



The Basic Education Program

***How the Volunteer State's
Education Funding Formula
Doesn't Make the Grade***



Key Takeaways

- While 75 percent of states (and the District of Columbia) use some form of student-based funding, Tennessee does not. By adopting complete student-based funding at both the state and district levels, Tennessee could be a leader in education funding.
- Tennessee's current funding model unfairly assumes districts generally have the same needs, regardless of student individuality, location, and demographics.
- The state's mechanism for calculating a district's fiscal capacity uses two separate indices, resulting in complicated and outdated calculations. These indices and nearly 50 different components give Tennessee the most complex education funding formula in the nation, leading to confusion and inequities.
- Shelby County Schools and Metro Nashville Public Schools already use student-based funding at the district level to better serve students and to allow for more school autonomy. Lawmakers can look at the lessons learned in these districts as a basis for statewide reform.

Introduction

Although school funding discussions usually center around how much is allocated to schools, very rarely do people understand the amount that actually goes to K-12 education, and even fewer understand how those dollars are calculated.¹ During the 2019-2020 school year, the grand total of all expenditures for Tennessee public schools was \$11,496,616,594—more than double the amount spent on education in 1992, even after inflation, according to a recent report.² Yet much of these funds did not make it to the classroom, with the Beacon Center's recent report, "A Little Less Conversation...A Lot More Spending" finding that only 53 percent of operating

expenditures were spent on instruction, much less than the national average of 60 percent.³ This shortcoming is due in part to the large growth in administrative positions and expenditures, which are keeping ever-increasing amounts of taxpayer dollars from reaching the place where they can have the biggest impact: the classroom.

If Tennessee is investing more each year in education funding, yet nearly half those dollars do not make it to the classroom, it begs the question of how public education is funded in the first place.

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- 1 Drew Catt, John Kristof, Paul DiPerna, "2021 Schooling in America." EdChoice. September 2, 2021. <https://www.edchoice.org/wp-content/uploads/2021/08/2021-Schooling-in-America-PROJECT.pdf>.
 - 2 "2020 Annual Statistical Report." Tennessee Department of Education. <https://www.tn.gov/education/data/departments-reports/2020-annual-statistical-report.html>; Jon Styf, "K-12 education funding has doubled in Tennessee since 1992." *Washington Examiner*. October 4, 2021. <https://www.washingtonexaminer.com/politics/k-12-education-funding-has-doubled-in-tennessee-since-1992>.
 - 3 Ron Shultis and Jason Edmonds, "A Little Less Conversation...A Lot More Spending." Beacon Center of Tennessee. August 25, 2021. <https://www.beacontn.org/a-little-less-conversation-a-lot-more-spending/>.

The BEP: A Long, Complicated History

On October 8, 2021, Gov. Bill Lee and Education Commissioner Penny Schwinn announced a review of Tennessee's education funding formula, the Basic Education Program (BEP), with the goal of making education funding fairer for students and more understandable.⁴ Due to the BEP's complexity, the nearly three-decade-old formula has long been a contentious point for lawmakers and school officials.

Adopted in 1992, the BEP is very difficult for virtually everyone to understand. A county government consultant with the University of Tennessee Institute for Public Service tasked with explaining the BEP to local elected officials called it "too complicated for most people to understand, including those involved in education funding."⁵ These observations are nothing new. In 2007, Gov. Phil Bredesen remarked that the funding formula was too complex for average Tennesseans. "The state/local split...is determined by a fiscal capacity formula that is outdated and obscure," he said. "Rather than being plain spoken and clear, it uses regression analysis to calculate coefficients."⁶

Though two significant changes have been made to the BEP since it first became law, these changes had little to do with student needs, and have made the BEP formula even more complicated than when Gov. Bredesen made his statements. Gov. Bredesen's changes in 2007, called BEP 2.0, brought forth hundreds of millions in additional education funding—though the system, not students, remained the focus.⁷ The governor's press release on the bill stated that the changes were "designed to put schools first."⁸ While the legislation did change

some student-to-staff ratios, other aspects were never implemented due to the recession.

