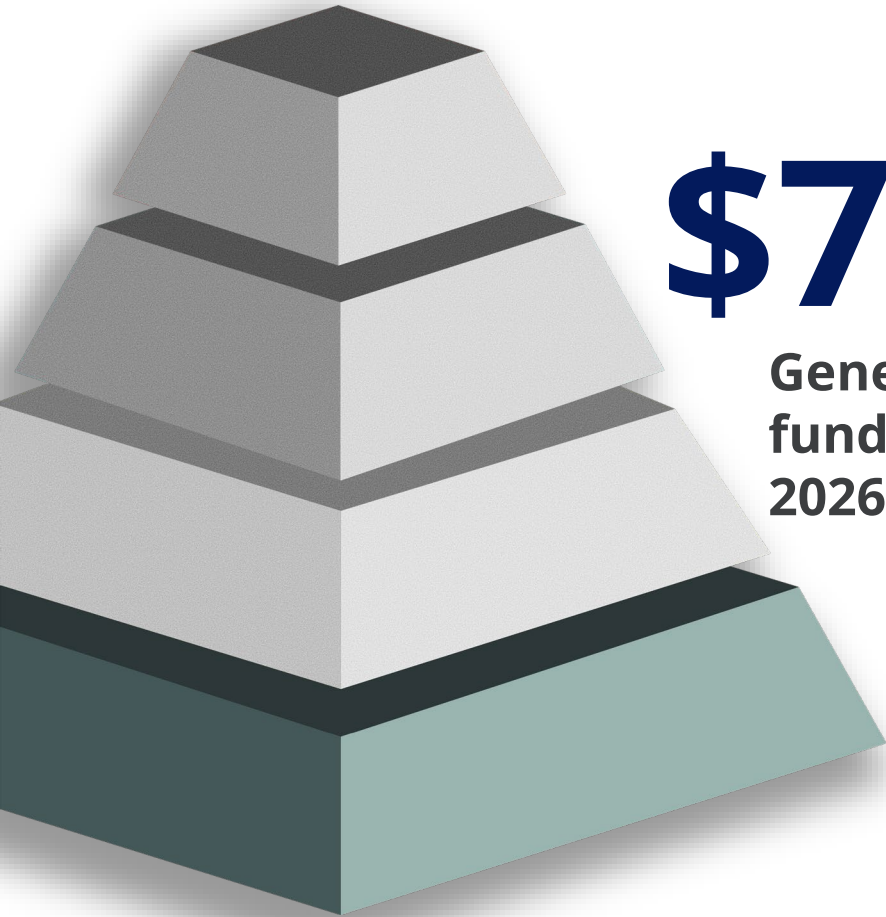


Funding and Average Daily Membership



- Funding is based on prior year membership (enrollment).
- Membership is calculated for each of the 9 reporting periods, then averaged together to determine final Average Daily Membership (ADM).
- ADM is calculated for student population as a whole, and for all of the subgroups that are funded in the TISA formula.

Overview: Base Funding



\$7.1B

**Generated base
funding for the
2026-27 school year**

- Covers the basics of education needs such as teachers, school counselors, principals, facility operations, and more.
- Gives every student the same, strong education foundation.
 - Schools are funded on a student basis.
 - Base funding is the same for every student in the state, regardless of student's geographic location.
- The base amount for 2026-27 is **\$7,530**.

Overview: Weight Funding



\$2.0B

Generated weights
funding for the
2026-27 school year

- Ensures every student's education needs are supported **by providing additional funds as multipliers onto the base funding**
- Provides additional resources for:
 - **Economically disadvantaged (ED)** students
 - Students living in **concentrated poverty**
 - Students living in **small** or **sparse communities**
 - **Unique Learning Needs (ULN)**
 - Students with Disabilities (SWD)
 - English Learners (EL)
 - Students Experiencing Characteristics of Dyslexia (CoD)

Weights: Small District

Who qualifies as a small district?

A small district is a district with a student membership of 1,000 or fewer students.

Who receives small weight funding?

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

- Calculation: (Small district ADM average) * (Base Funding Amount) * 5%

Weights: Sparse District

Who qualifies as a sparse district?

A county LEA with fewer than 25 students per square mile.

Who receives sparse weight funding?

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

- Calculation: (Sparse district ADM average) * (Base Funding Amount) * 5%

Weights: Concentrated Poverty

Who qualifies for concentrated poverty (CP)?

Schools are considered concentrated poverty if they are eligible for Title I schoolwide designation, meaning the schoolwide poverty rate is equal to or greater than 40%.

Who receives concentrated poverty weight funding?

All students enrolled in schools identified as concentrated poverty generate a weighted allocation of 5% of the base amount.

- Calculation: $(\text{CP ADM Average}) * (\text{Base Funding Amount}) * 5\%$

Weights: Economically disadvantaged (ED)

Who qualifies for economically disadvantaged (ED)?

