

Supporting District Leaders To Leverage TISA For Student Success

Winter 2022

Introduction And Background

Tennessee modernized its education finance system to allocate funding for students' unique learning needs through passage of the Tennessee Investment in Student Achievement (TISA) Act during the 2022 legislative session. This legislative reform reflects Tennessee's longstanding commitment to improving education outcomes. Building upon the prior decade's implementation of high academic standards, rigorous annual assessments, and a multiple-measure accountability system, TISA advances our collective belief that all students should have equitable opportunity to succeed in school, postsecondary education, and life.

As Tennessee prepares to operationalize TISA beginning in the 2023-24 school year, this memo is intended to provide examples of how districts can evaluate current practices and explore research-backed best practices sourced from across the country in order to leverage TISA to best serve students. While there is a growing consensus in education research since 2015 that increased funding to address student learning needs can significantly improve academic achievement, high school graduation rates, and life outcomes for students, there is substantial opportunity for district leaders to lead the way on how to make that a reality as they respond to their unique district context.¹ Given the key policy shifts in TISA, there are several potential implementation goals that district leaders should keep in mind:

1. **Better Targeting To Student Need:** TISA moves Tennessee to a student-weighted funding formula prioritizing students with additional needs. For implementation, this increases the focus on how districts better target funding and resources to students with additional needs.
2. **Using More Yet Finite Funds Well:** TISA includes a historic \$1 billion recurring investment in state K-12 education funding over two years. For implementation, this increases attention on how well districts spend resources to advance student outcomes.
3. **Reporting That Builds Public Confidence:** TISA legislation outlines several new reporting requirements for TDOE and school districts. For implementation, this gives districts an opportunity to be strategic and forward looking to help various stakeholders understand the connection between funding, expenditures, and student outcomes.

As district leaders know and do in some form today, there are several key strategies to consider in order to plan for how to ensure resources are best serving students. These are:



Know Your Students: Establish a data-driven understanding of student needs and align system goals and priorities.



Know Your Investments: Inventory and evaluate existing strategies based on your priorities, student need, cost, and impact on students to maximize the impact of finite resources.



Know Your Resource Strategy: Align resources with student needs and define a clear process for resource allocation.



Tell The Story: Capture the process, outcomes, and decisions made to tell the district's story and prepare for reporting.

Implementation Strategies For FY2024 And Beyond

Transitioning to a new formula and investing new dollars in ways that improve student success will take dedicated effort and time. While it is unlikely that a school district will completely transform its spending strategy in a single cycle, there are several steps that district leaders can take over time to make the most of this historic transition.



Strategy 1: Know Your Students — Establish a data-driven understanding of student needs and align system goals and priorities.

While every district leader in Tennessee knows the students in their district, to date not all districts can easily communicate how their approach to allocating resources to individual schools — specifically staff and additional funding — connects with student needs. Based on new legislatively required TISA reporting, there will be an increased expectation for school districts to demonstrate how funding, expenditures, and outcomes are aligned to student need, which will require districts to reorient how they organize, make decisions, and report on expenditures.

In order to establish a data-driven understanding of student need to drive TISA implementation, districts must analyze and share key data insights, develop a needs assessment that includes stakeholder engagement, and build capacity to manage and analyze data.

Implementation Tips

- **Inventory your data and processes.** Take stock of your existing practices related to data collection. See [Appendix A](#) for a list of sample data and uses.
- **For each major data point, consider the following:**
 - **Type:** What does this data tell you?
 - **Responsibility:** Who is responsible for collecting and reporting it?
 - **Use:** How is it used currently in the district, especially as it relates to existing resource allocation and programming decisions?
 - **Collection:** When is it collected and how often is it updated?