The second change, dubbed the BEP Enhancement Act, came in 2016 under Gov. Bill Haslam. This legislation added millions more in education funding through increased teacher salaries and sought to better serve high-need student populations through new classifications. It also solidified the formula's complexity by putting in statute that two models would determine a county's fiscal capacity, a measurement of a local government's ability to raise revenue for education.⁹ While these adjustments by both administrations took a step in the right direction by increasing the per-pupil funding for at-risk students, they unfortunately left the underlying principle of the formula the same: funding the system, not the students.

If governors, legislators, and even those tasked with explaining the formula all find it "complicated" and "exceedingly complex," how could one expect the average Tennessean to understand how public schools are funded in the state and how much their child receives? Why is Tennessee's formula so complex? Because Tennessee, along with a handful of other states, utilizes an antiquated and complex system called a "resource-based" approach.

4 Kimberlee Kruesi, "Tennessee leaders to review education funding formula." *U.S. News & World Report*. October 8, 2021. <https://www.usnews.com/news/best-states/tennessee/articles/2021-10-08/tennessee-leaders-to-review-education-funding-formula>.

5 Linda A. Moore, "County Commission gets three-hour briefing on school funding." *Commercial Appeal*. May 19, 2015. <https://www.commercialappeal.com/news/schools/county-commission-gets-three-hour-briefing-on-school-funding-ep-1088954621-324396851.html>.

6 Hank Hayes, "BEP reforms aim to equalize school funding." *Times News*. May 4, 2007. https://www.timesnews.net/news/local-news/bep-reforms-aim-to-equalize-school-funding/article_94fd9113-3a67-540d-94ac-0fca809abelb.html.

7 "BEP 2.0 Passes Legislature, Ramsey Calls It 'Very Happy Day'." *Chattanooga.com*. May 31, 2007. <https://www.chattanooga.com/2007/5/31/108253/BEP-2.0-Passes-Legislature-Ramsey.aspx>.

8 "BEP 2.0 - Fair, Sustainable, Accountable: Governor Unveils Plans for BEP Overhaul." Tennessee Governor's Communications Office. May 3, 2007. <https://www.scribd.com/document/43880/050307-BEP-2.0-Release-Speech-and-Spreadsheet>.

9 "BEP Changes Mean Significant Revenue Coming to Counties." Tennessee County Services Association. 2016. https://tncounties.org/Public/Publications_Library/TEST_March-April_2016/BEP_Changes.aspx.

Solving School Funding Formulas

Across the country, there are three commonly recognized K-12 funding models.¹⁰ Twenty-eight states and the District of Columbia use a student-based formula (also called weighted student funding, student-based budgeting, student-centered funding, or foundation funding, among other monikers), making it by far the most common approach. Student-based funding formulas address a student's needs and funds them accordingly. These formulas generally provide a set base amount per student while additional funds are given for students who have higher needs or fall into specific populations. For example, Hawaii's formula has a base rate of \$4,491 per student, yet students from economically disadvantaged households receive an extra \$449 in funding.¹¹ Those who are English-language learners (ELLs), have special needs, or have other characteristics would receive additional funding as well.

Ten states, including Tennessee, use a more complex funding model that focuses on resource allocation over students' needs. A resource-based model distributes funding based on the estimated resources needed for student enrollment. In its simplest form, a resource-based model would say "X" number of students equals "X" number of teachers, yet it is never this straightforward. This approach has several pitfalls, especially when looking at how resource ratios are used. For example, if a formula calls for one teacher for every 20 students, a grade of 30 students would receive funding for one and a half teachers, resulting in local school districts either increasing class sizes or hiring more teachers with local dollars. Because of arbitrary cutoffs in ratios, staff funding levels are greatly influenced by the state and can fail to address local student needs.

