

The Undercount:

Tennessee's Narrow Poverty Definition Shortchanges Schools and Students

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TENNESSEE

teacher licensure candidates across Tennessee were recruited to in focus group interviews. An invitation collected demographic information reflections from 22 candidates of survey respondents, 31% did not participate in a focus group. A sample of questions are included below.

was limited to schools that had a high number of students in 2019.





Who We Count Determines Who Gets Support

We believe that every student — regardless of their race, zip code, or family income — deserves access to a high quality education and the opportunity to succeed.

This access does not arise by chance; it requires systems that actively identify and remove barriers along with policies that direct crucial resources where they are needed most.

To fulfill the promise of public education, we must ensure our funding systems reflect the real needs of our students so no student misses out on the critical resources they need to thrive.

Who We Count Determines Who Gets Support

In 2016, Tennessee revised the process used to identify students from low-income backgrounds.

- This change moved Tennessee to direct certification to identify economically disadvantaged students, replacing the previous free and reduced price lunch measure
- Direct certification uses participation data from public benefits programs such as the Supplemental Nutrition Assistance Program (SNAP, commonly known as food stamps) and the Temporary Assistance for Need Families (TANF) or to identify students living in low-income households.

The Undercount: Tennessee's Narrow Poverty Definition Shortchanges Schools and Students, analyzes how Tennessee defines, measures, and funds this critical student population.

Identifying Economically Disadvantaged Students in Tennessee

Prior to 2016

Student eligibility for free and reduced-price lunch (FRPL) is used as the standard measure of student poverty.

For decades, FRPL participation was used nationally as a proxy for student poverty. Students with incomes up to 185% of poverty could receive reduced-price school meals. **Under this system, 57.9% of students in Tennessee were considered economically disadvantaged.**

2016

Tennessee begins using direct certification to identify economically disadvantaged students.

Direct certification identifies students who reside in households receiving public assistance benefits. This change indirectly lowers the income limit for economically disadvantaged students to 130% of poverty. The percentage of economically disadvantaged students falls by 22.8 percentage points.

2022

Tennessee passes Tennessee Investment in Student Achievement (TISA) formula, moving to a student-weighted formula.

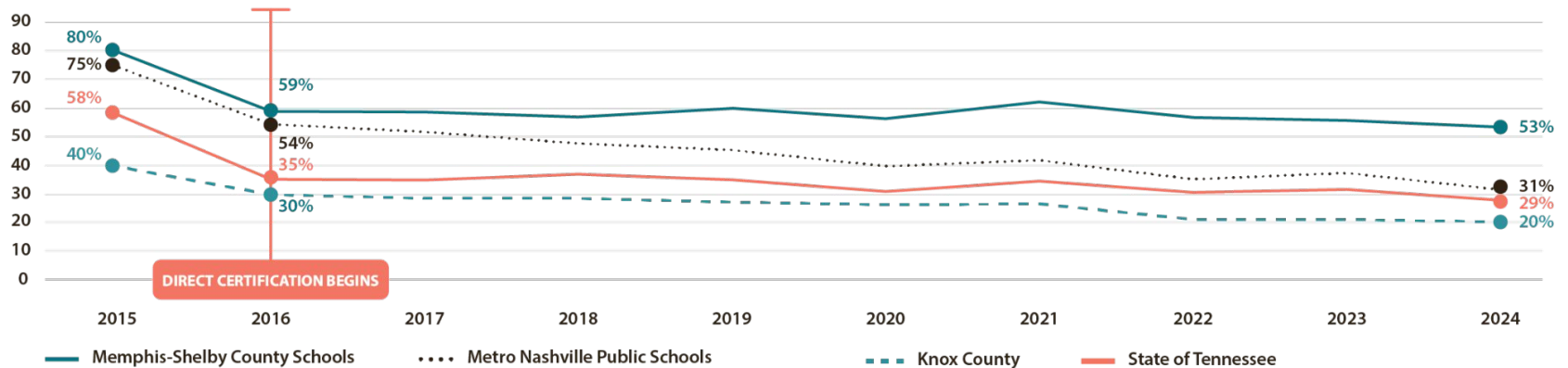
Tennessee now distributes education funding based on student needs. A base level of funding is provided for each student with additional funds allocated for students with additional needs. If economically disadvantaged students are not accurately identified, districts receive fewer dollars to support these students.