- **Determine needs assessment feasibility and process.** While many districts recently conducted needs assessments as required by the federal relief funding process, districts should consider completing an updated needs assessment to reevaluate how the needs of the district have evolved as we have emerged from the pandemic. This may require additional capacity to engage a wider range of stakeholders as well as facilitating internal discussions that build confidence in how the district describes the nuances of student needs. See [Appendix B](#) for a sample grid of a needs assessment analysis, including questions and possible analyses your district could conduct.
- **Collect stakeholder feedback.** Regardless of how your district chooses to conduct a needs assessment, collecting stakeholder feedback — from staff, students, parents, community groups and partners, business leaders, and elected officials — will be key to determining how your district may need to shift its resource allocation decisions to align with student needs and improved outcomes.
- **Increase capacity for data analysis.** Consider how your district can leverage a data analyst position or purchase flexible analytical capacity to provide fiscal and programming evaluation for your finance and academics teams. See [Appendix C](#) for a sample job description.
- **Create a data repository.** After auditing the data you collect, designate a person or department to create a universal access file or folder for key departments in your central office. Create key insights about the data — such as year-over-year enrollment trends and projections or teacher experience levels and turnover rates by school — to allow staff to be able to use it to inform decision-making processes in the future.
- **Set new or revise existent district goals and priorities.** The purpose of this data analysis, needs assessment, and stakeholder engagement work is to have a data-driven and nuanced set of goals and investment priorities that align with resource allocation methods. Stakeholders' understanding of that alignment and confidence in district investment approaches require this first set of work to be done well.

Example In Practice

District A (an urban school district in the southeastern United States with approximately 20,000 students) conducted a comprehensive needs assessment to prepare for sustainable investments of ESSER funds while facing declining student enrollment and decreasing revenues. District leaders used existing data to conduct analyses around:

- Enrollment and attendance trends to inform revenue forecasts
- Staffing ratios between schools to determine equitable access to effective teachers
- Salary disparities and central office structuring among similarly situated districts in the region to measure the need for additional financial investments or structural changes at the central office

These analyses, coupled with substantial stakeholder feedback, will inform key decisions the district will make regarding potential school closures, budget cuts or enhancements, and program sustainability post-ESSER.





Strategy 2: Know Your Investments — Inventory and evaluate existing strategies based on your priorities, student need, cost, and impact on students to maximize the impact of finite resources.

Federal ESSER funds presented an unprecedented opportunity to innovate and learn. Coupled with the new influx of state TISA dollars, district leaders will need to decide what investments they should sustain in the longer term and how to do that absent federal aid. District leaders should gather data to help determine what work they should sustain and what tradeoffs they can make to invest in the most effective practices, if needed.

Research has shown that multiyear budget planning is an important component not only for improving student outcomes, but also for maintaining the district’s fiscal health.² As districts prepare their budgets each cycle, it is critical to have a clear process in place to make evidence-based decisions about which investments to begin, continue, or ultimately end. [Appendix D](#) includes a list of potential research and data-driven investments for consideration based on how school districts have potentially invested ESSER funds.

In order to evaluate investments, districts must engage in program evaluation with a broad set of stakeholders, take a multiyear view of budget planning, and document these processes to coordinate financial and academic strategies.

Implementation Tips

- **Ensure the appropriate stakeholders are part of program evaluation and are empowered to provide candid feedback.** Consider how to integrate academic and fiscal leadership teams so that the cost of programming is also considered during these evaluations. For example, if a district implemented high-dosage tutoring using ESSER funds and saw measurable success for students who participated in four-to-one sessions, ask your finance office to calculate the likelihood of affording the program as is with state/local TISA funds or whether the district could afford to implement it successfully at a slightly higher student-to-teacher ratio. Staff to consider including in these conversations are program implementers, finance, human resources, and research and analysis.
- **Begin identifying programs for multiyear budget planning.** Many districts plan their budgets on a year-over-year basis, adjusting for costs based on the upcoming year’s needs. With many external variables impacting districts’ budgets — declining public school enrollment in some areas, labor shortages, and higher costs due to inflation — districts should consider how to incorporate multiyear projections into their budget planning processes. Confirming processes for enrollment projections and identification of programs that will sunset or expand in the coming years will help finance and academic offices plan for future student needs.
- **Document the process** for evaluating current initiatives and what is needed for a new initiative proposal and investment decision. Use this information to work with your team on how to prioritize and evaluate current programs so that programs that are not positively impacting students can be considered for elimination, freeing up funds for more impactful investments.
- **Establish a process of cross-coordination between finance and academics.** Under TISA, school districts are now required to annually report on how their budget and expenditures for prior school years enabled the district to make progress toward established student achievement goals.³ To do this, finance departments must work collaboratively with the



