

It's Still the Economy that Drives Policy

Most policymakers understand that we should work for the best policies for our state. Policies that improve Tennessee should rise to the top of the priority list during any legislative session. I am not sure this has been the case during this year's particular session as it has been an unusual session for many stakeholders.

This year we had redistricting, which is a process that creates new legislative lines for the state legislature based on population changes. Questions arise on whether the map is reflective of the community it serves or entrenches one political party over another. Redistricting occurs once a decade. There are probably a dozen legislators who will not run for re-election or will not return to the Tennessee General Assembly in 2023 due to redistricting, retirements, or pursuing other opportunities. Those who are running want to get out and start campaigning in their new district. Timing is critical for policy changes in education funding for the executive branch.

The return from COVID has been different for all sectors including business, education, and government. It is clear that Tennesseans, like their fellow Americans, were pandemic-weary and ready to return to normalcy. We were exhausted and our lives and livelihoods were impacted in ways we have yet to fully understand. Dr. John Glaspy from UCLA said of COVID, that it "stressed the most fragile and increased their needs for assistance." He was correct. Still, we remain relatively cautious and reminded how ill-equipped our state was to identify and respond to an emerging disease---such as COVID. Virtual education was not a success.

Economic uncertainty has generated concern statewide, nationally, and globally. Due to inflation-adjusted earnings, workers' paychecks are declining. Gas, groceries, and housing prices are also rising. [CNN](#) reported that consumer prices rose in February at the fastest pace in 40 years. Some fear a looming recession, but most just see slower economic growth with "higher interest costs for mortgages, home equity lines of credit, credit cards, student debt, and car loans."

In this session, our state is attempting to change our funding formula from the Basic Education Program (BEP) to the Tennessee Investment in Student Achievement (TISA). The legislation likely passes with little legislative debate or deep discussion. We would urge closer examination of the legislation before the passage of legislation, so we can create a funding system for an adequate education for all students and schools. Before rushing new measures into law, it's important to get them right. We should keep having meaningful conversations, rather than three-second sound bites.

As we highlighted earlier, [The Tennessean](#) scrutinized the "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." We believe that number could climb higher as we create winners and losers under the new formula.

The hesitation could be mitigated if there was greater certainty in our economic forecasts. We know it is still the economy that drives policy---including education policy. Money not only affects us as individuals, but it is also especially true of the systemic level. Based on what we have seen in the past, an economic downturn could place education funding at risk and result in across-the-board K-12 budget reductions which will have dangerous implications for school finance in the future.

Local schools rely heavily on sales and property taxes to fund their share of the education budget. [Lydia Koning](#) points out that the “effects of the Great Depression on schools began in 1932, prompting budget cutbacks that led to reductions in school hours, increased class sizes, lower teacher salaries, and school closings.” She added, “Schools and districts had to be creative in saving funds; some got rid of cafeterias, cut courses like music, foreign language, and sports programs, or stopped providing school supplies to students.”

Education activist Matthew Lynch stressed that education “has always been influenced by the social, economic, and political conditions existing during various historical periods.” For example, states began to put money into local schools following the Great Depression. This trend also happened during COVID. Billions of federal dollars were allocated to educate children, with many of those federal relief dollars remaining unspent. Tennessee received \$4.3 billion federal dollars for education. Stakeholders of public education must have access to basic financial data and greater transparency.

A recent article in [Education Finance and Policy 2022](#) states that with “any change to state funding, lawmakers should consider not just which jurisdictions win and lose, but how students and families are affected.” We agree with that assessment.

As we prepare to move to the proposed Tennessee Investment in Student Achievement (TISA) funding system we can anticipate some fiscal challenges going forward, especially in the logistics of implementation of a new formula. Most experts agree the legislation is likely to pass.

Is it better to pass the bill, delay implementation, and hold districts harmless for 3 years or implement the legislation immediately and address the challenges as they emerge? Our goal in the current economy must be to maintain or create a funding system that provides more flexibility and adaptability in the long term and can help our schools and students emerge stronger to face tomorrow’s challenges. We will develop the kind of citizens we educate.

##

JC Bowman is the executive director of Professional Educators of Tennessee.