



TENNESSEE ALLIANCE FOR
**EQUITY IN
EDUCATION**
Powered by The Education Trust in Tennessee

Tennessee's BEP Review Advocacy Guide

Governor Lee and Commissioner Schwinn recently [launched a review of the Basic Education Program](#). We encourage advocates to participate in-person or virtually, or to submit questions online:

[Town Hall Schedule & Locations](#)

[Written feedback and questions](#)

Why is Tennessee reviewing the funding formula now?

- **Tennessee is 44th in the nation** based on the amount we fund K-12 education, spending an average of \$11,139 per student each year, well below the national average of \$15,114.
- Our formula, **the Basic Education Program (BEP), is nearly thirty years old** and was designed to fund a different education system and set of students than we have today.
- **The BEP is one of the most complex and least-understood formulas in the country**, making it hard for stakeholders to know where the money comes from and how it's spent.
- **The BEP is a resource-based formula that is not driven by student need**. Instead, it assigns funding to districts based on 47 unique components that are an outdated list of resources that are not adequate to meet the needs of students today.
- **The state of Tennessee has an extra \$3 Billion to budget for next year and the largest surplus of funds in our history**. As a result, we are financially poised to make a significant change to our funding formula and to ensure districts do not lose funding in the process.
- **There is a funding lawsuit that will go to trial in February of 2022**. The outcome of that trial may force the state to propose a new funding formula that addresses the Court's ruling.
- **Student proficiency is unacceptably low across all student groups**, but especially for those of color and from low-income backgrounds, and minimal investments have made it difficult to address their learning needs.
- **More than half of all jobs in Tennessee will require a postsecondary credential**. Yet, TDOE projects that **only about one out of every five Tennessee high school graduates** would earn a certificate, diploma, or degree within six years of graduation. Therefore, we must invest more in their preparation for postsecondary.

What do we want to see in a new funding formula for Tennessee?

1. **A thoughtful stakeholder engagement process** to ensure a diverse array of voices are heard in the coming months. Every Tennessean has a stake in the outcome of this process, and authentic and meaningful engagement will ensure a stronger solution in the end.
2. **A simplified, student-weighted funding formula** guided by students' different levels of need with the goals of eliminating achievement and opportunity gaps. The State must provide clear dollar allocations by assigning additional "weights" for students from low-income families, English learners, students with disabilities, and rural students.
 - a. *Provide 100% to 200% more (2 to 3 times as much) funding for students from low-income families, than for students from higher-income families.*
 - b. *Provide 100% to 150% more (2 to 2.5 times as much) funding for English learners, with tiers based on student characteristics.*
 - c. *Provide additional and tiered funding to support students with disabilities based on their unique needs and the severity of the disability.*
 - d. *Target resources to districts and/or schools with substantial concentrations of students from low-income families (e.g., those in which more than 75% of students are from low-income families).*
 - e. *Provide additional funding to students who live in rural districts, with clear definitions of rurality.*
3. **An increased level of funding allocated through the state formula**, both overall and to student groups most in need, in order to support a rigorous, high-quality education program for all students.
 - a. Tennessee makes a lower than average effort to fund schools based on the state's ability to support education. Moving forward, we recommend the state invest a similar amount as a state at the national average GDP on a per-student basis, making future funding predictable for planning for districts.
4. **Fairness in allocations** by addressing local districts' ability to pay and providing appropriate funding to districts with low property wealth. This will help make up the difference between what a district needs and what it is reasonably able to contribute based on its ability to raise local revenue.
5. **Robust state and local data systems to ensure that dollars are used well** while providing enough flexibility to allow districts to respond to their local needs and context.
6. **A transparent and simple design to ensure ease in monitoring funding going to districts.** The State should provide information on how the funding system is designed to work in clear, accessible language. Transparency allows stakeholders to engage in conversations about how well the State's funding meets students' needs.

What questions do you have? Let us help find the answers! Click [HERE](#) to ask.

What are key questions to ask of state leaders in the Town Halls or via email?

Policy and Structure:

1. How are we **defining the funding formula** in terms of the State's goals, objectives, responsibility, and potential impact? What is the overarching purpose and the rationale for funding reform?
2. What **range of weights** is the State considering in a new student-weighted formula? For example, will the State consider tiers of weights for students with disabilities, levels of concentrated students from low-income backgrounds, distinctions between English Learners, or ranges of rurality? How high are we willing to dial those weights up for certain categories? Is there a technical difference between student-weighted and student-based?
3. Will the State consider different funding weights by tier level (e.g., elementary, middle, and high school)?
4. Would the State consider a **different way to measure student poverty**? The Direct Certification process does not fully capture the levels of poverty for students in our state.
5. Will the state provide **temporary** hold harmless funding so that districts do not lose funding during the transition to a new formula?
6. Unless the entire BEP framework is re-engineered, State investments will require a **local matching commitment**. Will the State investment still require a local revenue match, and will it be at the same ratio, or will we reimagine the "fiscal capacity" element of the formula?
7. If the local match is still required, how will the state ensure that its expectations for how much local funding high-need, low-wealth communities can contribute is fair?
8. Will **Cost Differential Factor**, which provides additional funding for districts with higher than average cost of living and wages, continue to be phased out, or will another accommodation be put in place to help districts in competitive labor markets?
9. Does the state plan to include **vouchers in the formula** for students to attend private schools with public dollars, or to underwrite homeschooling? If so, under what conditions and with what criteria?

Revenue:

10. Policymakers and advocates are pointing to record surplus revenues for the State as being an opportunity to address the BEP formula. Does the revenue surplus include one-time federal stimulus dollars? And more importantly, how are we thinking about **one-time (surplus) funds vs. a recurring commitment** of State revenue? If it is one-time money, how long will it play out, and what is the plan for sustainability?

Communication:

11. Stakeholders will likely not be able to view all [18 subcommittee meetings](#) online. Can the state **share subcommittee feedback and findings in written summaries** and reports to increase transparency and accessibility?
12. We know that [district leaders will need financial training](#) in order to successfully navigate a new formula. Will the state provide guidance and support on training and professional development to ensure a smooth transition?
13. Once implemented, how will the State **ensure that the new funding formula is transparent** and accessible to stakeholders?

Monitoring & Evaluation:

14. What **monitoring and evaluation strategies** will the State use to assess the new funding formula's adequacy and equity?
15. How will the state incorporate allocations from the new funding formula under the **State Report Card's** Finance tab? Will the State clearly report state funding separately from local funding?
16. Will the State **estimate and report how much additional funding is provided** as the result of each student weight in each school and district?

Interested in learning more?

- Check out our [Dollars and Sense](#), a 7-part series that provides in-depth analysis and training for advocates. You can see recordings, power points, and articles.
- The Education Trust released a fact sheet on [5 Things State Leaders can do to Advance Equity in State Funding Systems](#).
- The Nashville Public Education Foundation created a helpful [brief](#) on the BEP.
- SCORE just released a [helpful report with BEP history and analysis](#).
- The Office of Education Research and Accountability has an interactive [per-pupil expenditures data dashboard, map, and legislative report](#).

What other questions do you have? Let us help find the answers! Click [HERE](#) to ask.