Economically disadvantaged is defined as a student identified as experiencing **homelessness, foster care, unaccompanied youth, or migrant status**, or a student meeting the **direct certification eligibility guideline**, related to receiving **SNAP or TANF** supports.

Students classified as Medicaid-free or Medicaid-reduced classifications are **not** included in the ED definition.

Who receives economically disadvantaged weight funding?

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

- Calculation: (ED ADM Average) * (Base Funding Amount) * 25%

Weights: Unique Learning Needs (ULN) Subgroups

Unique Learning Needs (ULNs)

TISA Rule defines the types of student ULN subgroups and places them into ULN levels based on need.

- ULNs are divided into 10 categories ranging from ULN 1 through ULN 10, aligned to higher levels of support necessary to meet the student's unique learning needs.
- Each ULN has a weight percentage assigned to correspond to services needed and is multiplied by the base funding amount to generate additional funds for students.
- To generate ULN funding, a student must have an assessment for identification of needs and a plan for providing services to support those needs.

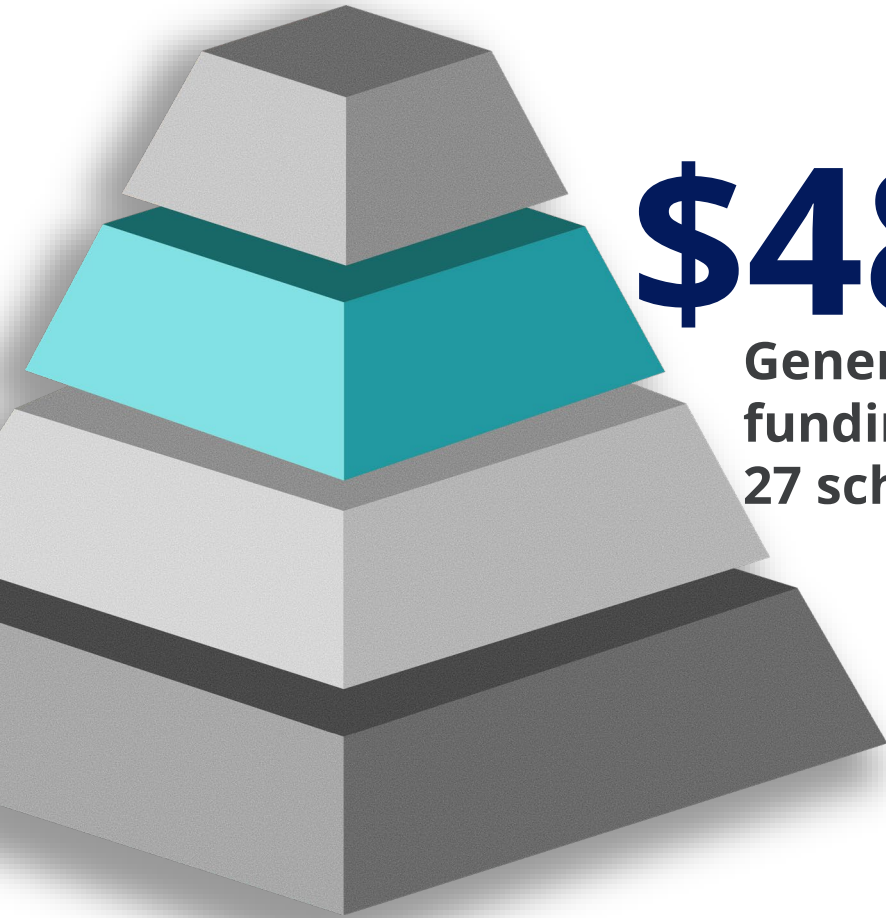
ULN Student Subgroup Categories

- **Students with disabilities (SWD)**
- **English Learners (EL)**
- Students experiencing **Characteristics of Dyslexia (CoD)**

ULN	Weight
ULN 1	15%
ULN 2	20%
ULN 3	40%
ULN 4	60%
ULN 5	70%
ULN 6	75%
ULN 7	80%
ULN 8	100%
ULN 9	125%
ULN 10	150%

Base x ULN%
Range: 15% - 150%

Overview: Direct Funding



\$484M

Generated in direct funding for the 2026-27 school year.

- Supports programs that offer students learning opportunities beyond everyday classroom instruction.
- Targets funding to high priority educational areas:
 - **K-3rd grade literacy**
 - **4th grade literacy supports**
 - **Career & Technical Education**
 - **Post-secondary assessments** (ACT & Retake Opportunity)
 - **Charter supports**

Direct Funding Snapshot

Direct Funding Categories	Funding Amount
Enhance literacy supports for K-3 students.	\$500 per K-3 student
Offer 4th grade literacy supports to students who need more help.	\$500 per student
Strengthen and expand high-value career and technical education (CTE) offerings .	\$5,000 - \$5,700 per CTE coursework
Pay for two administrations of a post-secondary assessment .	\$43 per assessment
Provide supports for charter schools .	~\$475 per student

CTE Funding Matrix

- CTE funding is tiered based on Program of Study (POS) level and progression year through the program.
- Programs of Study are leveled every three years base on wage, demand, and skill of aligned occupations.
- Progression years represent the advanced status of the course, beginning with introductory courses (Year 1) up to more intensive learning experiences (Year 4).
- The matrix below shows funding levels for the 2025-26 school year.