2025

Tennessee is falling behind in the methods used in its direct certification process due to failing to access to public benefits or include additional data sources.

While other states have expanded the reach of direct certification, **Tennessee's process of identifying economically disadvantaged students is one of the most restrictive in the nation.** Underestimating the number of economically disadvantaged students has implications for education funding and equity.

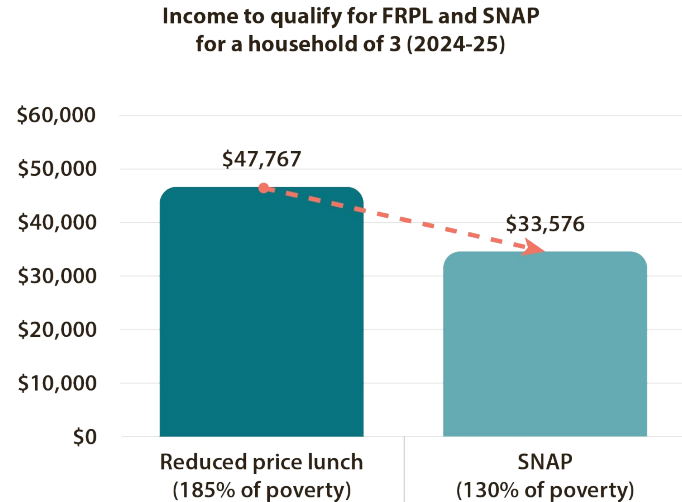
Under Direct Certification Fewer Students are Considered Economically Disadvantaged



Source: Tennessee Department of Education. [Profile Data Files.](#)

Direct Certification in Tennessee Results in Fewer Students Identified as Economically Disadvantaged

- Tennessee's income threshold for SNAP is among the lowest in the country.
- The income limit to receive SNAP in 2024-2025 was lower than the income threshold for a student to receive reduced-price benefits in 2009.
- The income threshold to receive SNAP in Tennessee is those earning less than 130% of poverty. A family of three must earn \$14,000 less annually to receive SNAP benefits than to qualify for reduced-price lunch, the previous measure of economic disadvantage.



Expanding SNAP Access: How Broad-Based Categorical Eligibility Strengthens Direct Certification

- Tennessee is **one of only eight states nationwide** that have not enacted Broad-Based Categorical Eligibility (BBCE).
- States can use BBCE to increase the income limit to receive SNAP benefits. BBCE can also be used to raise or eliminate asset limits.
- Of the 13 states identified by EdTrust-Tennessee as using direct certification as the main method of identifying students from low-income backgrounds as part of their state accountability systems, **Tennessee is the only state that has not enacted BBCE.**
- Research has shown that BBCE increases SNAP participation and the number of students directly certified.

On page 8, view the SNAP Income and Asset Limits and Participation Rate in Direct Certification States.

Strengthening Direct Certification: How the Use of Medicaid Data Improves Direct Certification

- States can control some of the eligibility requirements for public assistance benefits used for direct certification.
- Most other states that use direct certification have expanded the process to allow more students to be directly certified.
- Tennessee's restrictive policies mean that only students with incomes below 130% of poverty are identified, in contrast with other states who identify students up to 185% of poverty.