The remaining funding model is a program-based formula, which estimates the cost of specific programs and initiatives in each district without itemizing resource or student costs. Wisconsin is the only state to use this model as its primary funding mechanism, with Montana, North Carolina, and South Carolina using parts of program-based funding in their hybrid models.

School Funding Approaches by State

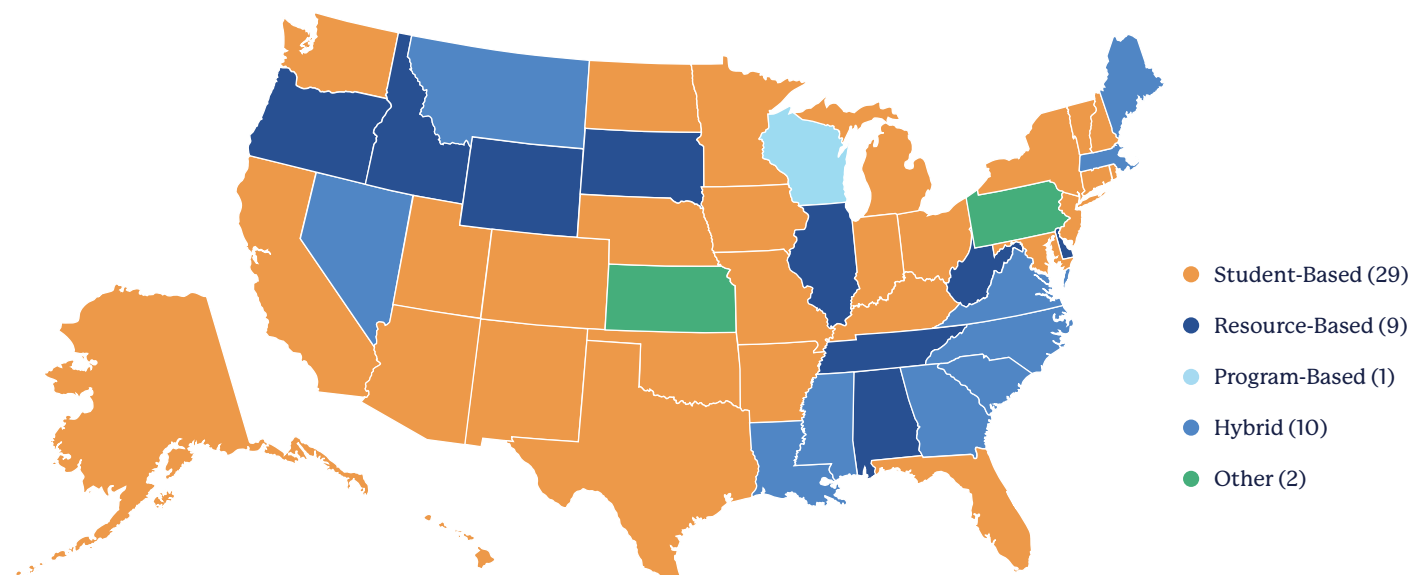


Figure 1: The vast majority of states utilize or incorporate aspects of a student-based approach.

Source: FundEd - National Policy Maps by EdBuild¹²

¹⁰ "FundEd: National Policy Maps - A National Overview of State Education Funding Policies." EdBuild. <http://funded.edbuild.org/national>.

¹¹ "Weighted Student Formula." Hawaii Department of Education. <https://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Weighted-Student-Formula.aspx>.

¹² "FundEd: National Policy Maps - A National Overview of State Education Funding Policies." EdBuild. <http://funded.edbuild.org/national>.

In total, 10 states use a hybrid funding formula. Of those states, nine incorporate student-based models into their education funding, meaning 38 states, including the District of Columbia—or 75 percent of all states—use student-based funding as their primary mechanism for allocating education dollars, or in conjunction with another model.