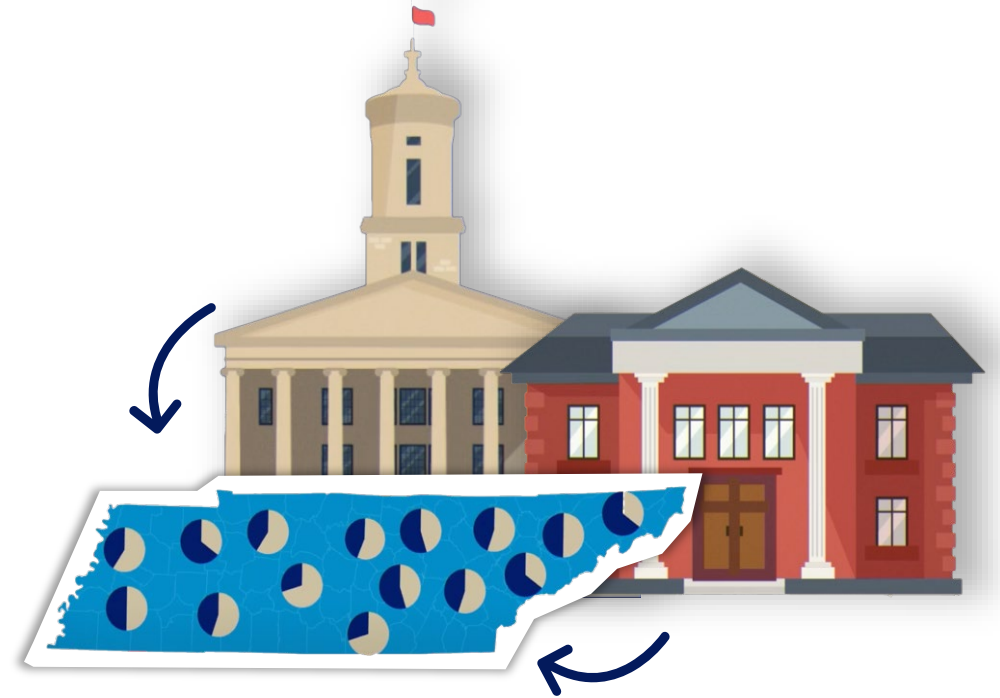
Program of Study Level	Progression Year			
	Year 1	Year 2	Year 3	Year 4
Level 1	\$5,000	\$5,050	\$5,150	\$5,300
Level 2	\$5,200	\$5,250	\$5,350	\$5,500
Level 3	\$5,400	\$5,450	\$5,550	\$5,700

Putting It All Together

TISA - FY27 Allocations					
District	Sample District	District ID			
Element	Amount	Students/Services			Funding
Base	\$ 7,530.00	5,000.00			\$ 37,650,000.00
WEIGHTS	Weight	Students/Services			Funding
Economically Disadvantaged (Hold Harmless applied)	25%	1,500.00			\$ 2,823,750.00
Concentrated Poverty	5%	5,000.00			\$ 1,882,500.00
Small	5%	-			\$ -
Sparse	5%	5,000.00			\$ 1,882,500.00
ULN 1	15%	600.00			\$ 677,700.00
ULN 2	20%	400.00			\$ 602,400.00
ULN 3	40%	300.00			\$ 903,600.00
ULN 4	60%	50.00			\$ 225,900.00
ULN 5	70%	70.00			\$ 368,970.00
ULN 6	75%	150.00			\$ 847,125.00
ULN 7	80%	130.00			\$ 783,120.00
ULN 8	100%	1.00			\$ 7,530.00
ULN 9	125%	95.00			\$ 894,187.50
ULN 10	150%	5.00			\$ 56,475.00
DIRECT					
K-3 Literacy	\$ 500.00	1,300.00			\$ 650,000.00
4th Grade Supports	\$ 500.00	-			\$ -
CTE	Varies	900.00			\$ 4,483,750.00
Post-Secondary Assessment (per test)	\$ 43.00	1,000.00			\$ 43,000.00
Charter (estimate)	\$ 475.00	-			\$ -
TOTAL					\$ 54,782,507.50

Local Contribution

- Funding is a shared responsibility between the state and local governments.
- TISA first calculates the total formula education dollars.
- Local contribution calculation determines how much of the total funding will be provided by the state (70% of total base and weights) and how much will be provided by each local funding body (30% of total base and weights, divided among all LEAs).
- Estimates are provided with each TISA projection
- Final local contribution is determined in June with final TISA allocation



