
Tennessee Investment in Student Achievement (TISA) Allocations for Fiscal Year 2023-24

The Background:

In 2022, the General Assembly passed the Tennessee Investment in Student Achievement Act (TISA) which transitioned Tennessee to a student-based funding formula for education. This was the first major revision to the formula in 30 years. The formula will be used for the first time to generate funding for Tennessee's public schools in the 2023-2024 school year and is accompanied by a \$1.1 billion investment of additional state dollars. The allocations:

- Include a base amount of \$6,860 for each student who is counted in the average daily membership (ADM) for an LEA.
- Reflect the base, weighted, and direct allocations for each district.
- Reflect a 70% state share of the base, weighted, and direct allocations, with the remaining 30% being shared collectively by the local education agencies (LEAs).
- To determine the local contribution for each LEA, the fiscal capacity formula equally weights 1) the ability of local jurisdictions to raise local revenues by measuring the ability to generate local revenues from property tax and local option sales tax based on a model developed by the Boyd Center for Business and Economic Research (CBER); and 2) the ability of local jurisdictions to raise local revenues as determined by the multiple regression analysis model developed by the Tennessee Advisory Commission on Inter-governmental Relations (TACIR).

The Fiscal Analysis Impact:

Tenn. Code Ann. § 49-1-212 requires that the Department prepare a fiscal analysis of any policy, rule or regulation proposed to the State Board of Education. The attachment outlines the TISA allocation each LEA will receive in the 2023-24 school year. This item does not require any LEA to increase the local contribution to meet the TISA local contribution amount.

The Recommendation:

This item is for informational purposes only; no action is required.