State Policy	How it works	States
Inclusion of Medicaid Data in Direct Certification	<ul style="list-style-type: none">• Medicaid often has higher income thresholds than other benefit programs.• This allows states to be able to identify students in households with incomes up to 185% of poverty.• In Tennessee, twice as many children receive Medicaid (also known as TennCare) benefits as SNAP.	<ul style="list-style-type: none">• Colorado• Massachusetts• Indiana• Illinois• Louisiana• South Carolina

The Limitations of Tennessee's Direct Certification in Measuring Student Economic Hardship

Economically Disadvantaged Student Population in Direct Certification States using Medicaid Data Compared to Tennessee

State	Total public school enrollment: (2023-24)	Median annual income among households with children (2023)	Children ages 6 to 17 in poverty (2023)	Students considered economically disadvantaged or low-income (2023-24)
Massachusetts	914,958	\$130,200	13%	42%
Indiana	1,032,536	\$87,000	15%	52%
Tennessee	1,003,495	\$82,000	19%	28%
South Carolina	793,860	\$81,000	19%	51%

By failing to expand direct certification, Tennessee's definition of economically disadvantaged students is uncommonly narrow.

Recent Changes To Medicaid And SNAP Eligibility Rules Put Funding for Low Income Students at Risk

- Passed in July 2025, One Big Beautiful Bill Act will cut federal funding and tighten eligibility rules for SNAP and Medicaid. This puts thousands of Tennessee families at risk of losing access to these essential resources.
- SNAP has been a volatile measure of economic disadvantage, requiring special provisions in both **2024-25** and **2025-26** to protect districts from sudden losses of funding.
- Amid the impending cuts, it's critical for school districts to receive continued funding to address the additional needs of students from low-income backgrounds.

Tennessee urgently needs to revise how we identify students from low-income backgrounds to avoid the loss of critical support systems in our schools.

Recommendations

Relying solely on public assistance data to identify needy students and districts masks the reality many students are experiencing across the state regarding financial instability and limits our ability to channel resources where they're needed the most.

To better serve students across the state, policymakers should revise the economically disadvantaged student definition, using these three foundational principles as a guide:

- Comprehensive and Adequate Identification
- Stable Annual Funding
- Inclusive Identification Methods

Recommendations: Comprehensive and Adequate Identification

Tennessee should include additional data to ensure that the direct certification method can identify students with incomes up to 185% of poverty, ensuring that students who are receiving reduced-price school meals also receive additional funding under TISA.

As Medicaid participation data is currently being used to expand access to free and reduced-price meals, Tennessee should consider expanding direct certification for the purposes of TISA to also include students directly certified via Medicaid.

Other programs that could potentially be used to expand the direct certification process include:

- Public Housing and Housing Choice Voucher programs
- Low Income Home Energy Assistance Program
- Earned Income Tax Credit
- Affordable Care Act Health Insurance Marketplace
- Weatherization Assistance Program
- Special Supplemental Nutrition Program for Woman, Infants, and Children

Recommendations: Stabilize Annual Funding

It is essential to ensure consistent funding from year to year by minimizing large annual swings in student counts.

Participation in public assistance programs is a limited and inconsistent measure of student poverty. The imminent changes to funding and eligibility rules of the SNAP and Medicaid programs will reduce participation rates and exacerbating issues with year-to-year volatility.

Tennessee should employ methods that ensure districts experience year-to-year stability in economically disadvantaged student identification. Potential options to consider to stabilize annual funding amounts include the use of multipliers with direct certification counts or U.S. Census Bureau socioeconomic data.

Recommendations: Inclusive Identification

Direct certification is a limited measure of poverty and does not acknowledge the many socioeconomic factors that impact students' academic opportunity and achievement. There are well-documented barriers to public assistance benefits and relying solely on public assistance data may result in underestimations of student poverty in districts with large immigrant populations.

Tennessee should implement a supplemental data collection process that allows students who are not directly certified to receive funding. Implementing an alternative income collection process helps ensure that districts receive the funds they need regardless of public assistance participation.



Read the full report.

Questions?

Contact Emily Bengyak at ebengyak@edtrust.org

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