Applying Fiscal Capacity

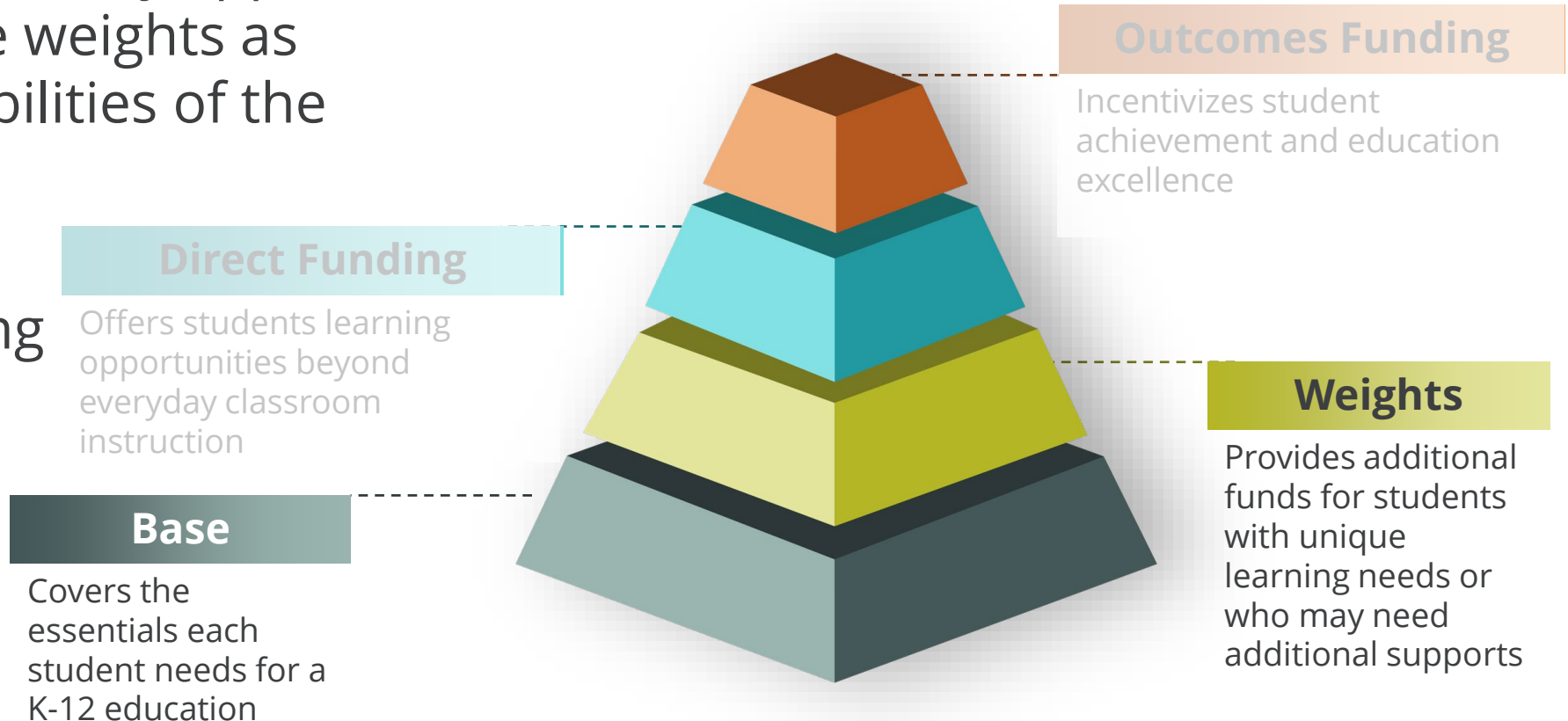
TISA State & Local Contributions Estimate					
		BASE			WEIGHTS
1. Calculation of Statewide Local Share					
Statewide Total		\$6,600,000,000			\$1,700,000,000
Multiply by Local Share %	x	30%		x	30%
Statewide Local Share	=	\$1,980,000,000		=	\$510,000,000
2. Application of County Fiscal Capacity					
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

The TISA formula uses Fiscal Capacity indices from the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) and the Boyd Center for Business and Economic Research (CBER) at the University of Tennessee provided no later than May 1 each year, weighted equally, to determine the Fiscal Capacity of each county.



TISA - Local Contribution Elements

- Local contribution only applies to the base and the weights as shared responsibilities of the state and locals.
- Direct and outcomes funding are 100% state funded.