programs and academics divisions so that both perspectives are able to inform the district’s strategy for aligning resources with student need. The shared understanding and joint work will enable the district to make important trade-offs, identify alternative approaches, and maximize finite resources.

Potential questions that could be part of a program evaluation:

Elements	Intended	Actual
Investments	What do we plan to invest in?	What did we invest in?
Major Cost Factors	What resources are needed to implement this investment?	What resources were used to implement this investment?
Students Served	How many students does the program plan to serve?	How many students were served?
Cost Per Student Served	What is the expected cost per student group served?	What was the actual cost per student group served?
Desired Outcomes	Short-term: What outcomes do we expect? Long-term: What outcomes do we want?	Short-term: What outcomes did we observe? Long-term: What outcomes do we need to adjust?
Anticipated Risks	What might prevent this investment from succeeding?	What prevented this investment from succeeding? What adjustments did we/should we make?

Example In Practice

District B (a midsize district with approximately 14,000 students in the western United States) evaluates their K-8 after-school programs annually to identify outcome measures and modify program activities based on findings. This evaluation process is conducted to not only show improvements in academic scores (literacy and math) but also to refine, strengthen, improve, and enhance program operations. In order to ensure sustainability of the after-school program and allow for the greatest return on investment, this annual review aims to address findings by modifying or supplementing program operations/activities. In 2010 the data showed that not only were student outcomes improving (45 percent and 48 percent of students increasing a level on statewide ELA and math tests, respectively, with the majority of the remaining participating students maintaining similar levels of achievement) but that there was an increase in student enrollment generally. The report also showed that school discipline incidents decreased and school attendance rates increased. The 2010 evaluation led to the district hiring additional recreational leaders to maintain appropriate adult-to-student ratios in addition to providing more in-house staff training opportunities based on English Language Development (ELD) instruction for after-school teachers. Read the full [outcome measures and evaluation plan report for 2010](#).





Strategy 3: Know Your Resource Strategy — Align resources with student needs and define a clear process for resource allocation.

To build community investment in the district’s vision for student success, district leaders must be able to clearly communicate to external stakeholders how they are allocating resources to each school. While the BEP was also a funding formula and not a spending plan, the resource-based structure of the BEP provided a loose framework for stakeholders to understand how dollars aligned to specific resources. In the absence of this framework, districts will have both the freedom to choose how to allocate funding to their schools, as well as the responsibility of communicating how spending aligns to student need.

The transition to TISA presents a critical opportunity to consider how and why your district determines which resources flow to which schools and which additional levers you can pull to provide the resources your students need. Although personnel comprise approximately four of every five dollars in a district’s budget⁴, districts can be strategic about the way they organize time, the materials they choose to purchase, the programs/services they implement, and the partnerships they establish with community groups.

Questions to consider:

- What data do you use to inform your allocation processes?
- Who is involved in the decision-making processes around which staff and what resources flow to schools?
- If a stakeholder asked for documentation to explain how your district allocates staff and resources to schools, could you readily provide that information?

The two examples of resource allocation processes profiled below can be implemented on a spectrum — with a comprehensive staffing model on one end and a full student-based budgeting model at the other. As no two districts in Tennessee are alike, the resource allocation process can be expected to differ between districts. However, the end goal of having and articulating the district’s approach will increase confidence that districts are shifting additional resources to meet additional student need.

Resource Allocation Approaches

Resource allocation processes should reflect the unique context of a school district and its goals. Factors such as enrollment, central office and school site capacity, and local funding considerations will influence what process changes are needed or possible. The allocation processes described here function as two ends of a spectrum and can exist in hybrid forms.

