

# Informing the Conversation: Federal Education Funding in Tennessee

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As of spring 2025, proposed changes to federal and state education systems are on the horizon. In March, President Donald Trump issued an executive order for the U.S. Secretary of Education to take steps to “return education authority to the states, while continuing to ensure the effective and uninterrupted delivery of services, programs, and benefits on which Americans rely.”<sup>1</sup> While most public education decisions are already determined at the state and local levels, **this executive order is expected to shift the structure of programs and funding currently administered by the federal department of education.**

As these changes unfold — and much is still unclear about their impact — it is important for Tennessee stakeholders to understand the various current federal education funding streams. This memo offers an overview from the most recently completed fiscal year for K-12 (2023-24) and higher education (2022-23). This brief is also the first in a series of resources that SCORE will share to help inform Tennessee stakeholders as conversations and changes occur at the federal level.

## TENNESSEE K-12 EDUCATION FEDERAL REVENUE

**For the 2023-24 school year, Tennessee public K-12 education received just over \$2.49 billion from the federal government, accounting for 16.42% of total Tennessee K-12 education dollars.**<sup>2</sup> Of that total, approximately \$2.4 billion was received by the state and passed through to districts, while \$85 million was received directly by districts. More than \$1 billion of those funds were for COVID emergency relief, without which the total K-12 education federal funding was just over \$1.4 billion.

Additional areas of interest for Tennessee stakeholders include \$20 million received in 2021 for a Connected Literacy grant and \$24.67 million received in 2022 for a competitively awarded Charter Schools Program (CSP) five-year grant to support new charter schools and the replication and expansion of high-quality charter schools.<sup>3,4</sup> **Financial reports show that rural school districts and charter schools are currently more reliant on federal funds than other districts and schools.**<sup>5,6</sup>

The table below outlines the categories of federal funding that Tennessee received for K-12 education for the 2023-24 school year, based on the 2024 Tennessee Department of Education Annual Statistical Report.

Source	Total Federal Funding	Purpose
Title I	\$343,195,059	Programs for disadvantaged students “to provide all children significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps”
Title II	\$38,804,610	Programs for teachers, principals, and school leaders, including supports for literacy, American history, and civics education
Title III	\$9,615,911	Programs to support English language acquisition for English learners
Title IV	\$3,453,697	Programs to support well-rounded education, safe and healthy students, technology, after-school instruction and care, charter schools,* magnet schools, family engagement in education, and other national activities
Title V	\$1,824,171	Programs to support rural education
Title VII	\$4,107,763	Programs to aid local school districts to support students living in low-rent housing, military bases, and other federal properties
Individuals With Disabilities Education Act (IDEA)	\$268,478,330	Programs to support special education and services to children with disabilities, as mandated by state and federal law
COVID emergency relief	\$1,076,752,669	Programs to support student learning loss, recovery, and rebuilding efforts after the COVID-19 pandemic
Vocational education	\$29,289,779	Programs to support career and technical education
School food	\$536,508,896	Programs to support child nutrition provided by U.S. Department of Agriculture, including meals, snacks, and administration
Adult education	\$1,472,188	Programs to support adult education
McKinney Vento	\$2,334,619	Programs to support children and youth experiencing homelessness
Other	\$89,007,316	Additional funding for various education programs and initiatives, unspecified in the Annual Statistical Report
Direct federal	\$85,181,908	A portion of funds are distributed directly from the federal government, including impact aid to assist school districts that have lost property tax revenue due to the presence of tax-exempt federal property
<b>Total</b>	<b>\$2,490,026,917</b>	

\*CSP grants for charter management organizations (CMOs) and state entities are authorized under Title IV, part C of Every Student Succeeds Act (ESSA).

## TENNESSEE HIGHER EDUCATION FEDERAL REVENUE

For the 2022-23 fiscal year, Tennessee public institutions of higher education received just over \$1.64 billion in federal funding, comprising approximately 39% of the total Tennessee higher education operating budget.<sup>7,8</sup> More than \$182.3 million of these funds were for COVID emergency relief, without which total federal funding for higher education was just over \$1.46 billion. Of that total, most was devoted to student financial aid, such as federal Pell grants, at \$907.61 million. The federal government also plays a role in student loan issuance, with 891,000 Tennessee students holding \$33 billion in current and outstanding loans.<sup>9</sup>

In addition to funding for higher education, Tennessee also receives federal funds from the U.S. Department of Labor to improve employment opportunities for young people. Tennessee received \$14.1 million in 2023 and \$14.7 million in 2024 from the Workforce Innovation and Opportunity Act (WIOA) for youth activities that bridge education and workforce preparation.<sup>10</sup>

The table below outlines the categories of federal funding that Tennessee received for higher education for the 2022-23 school year, based on the 2024 State of Tennessee Federal Receipts Report.

Institution	Total Federal Funding	Institution	Research & Development	Financial Aid	COVID Emergency Relief
Austin Peay State University	\$129,573,114	\$6,572,687	\$3,083,813	\$60,284,321	\$59,632,293
East Tennessee State University	\$122,685,749	\$12,171,123	\$10,852,736	\$92,783,788	\$6,878,101
Middle Tennessee State University	\$107,231,492	\$4,358,185	\$4,453,162	\$88,973,334	\$9,446,811
Tennessee State University	\$99,104,852	\$9,252,821	\$61,832,776	\$23,419,255	\$4,600,000
Tennessee Tech University	\$59,401,951	\$4,630,192	\$10,015,212	\$43,036,934	\$1,719,613
University of Memphis	\$169,355,468	\$30,036,189	\$43,948,837	\$80,651,892	\$14,718,550
University of Tennessee System	\$697,132,577	\$105,831,764	\$223,193,699	\$361,285,225	\$6,821,889
Community Colleges (13)	\$203,189,116	\$14,474,182	\$177,103*	\$130,258,189	\$58,279,642
Tennessee Colleges of Applied Technology (26)	\$56,660,119	\$9,524,170	\$0	\$26,916,850	\$20,219,099
<b>Total</b>	<b>\$1,644,334,438</b>	<b>\$196,851,313</b>	<b>\$357,557,338</b>	<b>\$907,609,788</b>	<b>\$182,315,998</b>

\*Only one community college reported receipt of research and development federal funding.

## References

- 1 *Fact Sheet: President Donald J. Trump Empowers Parents, States, and Communities to Improve Education Outcomes*. The White House. (March 2025).
- 2 *2024 Annual Statistical Report*. Tennessee Department of Education. (2024).
- 3 *Tennessee Federal Education Funding Report: Grants and Requirements*. Tennessee Department of Education. (February 2023).
- 4 *Charter Schools Programs (CSP) Planning & Implementation / Replication Subgrants Introduction Webinar*. Tennessee Department of Education. (March 2024).
- 5 *Federal Funding for Tennessee's School Districts*. The Sycamore Institute. (August 2023).
- 6 *State of Tennessee Federal Receipts Reporting and Plan of Potential 5%, 25%, and 100% Federal Estimate Reductions for State Fiscal Year 2022-2023*. Tennessee Department of Finance & Administration. (January 2024).
- 7 Ibid.
- 8 SCORE analysis of *Transmission of FY2024-25 Revised Operating Budgets*. Tennessee Higher Education Commission. (February 2025).
- 9 *Summary: Investments and Reach of the U.S. Department of Education*. USDOE. (January 2025).
- 10 *Program Year (PY) 2024 Workforce Innovation and Opportunity Act (WIOA) Title I Allotments*. Federal Register. (May 2024).