Maintenance of Effort

- Second local funding requirement
- Budgeted local revenue must be equal to or greater than the previous year's budgeted amount
- **Note:** this is a budget-to-budget test and does not consider the actual revenues collected
- Preliminary budget may be entered into ePlan in order to check compliance with maintenance of effort prior to passing a budget
- Early indication of a possible MOE issue allows more time for school district and funding body to work together towards a resolution

Maintenance of Effort

- In districts that experience a decrease in ADM, the MOE test may be performed at a second level, on a per pupil basis
- The per pupil amount of budgeted local revenue must be at least equal to the per pupil amount of budgeted local revenue from the prior year
- Level 2 test is in ePlan, but must be performed by the Office of Local Finance
- Level 2 test is used only when there is a decrease in ADM

Maintenance of Effort

- Exclusions from maintenance of effort
 - Local funds appropriated for debt service
 - Local funds appropriated for one-time capital outlay expenditures
 - Must be approved by joint resolution between school board and county commission / city council and department of education

Funding Support Provisions

TISA includes two key provisions to support financial predictability:

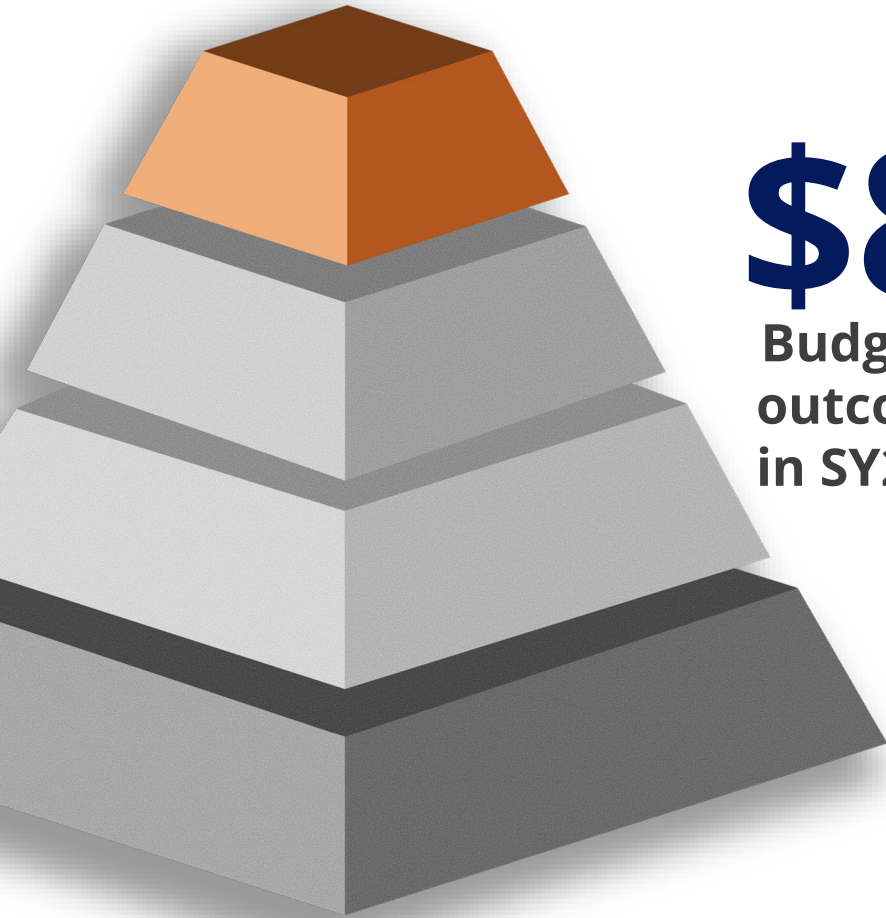
1 Funding Floor

Any district whose 2027-28 TISA allocation is less than their 2025-26 allocation and they experience a decline in non-virtual base ADM qualifies for funding floor.

2 5% Safety Net

Any district that would experience more than a 5% decrease of funding from one year to the next qualifies for a safety net provision and will receive 95% of the funding from the prior year.

Overview: Outcomes Funding



\$80M

**Budgeted for
outcomes funding
in SY26-27**

- Incentivizes achievement and education excellence by awarding student-based bonuses when students demonstrate success in educational careers.
- Acknowledges student academic success and improvement for:
 - Early literacy in elementary schools
 - Math and ELA in middle schools
 - College and career readiness benchmarks in high school

Outcomes Funding Targets

Elementary, Middle, High School Goal 1 + 2

Funding Values:

Students identified as ED, EL, or SWD generate a bonus of **20%** of the base funding amount. All other students generate a bonus of **10%** of the base funding amount.

Grade Level	Outcomes Funding Criteria
Elementary School	- Meets/exceeds on 3rd grade ELA TCAP OR - Approaching/below on 3rd grade ELA TCAP AND improves by at least one performance level on 4th grade ELA TCAP
Middle School	- Meets/exceeds on both 8th grade ELA and Math TCAP OR - Improves by at least one performance level from 7th to 8th grade in both ELA and Math <i>(Includes analysis of high school math EOC if taken in lieu of 8th grade Math TCAP)</i>
High School, Goal 1	- Earns ≥ 2 EPSO credits AND ACT ≥ 21 or ACT +4 improvement OR - Earns 3 EPSO credits OR - ASVAB AFQT ≥ 31 AND earns ≥ 2 EPSO credits
High School, Goal 2	Students with Disabilities only: No Goal 1 outcome AND district meets Indicator 5 ($\geq 80\%$ gen ed setting) AND Meets 2 of 3: 1. Graduation with a general education diploma (Indicator 1) 2. Alternate assessment proficiency (Indicator 3C) 3. Meets post-school outcomes (Indicator 14)

Generates a bonus of **10%** of the base funding amount.

