

TISA Time in Tennessee

There is one issue that will dominate the Tennessee General Assembly the next several weeks until the legislature adjourns in Mid-April: Education Funding. Battlelines are being formed. There is a rush to get this issue done. Which side prevails? It will depend on several things.

Do legislators trust first-term governor, Bill Lee with their political futures? Will a change in the funding formula from the Basic Education Program (BEP) to the Tennessee Investment in Student Achievement (TISA) be advantageous to the state or all communities? Will this have a positive or negative financial impact on the public education system? Are they comfortable with the fiscal projections by the Tennessee Department of Education?

Providing quality education to every public-school student is a generally accepted goal of our public policy. How do we prioritize additional financial investment? Do we have the right base funding and weights? Will it mean a tax increase for the communities in which they serve within the next several years? What are the fiscal threats posed by inaction? There is much to consider before casting a vote.

Each policy issue poses specific challenges to policymakers and needs a unique solution. The state maintains that they are looking at a funding plan, not a spending plan. The new TISA plan does mandate levels of spending, more than changes in spending habits. If you fund something, you will get more of it. For example, the Tennessee Disability Coalition said “funding formula could incentivize school districts to overidentify students with disabilities or even negatively impact what services these students receive.” They raise a valid concern.

[The Tennessean](#) did a great job looking at the mythical “70-30 split between state and local funding for the base per-pupil spending along with the weights for specific student groups under the proposed formula.” The article pointed out “twenty-eight districts will be required to contribute more in fiscal 2024.” That number could climb higher creating winners and losers under the new formula.

Local communities are prohibited from reducing local funding contributions year-over-year under state law. This is known as maintenance of effort. Most school districts already spend more than what they are officially required to by the state's school funding formula. Senator Brenda Gilmore told [the Tennessean](#): “We certainly do not want to pass a bill that will have unintended consequences and may result in increased taxes to fill the gap between state requirements and local funding.” Any changes in taxes will always have an intentional or unintended influence on other economic activities.

What is the impetus for the change in the funding formula this year? Do we need to modernize our funding formula and add more funding to our schools? That answer is YES. So, it is the right issue to pursue. Is their fear in our state that limited resources could collide with higher inflation and a national recession? That answer is also YES. So, the next question is, is this the right time? Policymakers will have to decide quickly if it is. Stakeholders must tell policymakers what their thoughts and opinions right now.

Critics have questioned how increased spending results in better student performance. Some have asked how can we identify schools that do a particularly well – or a particularly poor – job of teaching children, given the socioeconomic circumstances that those children bring to the classroom.

How do we model the good and assist those who need more targeted assistance? Do improved scores on a test translate to better-educated citizen? What factors influence students' educational attainment? Is there more or less freedom from bureaucratic oversight to educate students? Does the new TISA funding plan take us there? Is it enough investment? We spend more to incarcerate an inmate than we do to educate the average student.

It would be nice to take additional time and capture the principal effects of all the proposed changes and calculate the degree to which TISA will affect schools and communities across Tennessee. Time may help the legislation to get to a better position, but that is unlikely. While there are many questions and lots left to discuss on the TISA legislation, we think it ultimately will pass in some form or fashion this session. And the next legislative session we will be dealing with unintended consequences.

Our only word of caution to all policymakers is to ask every possible question in advance, and do due diligence in pursuit of getting the answers you seek. There will be no way to avoid unintended consequences. With great risks come great rewards. This may be a legislator's only opportunity to shape education policy at the very core with this new funding formula. The costs and benefits will shape Tennessee education for generations. We cannot afford to get this critical funding issue wrong.

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