Regardless of the approach, districts should be able to:

1. **Describe the process:** Describe the resource allocation process in ways that nonfinance leaders can understand.
2. **Target to student need:** Articulate how additional resources — staffing, programming, or other supports — are targeted to students with additional learning needs, as well as additional opportunities to further target funding in the current and upcoming budget cycles.
3. **Explain school-level per-pupil spending differences:** Explain how the process and resource allocation decisions drive differences in school-level per-pupil spending data. These data allow a broad range of stakeholders to understand district finances and build confidence in district decisions.



Comprehensive Staffing Allocation Model

Likely the most common method of allocating staff and resources to Tennessee public schools today, this method provides staff based primarily on school enrollment. For example, school staff allocations are based on formulas such as:

- **Flat:** One principal per school regardless of enrollment
- **Ratio:** One teacher per twenty-five students
- **Hybrid:** One custodian per school, with additional positions allocated based on square footage or enrollment

Student-Based Budgeting (SBB) Model⁵

Used currently in Memphis-Shelby County Schools and Metro Nashville Public Schools, this method relies on a student-weighted funding formula to allocate dollars — not staff or resources — to schools based on student demographics and positions school-level leaders to make substantive budget decisions. Nationally, many districts utilize SBB in a hybrid budgeting approach, directing 30 to 50 percent of their budget based on student need.

	Comprehensive Staffing Allocation	Student-Based Budgeting
What component of this model is transparency centered on?	Staffing. This model is focused on how teachers and other educators are deployed, usually driven by decisions regarding student-teacher ratios and sometimes with student need in mind (i.e. lower ratio for high-ED population schools).	Dollars. This model is focused on how dollars represent student need and allows for simpler interpretation of how dollars flow to schools. Better aligned to per-pupil expenditure reporting.
Who makes the majority of budgeting decisions?	Central office.	Central office and school leaders. SBB requires substantial shifts in school leader preparation, support, and capacity as well as central office leaders rethinking their roles to support schools and school leaders.
What is the complexity of the transition to this model?	Low. This is likely the current approach in most districts, with opportunities to better align staffing allocations with student need and improve accounting for actual expenditures.	High. Requires a shift to allocation of dollars, the development of a district formula based on weights, and change management with school and district leader roles.
What types of districts is this most suited for?	School districts where average school size is smaller and those with less variation in student needs between schools.	School districts where average school size is large and those with substantial variation in student needs between schools.



In order to align resources with student needs and explain resource strategy, districts must document the resources available to a district, document and evaluate current allocation methods, and build buy-in for structural shifts in future years.

Implementation Tips

- **Document the resources available to your district.** Work with your district teams to identify all funding sources that are available to meet student needs, such as additional federal and community grants. Inventory additional resources beyond funding (e.g., staff, bell schedules, or instructional materials) and evaluate if they are being leveraged to their full potential.
- **Document the current method** your district uses to allocate funds to schools, which is likely based on student enrollment and class size requirements.
- **Evaluate your current method** against other models that prioritize student need. Districts are empowered to design and implement their own allocation and spending plans to best support their students. For example, districts could restructure resources to better target them based on schools with the lowest academic performance, absentee rates, or highest concentration of certain categories of students, such as English learners or economically disadvantaged students, by comparing their current methods with newer approaches described above.
- **Document the buy-in that would be necessary** at the school, central office, and school board level to make structural shifts in resource allocation.



Strategy 4: Tell The Story – Capture the process, outcomes, and decisions made to tell the district’s story and prepare for reporting.

TISA gives districts an opportunity to reframe and restructure allocation processes, and it is important that district leaders articulate, both internally and to their communities, what they hope to achieve with all of their funding, including the new state funds under TISA. District leaders have a unique opportunity to designate priorities, design processes, and define success.