Fast-Growth Stipends

Eligibility

Districts with a TISA allocation increase of over **1.25%** are eligible for fast-growth stipends.

Calculation

- Based on a comparison between:
 - Actual TISA allocations (based on prior year data) and
 - Growth comparison allocations which run current year student data through the TISA formula.
- Factors in only the base, weights, and direct funding lines for non-virtual students.
- Measured and paid out to districts at 5 points throughout the year.

Funding

- For the 2025-26 school year, the state budget provides up to \$60 million for fast-growth stipends and \$5 million for infrastructure stipends.

Infrastructure Stipends

- Subset of fast-growth funds designed to support districts with sustained growth over a three-year period.
- Provided only if there are available funds remaining in the state budget after paying out the fast-growth stipends.
- For the 2025-26 school year, the state budget provides up to \$5 million for infrastructure stipends.

Eligibility

- Districts with an increase in average daily membership (ADM) of non-virtual students over 2% in each of the prior 3 school years.



LEAs and Local Governments

- Potential exists for cooperation or conflict during the budget cycle
- Best recommendation – Communicate!
- TISA estimates show required local match and current local contribution
 - If local match may be an issue, give funding body an early warning
 - If maintenance of effort is a question, check on level 2 option for meeting the requirement

LEAs and Local Governments

- If additional local funds are needed, start the conversation and share any information that will help the funding body understand the issue
- Be prepared to clearly communicate with other stakeholders – school board, teachers, parents, press
 - Have factual information available and ready to communicate when asked
 - Enlist assistance of your consultants and TDOE staff
- Once incorrect information gets out in the public, it is extremely difficult to correct

LEAs and Local Governments

- Education is a shared responsibility
- Works best when all parties involved keep the focus on the students in your district who depend on all parties for their education

TISA Timeline

- TISA data is pulled following the 15th of each month for data verification and projections.
- District receive student-level data to verify and correct monthly.
- Fiscal Capacity from the prior year is used to estimate local funding until April.

Dec

- Reporting Period 1-3: Full dataset released for review
- FY26 TISA Outcomes Payment

Jan

- Reporting Period 1-4: Full dataset released for review
- Fast Growth Payment 2 (based on Dec Data)

Feb

- Reporting Period 1-5: Full dataset and TISA projection

Mar

- Reporting Period 1-6: Full dataset and TISA projection
- Fast Growth Payment 3 (based on Feb Data)

TISA Timeline (Continued)

Apr

- Reporting Period 1-7: Full dataset and TISA projection
- Updated Fiscal Capacity

May

- Reporting Period 1-8: Full dataset and TISA projection
- Fast Growth Payment 3 (based on Apr Data)

June

- Final data due 6/15/26
- Reporting Period 1-9: Final TISA Allocations Released

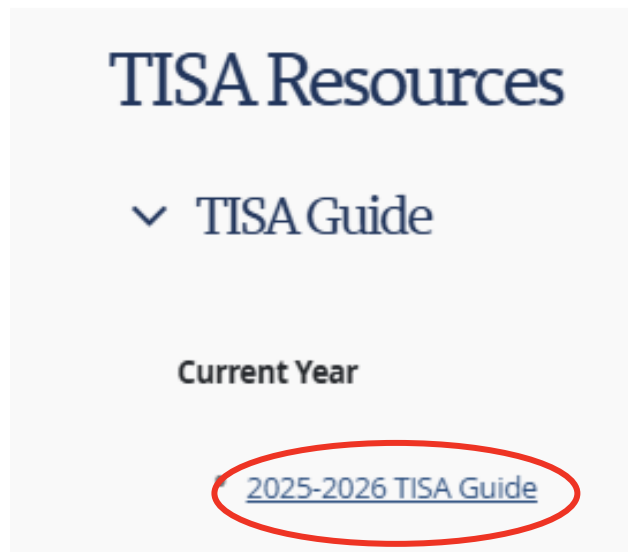
July

- District appeals due within 15 business days of the final data pull
- Final Fast Growth Payment (true-up)

Resources, *TISA Website*

TISA Guide

<https://www.tn.gov/education/best-for-all/tnedufunding.html>



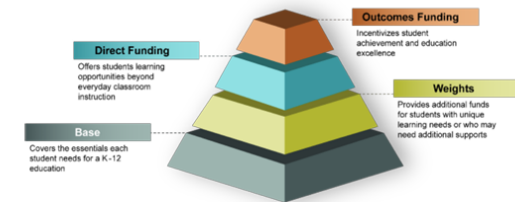
Introduction

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.