Types of Hybrid Funding Models by State

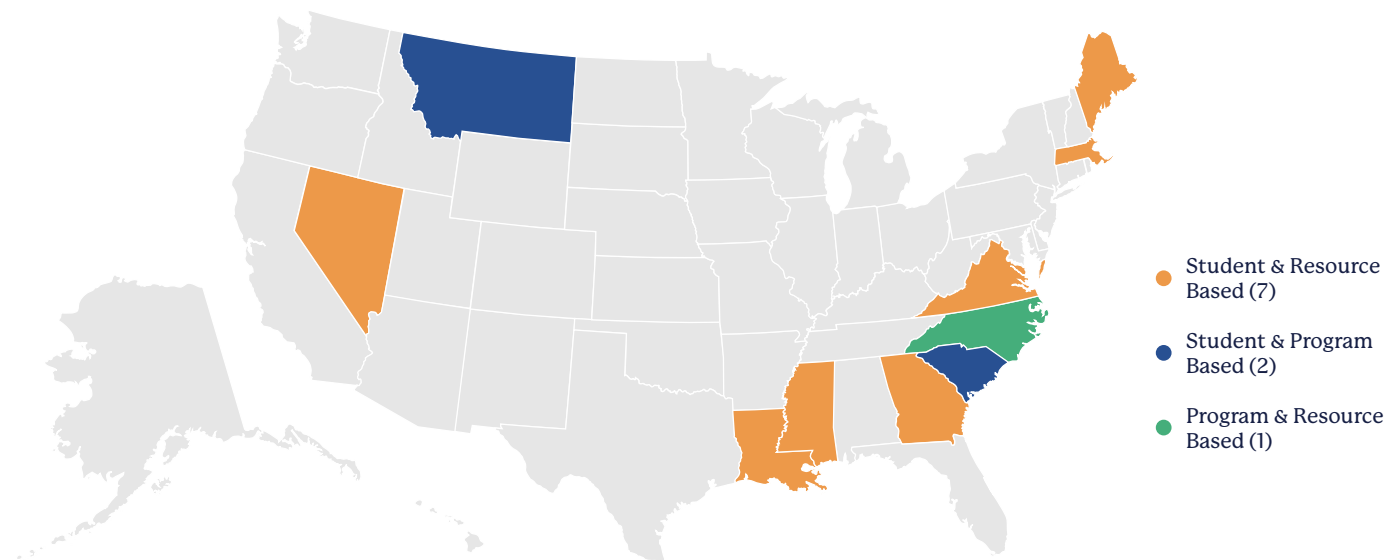


Figure 2: Ten states use hybrid funding formulas with 90 percent integrating student-based funding.

Source: FundEd - National Policy Maps by EdBuild

Pennsylvania uses a funding program that also incorporates student-based formulas, yet the vast majority of their funding is based on historical allocations, which is unique in education funding across the country.¹³ Kansas also uses student-based funding in its formula, but it is under the jurisdiction of the state Supreme Court until 2023 as a result of a lawsuit over the previous formula. Since it remains to be seen if there will be any permanent changes to the current funding model, it is placed in the “other” category.¹⁴

Despite several states transitioning to a student-based approach in recent years, those formulas are not a new phenomenon. The Florida Education Finance Plan was adopted in 1973, and while components have been adjusted over time to reflect changing needs, it stands as a model for funding equity and simplicity with straightforward equations.¹⁵ However, even with increasing numbers of states incorporating student-centered funding formulas, Tennessee continues to use the resource-based BEP, the most convoluted and complex education funding formula in the entire nation. In fact, the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) released a report stating that “[n]o state is comparable, and no state can serve as a model for Tennessee to follow in developing a new way to equalize its education funding formula.”¹⁶

While that may be true, there are other ways to fund education that the Volunteer State can seek to emulate. To say one state has a perfect education formula would be a mistake, since each has unique student populations and needs. However, the majority of states have adopted formulas that make students the focus of their education funding. Even California has realized that its old funding formula,

¹³ Representative Joe Markosek, “PA’s Fair Funding Formula Explained.” Pennsylvania House Appropriations Committee. January 10, 2018. https://www.pahouse.com/Files/Documents/Appropriations/series/3013/BEFC_BP_011018.pdf.