New reporting requirements under the TISA legislation provide districts an opportunity to explicitly outline strategic priorities and draw a clearer line between student needs and the funding tied to those specific investments. However, the reports will also put a spotlight on district spending decisions like never before. As such, these reports cannot only be completed for compliance. Instead, districts should leverage reporting requirements to further their strategic vision and define their narratives before others write the story for them. State-mandated reporting requirements can be an opportunity to tell individual district stories in a way that captures context and is rooted in strategic decision-making.

In order to share the district’s story and prepare for reporting, districts must engage district and school leaders around implementation, lifting up the data insights that drive the resource strategy, and communicate the strategy with a broad set of stakeholders.

Implementation Tips

- **Identify leaders in your districts and schools to begin the work described above and develop a strategy for implementation.** Shape your story based on resource allocation and programming determinations. Determine what approaches and changes to implement based on what outcomes you hope to achieve.



- **Begin the process of meaningfully engaging with your team and identifying the data that will be required to tell your story in upcoming years.** Ensure that reporting is aligned around a shared vision. For example, if your district has implemented a program to address chronic absenteeism, you must communicate both the intent of the program and the measures that will be used to monitor progress to school-level staff responsible for implementation. Incorporating the finance/operations and human resources teams into these discussions allows for shared ownership of the work beyond the academics team and creates an environment where cost can be incorporated into the evaluation process as well.
- **Communicate your story with your stakeholders.** Update your school board, develop a communications plan that is associated with any evaluative or decision-making changes you plan to implement, and engage with stakeholders for feedback. One [example of a communications plan](#) comes from Education Resource Strategies. While focused on ESSER communications, the structure of defining the opportunity, elevating priorities, deep diving on one or two of those priorities, and articulating a long-term strategy could be a helpful guide.

Conclusion

School districts in Tennessee are poised to make a substantial shift in resource allocation practices and investment priorities to better meet student needs with the passage of TISA. The new student-weighted funding formula provides added flexibility in how district leaders choose to support students — and raises expectations on those decisions. The FY2023-24 budget cycle presents a first and major opportunity to assess and explain the connections between a district’s strategic priorities, its expenditures, and expected student outcomes, giving district leaders a unique opportunity to define what happens next. While district leaders continue to plan, it is time to think holistically about the district’s resources and processes to be able to communicate district strategy and help all stakeholders understand how to maximize resources to address student need.

Supplementary Resources

[Appendix A: Sample Data List](#)

[Appendix B: Needs Assessment Analysis Sample](#)

[Appendix C: Data Analyst Job Description](#)

[Appendix D: Potential Research And Data-Driven Investment Priorities](#)

¹ Candelaria, Christopher A., and Kenneth Shores. Court-Ordered Finance Reforms in the Adequacy Era: Heterogeneous Causal Effects and Sensitivity. *Education Finance and Policy* (2019); Lafortune, Julien, Jesse Rothstein, and Diane Whitmore Schanzenbach. School Finance Reform and the Distribution of Student Achievement. *American Economic Association* (2018); Jackson, Kirabo C., Rucker C. Johnson, and Claudia Persico. The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms. *The Quarterly Journal of Economics* (2016); Rothstein, Jesse and Diane Whitmore Schanzenbach. Does Money Still Matter? Attainment and Earnings Effects of Post-1990 School Finance Reforms. *Journal of Labor Economics* (2022).

² Williams, Ann C., and Thomas A. Kersten. Strategies to Maintain School District Financial Solvency: Illinois School Business Officials’ Recommendations. *International Journal of Education Leadership Preparation*. (October 2013)

³ Tennessee Code Annotated 49-3-112(a)(2)

⁴ SCORE analysis of personnel data from 2021 Annual Statistical Report, Tennessee Department of Education.

⁵ Education Resource Strategies. Transforming School Funding for Equity, Transparency, and Flexibility: An Introduction to Student-Based Budgeting. (September 2018); Jarmolowski, Hannah, Chad Aldeman, and Marguerite Roza. Do Districts Using Weighted Student Funding Formulas Deliver More Dollars to Low-Income Students? *Peabody Journal of Education*. (September 2022).