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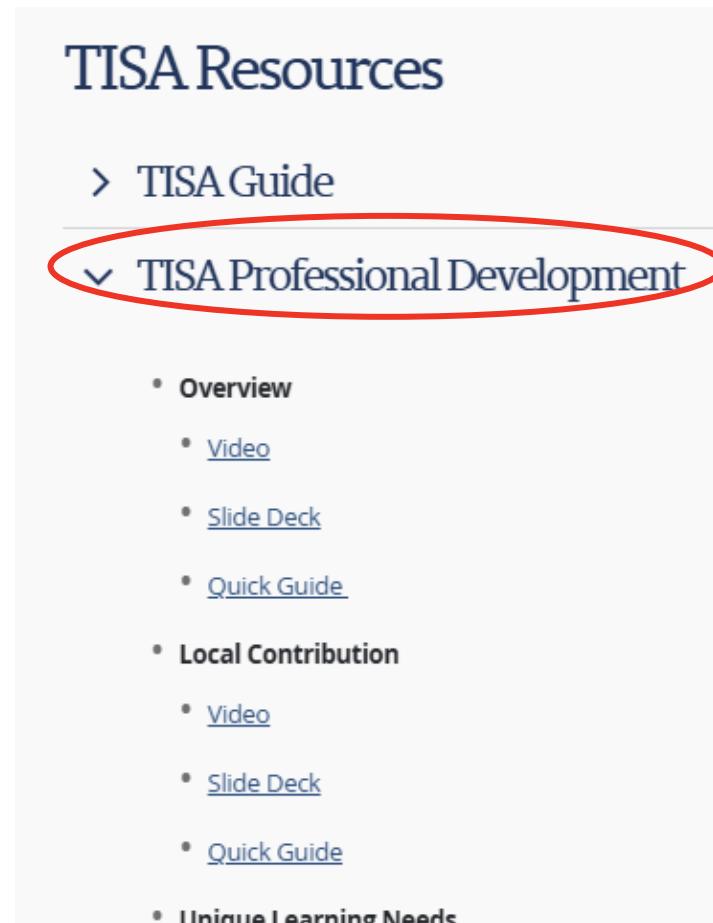
LAST UPDATED: 6/30/2025

The TISA Guide is your go-to resource for any TISA funding and data questions!