¹⁴ “Kansas School Finance System Overview.” Kansas Legislative Research Department. January 18, 2019. <http://www.kslegresearch.org/KLRD-web/Publications/Education/2019-School-Finance-System-Overview.pdf>; Wendy Lecker, “Kansas High Court to State: School Funding Formula Adequate, Now Fund It.” Education Law Center. June 24, 2019. <https://edlawcenter.org/news/archives/other-states/kansas-high-court-to-state-school-funding-formula-adequate-now-fund-it.html>.

¹⁵ “Understanding the FEFP.” Florida School Boards Association. April 5, 2017. <https://fsba.org/wp-content/uploads/2016/11/2016-17-FEFP-101.pdf>.

¹⁶ Harry A. Green and Stan Chervin, “Searching for a Fiscal Capacity Model: Why No Other State is Comparable to Tennessee.” Tennessee Advisory Commission on Intergovernmental Relations. September 2006. <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.180.6765&rep=rep1&type=pdf>.

which put an emphasis on systems, was not best for its schools or students. In 2013, lawmakers in the Golden State changed the old formula, which included more than 50 categories, to a more understandable and student-centered model that allocates a base funding amount to each student with additional funding (weights) for those with more unique needs.¹⁷ This new model—the Local Control Funding Formula—“streamlined dollars into a weighted-student formula that delivers

unrestricted funds to districts based on students.”¹⁸ Research by Georgetown University’s Edunomics Lab found California’s switch to a student-based formula allowed districts to spend dollars that were more in line with local needs.¹⁹ With these benefits, among others, Reason Foundation Education Reform Director Aaron Smith called California’s funding formula “a model for K-12 school finance reform” and “perhaps the best model to emulate.”²⁰

The BEP: Broken Education (Funding) Process

The BEP uses four categories—Instructional Salaries, Instructional Benefits, Classroom, and Non-Classroom—and separates those categories into nearly 50 components, ranging from funding for classroom teacher salaries to dollars for capital outlay and custodians based on the square footage of a school.²¹ On top of the multitude of components that go into the formula, two separate index instruments are used to determine a county’s fiscal capacity—the measure of how much a local population can afford to support its schools. These indices are from TACIR and the Center for Business and Economic Research at the University of Tennessee (CBER). Unfortunately, these models only measure the fiscal capacity on the county level, completely ignoring the differences in city-run, metro government, and special school districts. And how these indices are formulated further complicates Tennessee’s education funding model. As described on its website, the TACIR model “uses a statistical technique known as multiple regression analysis, [and] the CBER model is an arithmetic model.”²² These models are then equally weighted to calculate the fiscal capacity of each

county in Tennessee. On top of the complications of figuring out the fiscal capacity, the calculation is based on three-year moving averages, with the most current data “often eighteen to twenty four months old.”²³ With the number of components and techniques used to find out what a school district will get from the state and local tax dollars, it is no wonder that even the Comptroller of the Treasury, who independently verifies the funding and formula of the BEP, says on its website that this is “a basic education, but not a basic calculation” and describes the formula as “exceedingly complex.”²⁴

With all its variables, components, and indices, we can see how adding more dollars to a formula that does not focus on students at its core has failed to solve the issues with the BEP. By moving away from the current resource-based funding model to one that has students and their individuality at its center, Tennessee can join dozens of states where education funding more accurately reflects the needs of students.

17 Patrick Murphy and Jennifer Paluch, “Financing California’s Public Schools.” Public Policy Institute of California. November 2018. <https://www.ppic.org/publication/financing-californias-public-schools/>.

18 Aaron Garth Smith, “California’s Local Control Funding Formula Provides a Model for K-12 School Finance Reform.” Reason Foundation. May 4, 2020. <https://reason.org/commentary/californias-local-control-funding-formula-provides-a-model-for-k-12-school-finance-reform/>.

