



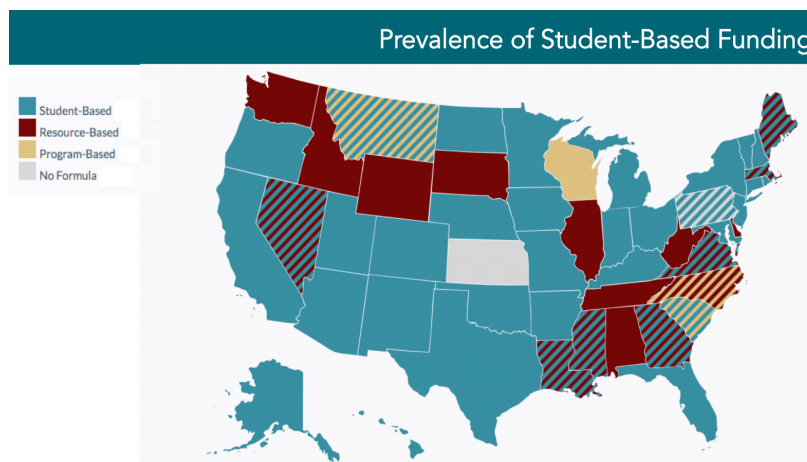
## What We Believe:

- ★ Students have diverse needs.
- ★ Not every student learns the same way.
- ★ Educating students with greater needs will require additional resources.
- ★ Education finance formulas not only determine the level of funding a district gets from state and local sources, but also the choices that districts make regarding how to spend their funds.
- ★ Schools deserve greater simplicity and predictability when budgeting for their students.
- ★ The talented educators and the professionals serving our students are whole human beings, not decimal points earning a single average salary.
- ★ Everything starts with students.

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## Currently: The Basic Education Program (BEP)

The way we currently fund public schools in Tennessee may very well be the cause that leads to the academic outcomes we do not like. Tennessee's Basic Education Program (BEP), a resource-based formula, allocates funding to schools based on the estimated costs of resources such as teacher salaries and benefits, other instructional staff salaries and benefits, classroom supplies, etc. that make up 47 components. Tennessee created the BEP in an era when we did not have access to robust data regarding student needs, as many other states were also moving to resource-based formulas. Over time, lawmakers have amended the BEP by decreasing the student to staff ratio and amending unit costs. Yet with access to unprecedented amounts of information regarding student learning needs, and as educational delivery models evolve, school financing formulas must evolve beyond the amount of money placed in the same antiquated mechanisms.




EdBuild, *Common Sense and Fairness* (2020)


Maybe it is not just about the money that schools are/are not getting but also about the mechanism that sends dollars to schools based on what students need to thrive. Schools have real-time needs to support their students, yet they are currently forced to wait until the legislature tells them one year too late how much money they will receive - often the same relative amount as other districts, regardless of their specific need or situation.

# A New Reality: A Weighted Student Funding Formula

**So what does that look like for students?**



<b>Alicia</b> is an elementary student who has been diagnosed with a severe visual impairment.	<b>Luis</b> is a middle school student for whom English is their second language.	<b>Brandon</b> is a high school student whose family receives assistance through TANF.
Base-Student Cost with a K-3 weight (30%) and severe special needs weight (200%)	Base-Student Cost with an ESL (30%) weight:	Base-Student Cost with a 9-12 weight (30%) and a poverty weight (40%)
$\$5000 + (\$5000 \times .3) + (\$5000 \times 2) = \$16,500$	$\$5000 + (\$5000 \times .3) = \$6,500$	$\$5000 + (\$5000 \times .3) + (\$5000 \times .4) = \$8,500$
<b>\$16,500</b>	<b>\$6,500</b>	<b>\$8,500</b>



A weighted student formula (WSF) starts with what matters most: students. Unlike the BEP that prescribes dollars based on decimal points (ratios) and estimated costs, a WSF prescribes dollars based on a single cost estimated to educate a general education student, then uses a multiplier in the form of weights tied to specific student needs. Weights may include: grade level, at-risk, ELL, SPED, and population density. The image to the left outlines what a WSF looks like for students.

The legislature would set a base student cost, determine weights, and award schools dollars in this more predictable, equitable, simple, and student-focused formula. Schools would still have the spending flexibility they have now under BEP, yet with greater transparency: improving the coding of expenditures so schools must detail how they spent funds intended for students with special needs, ELL students, etc.

## Principles for a Strong Funding Formula

**Adaptability:** Education has changed quite a bit since the 1990s, when the BEP locked educators into a cookie-cutter approach that was designed for calculating school revenue, not for encouraging schools to meet the needs of their students in real-time. A formula must be automatically responsive to changes in demographics and costs.

**Fairness:** Funding should be targeted to districts in accordance with student needs, and district spending decisions should also be guided by students' different levels of need. If one district is given more funds than another district with similar student needs, then district and school leaders will naturally view the system that finances them as inequitable. If they do not receive equitable resources, then they will struggle to believe in the accountability standards that they share with a similar but better-funded district.

**Flexibility with Transparency:** Many praise the spending flexibility offered by the BEP, yet there exists very little transparency in the current formula. While district and school leaders must be empowered with the flexibility to operate and educate in the way that meets the needs of their students and communities, if districts receive adequate funding for all students and for each category of students, then their spending should reflect students' needs. Expenditure reporting should therefore be aligned with student need categories to hold districts accountable for supporting students commensurate with their needs and to hold legislators accountable for funding districts based on the students they serve.

**Simplicity and Predictability:** A statewide formula dependent on the cost estimate of 45+ different resources leads to an inability for districts to plan long-term. Additionally, the way the BEP calculates local contribution, a change for one county means a change for all counties. The only changes that should predict revenue are changes in student demographics and characteristics. A strong formula will force districts to think of their students first when they submit funding requests.