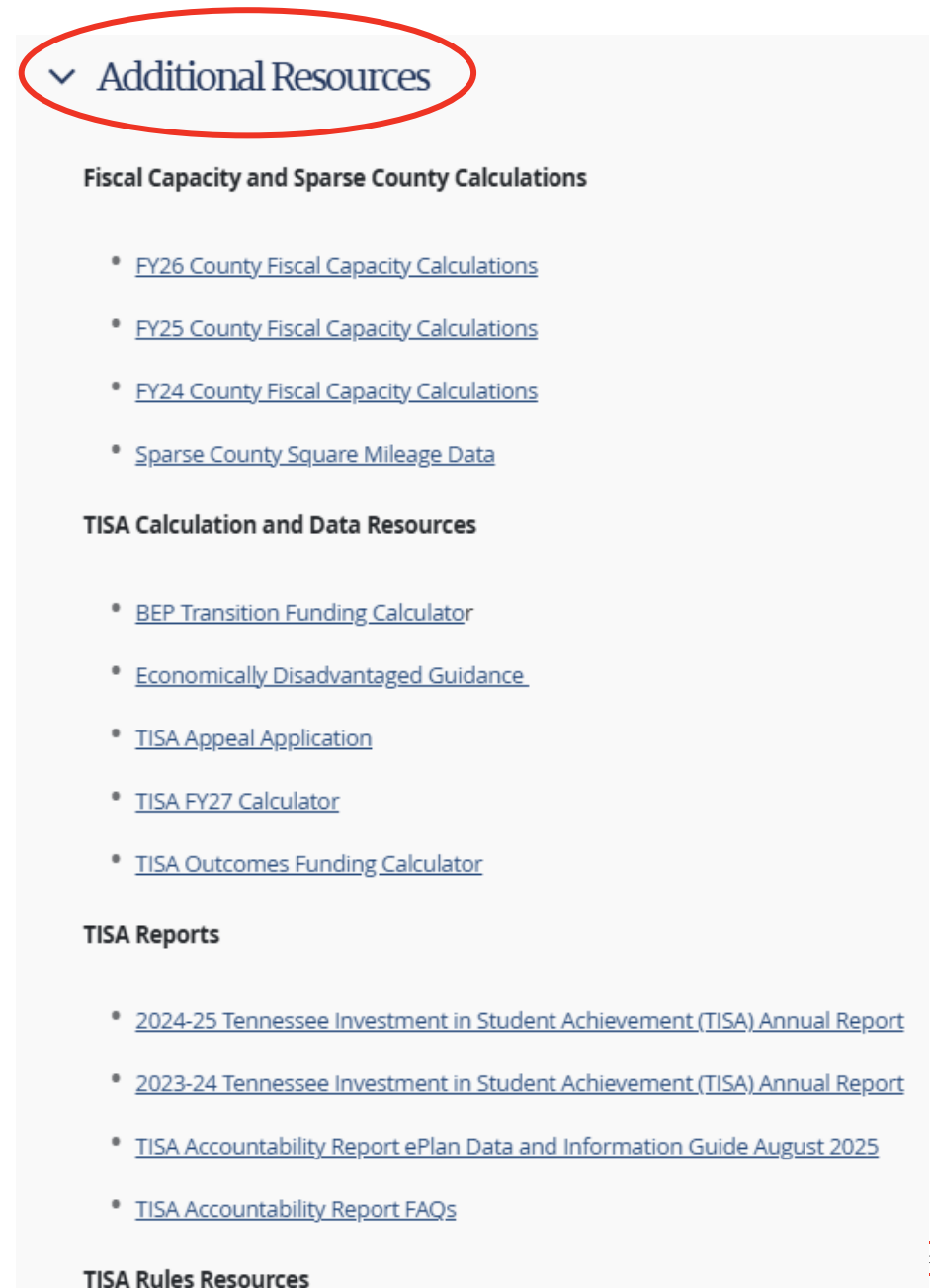
Resources, *TISA Website*

The TISA Website has professional development quick guides, slide decks, and videos on major topics. There are also data reports and calculation resources available.



TISA Resources

- > TISA Guide
- ✓ **TISA Professional Development**
 - Overview
 - [Video](#)
 - [Slide Deck](#)
 - [Quick Guide](#)
 - Local Contribution
 - [Video](#)
 - [Slide Deck](#)
 - [Quick Guide](#)
 - Unique Learning Needs



✓ **Additional Resources**

Fiscal Capacity and Sparse County Calculations

- [FY26 County Fiscal Capacity Calculations](#)
- [FY25 County Fiscal Capacity Calculations](#)
- [FY24 County Fiscal Capacity Calculations](#)
- [Sparse County Square Mileage Data](#)

TISA Calculation and Data Resources

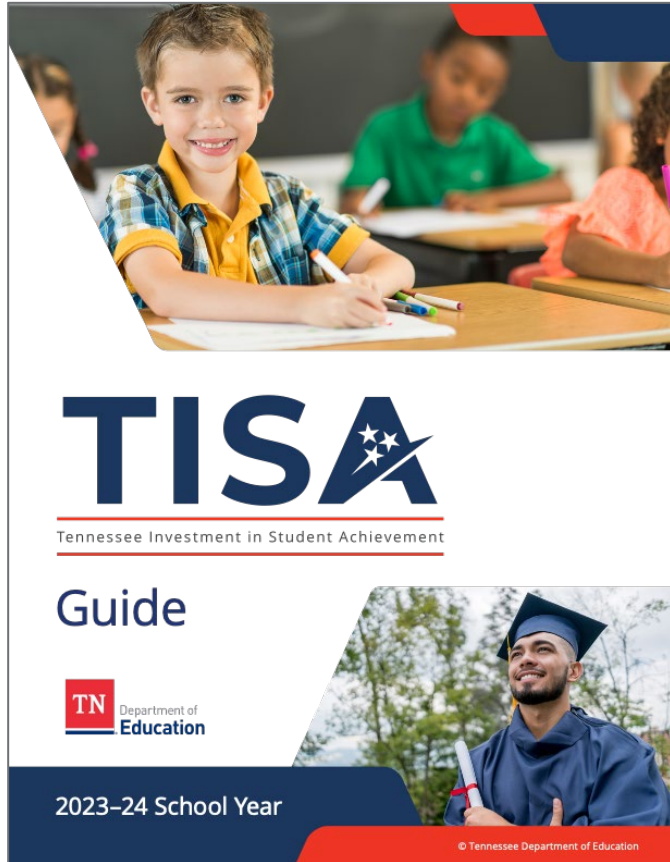
- [BEP Transition Funding Calculator](#)
- [Economically Disadvantaged Guidance](#)
- [TISA Appeal Application](#)
- [TISA FY27 Calculator](#)
- [TISA Outcomes Funding Calculator](#)

TISA Reports

- [2024-25 Tennessee Investment in Student Achievement \(TISA\) Annual Report](#)
- [2023-24 Tennessee Investment in Student Achievement \(TISA\) Annual Report](#)
- [TISA Accountability Report ePlan Data and Information Guide August 2025](#)
- [TISA Accountability Report FAQs](#)

TISA Rules Resources

More Information



TISA Webpage:

<https://www.tn.gov/education/best-for-all/tnedufunding.html>

CTE Webpage: <https://futureready.tnedu.gov/home>

For questions, contact your local finance consultant or
tnedu.funding@tn.gov