19 Marguerite Roza, Tim Coughlin, and Laura Anderson, “Taking stock of California’s weighted student funding overhaul: What have districts done with their spending flexibility?” Edunomics Lab Rapid Response. December 5, 2017. https://edunomicslab.org/wp-content/uploads/2017/12/Paper-1_R8.pdf.

20 Aaron Garth Smith, “California’s Local Control Funding Formula Provides a Model for K-12 School Finance Reform.” Reason Foundation. May 4, 2020. <https://reason.org/commentary/californias-local-control-funding-formula-provides-a-model-for-k-12-school-finance-reform/>.

21 “2020-2021 BEP Blue Book.” Tennessee State Board of Education. <https://www.tn.gov/content/dam/tn/stateboardofeducation/documents/bepcommitteeactivities/2020/BEPBlueBookFY21.pdf>.

22 “Fiscal Capacity for Education.” Tennessee Advisory Commission on Intergovernmental Relations. <https://www.tn.gov/tacir/fiscal-capacity-for-education.html>.

23 Harry A. Green, Lynnis Roehrich-Patrick, and Teresa Gibson, “A Users’ Guide to Fiscal Capacity in the Basic Education Program.” Tennessee Advisory Commission on Intergovernmental Relations. November 2004, revised 2005. https://www.tn.gov/content/dam/tn/tacir/documents/Users_Guide_to_Fiscal_Capacity.pdf.

24 Carolynn Polanchek, “The Basic Education Program (BEP): A basic education, but not a basic calculation.” Tennessee Comptroller of the Treasury. <https://comptroller.tn.gov/office-functions/research-and-education-accountability/interactive-tools/bep.html>.

“A Funding Formula, Not A Spending Plan”

Unfortunately, the way the BEP is calculated is not its only shortcoming. Often referred to as a “funding formula, not a spending plan,” the BEP gives public school districts the ability to use funds on different categories than those for which they were funded. As the Comptroller notes, a “district that receives \$300,000 for classroom supplies does not have to spend that money on supplies, but could instead put it toward teacher salaries or classroom-related travel.”²⁵ The only area where state law does require funds to remain in its allocated category is the Classroom category, which stipulates dollars must be spent on instruction or classroom components.²⁶ However, Non-Classroom funding has no such restrictions for example.

The BEP also treats all districts the same when it comes to various components like student/teacher or student/guidance counselor ratios for different grade levels. It would be hard to say that the needs of Rutherford County Schools, where less than nine percent of students have disabilities, is identical to a school district like Hancock County, where over 28 percent of students have disabilities.²⁷ At a school level, even within the same district, differences are even more pronounced. The Tennessee Report Card shows one school in Rutherford whose student population is nearly 40 percent economically disadvantaged while just one mile away, another school has less than five percent of students in the same category.

These drastic changes in student population would be better addressed if each student was the focus of education funding. While the BEP does factor in some

additional funds for various student populations, the stark differences in school and district populations are not fully recognized. Differences ranging from ELLs, those with special needs, and economically disadvantaged students to rural versus urban schools and school sizes are practically all viewed through the same lens. By having the BEP fund all these districts with the same formula that focuses on positions and not students’ needs, children are less likely to have their educational requirements met—especially those who depend on that additional support.

The BEP is not the tool for the job of accurately funding students’ needs. While it may use enrollment as the driver to decide funding, positions and the education system itself are the focus of the formula, not students. Tennessee lawmakers should not look to “reform” or “overhaul” the BEP as discussed in the past, but replace it in its entirety, with a focus on students rather than systems. In doing so, education funding in Tennessee will become more easily understood, more transparent, and more equitable—for policymakers and students alike. The positive outcomes of such a change would not only lead to greater understanding of education funding, but research has shown that school districts that use student-centered funding have positive upswings in test scores for English-language arts and math, compared to districts using non-student-centered funding.²⁸

Student-Based Budgeting 101

Though there are difficulties in making any major change to government programs, especially the most expensive one in the budget, Tennessee lawmakers should look to the vast majority of states that utilize student-based budgeting. Research has shown student-centered funding offers greater transparency in the school funding process and makes “it possible to easily see

how the district allocates the majority of funds to each school.”²⁹ In addition to being easily understood, student-based budgeting has also been found to offer school administrators the ability to budget more strategically and allow funding to go to students’ needs. Because of this autonomy and flexibility, accountability for school leaders increases when it comes to student outcomes.

²⁵ Ibid.

²⁶ Tenn. Code Ann. § 49-3-354(b). <https://law.justia.com/codes/tennessee/2019/title-49/chapter-3/part-3/section-49-3-354/>.

²⁷ “TDOE Releases 2020–2021 State Report Card.” Tennessee Department of Education. September 24, 2021. <https://www.tn.gov/education/news/2021/9/24/tdoe-releases-2020-21-state-report-card.html>.

²⁸ “Lessons Learned: Weighted Student Funding.” Edonomics Lab. October 2020. <https://edonomicslab.org/wp-content/uploads/2020/11/WSF-Lessons-Learned.pdf>.

²⁹ “Funding a Better Education: Conclusions from the first three years of student-based budgeting in Hartford.” Achieve Hartford and Public Impact. 2012. <https://files.eric.ed.gov/fulltext/ED541046.pdf>.

Tennessee lawmakers can empower students and make them the focus of education funding, increase accountability, and improve transparency with a few simple principles when considering a new funding formula:

Make education funding simpler and more streamlined by allocating dollars based on students' individual needs.

Instead of complicated formulas and components, Tennessee should offer a base per-student amount. Additional dollars for individual students can be supplemented based on their unique needs. When California condensed its dozens of categorical weights into a single weighted student formula, lawmakers found it was a simpler and more equitable way to fund education.³⁰

Make education funding more transparent and understandable.

By moving to a student-centered funding model, allocations become more understandable for everyone. Currently, the amount spent on education is only discovered after the Tennessee Department of Education publishes its Annual Statistical Report. This report is hundreds of pages of data broken up into more than 50 tables, making it complicated for the average person to calculate exactly what their school district is spending and where the funds are going. A streamlined funding model and robust transparency will increase understanding of and accountability for those entrusted with teaching Tennessee students. Even a state like Georgia, which uses a hybrid model of both student- and resource-based funding, has the ability to show each dollar amount for district funding on a single sheet of paper.³¹

Make education funding flexible for schools and students.

Formulas that treat every district the same prevent individual schools' funding from matching their needs. A 2019 report found that only eight percent of schools' operating budgets are under the discretion of school leaders in districts that do not have student-based funding, severely limiting their ability to address the needs of their student populations.³² Flexible school funding will empower principals and other leaders to meet their students' needs. This autonomy also ramps up accountability for school leaders, as their decisions now have more weight and will have significant effects on student learning.

Make (more of) education funding go to instruction.

In addition to the flexibility a student-based formula offers, Tennessee leaders should also make sure those funds are making their way into the classroom. Lawmakers can look to Kansas, which has passed legislation that sets a goal of spending at least 65 percent of education funding on instruction.³³ Though Kansas has set a goal, not a requirement, such legislation acts as a guide for how funds should be spent while continuing to offer school leaders significant flexibility.

In implementing these four principles, Tennessee lawmakers can emulate a multitude of other states that have already chosen to use a student-centered funding approach to education, allowing those dollars to better serve students and their individual needs.

30 "LCFF: Just the Facts." The Education Trust - West. 2016. <https://west.edtrust.org/wp-content/uploads/2015/11/LCFF-Just-the-Facts-06092016.pdf>.

31 Stephen Owens, "How Does Georgia Fund Schools?" Georgia Budget and Policy Institute. May 23, 2019. <https://gbpi.org/how-does-georgia-fund-schools/>.

32 Jesse Levin, Karen Manship, Steve Hurlburt, Drew Atchison, Ryoko Yamaguchi, Adam Hall, and Stephanie Stullich, "Districts' Use of Weighted Student Funding Systems to Increase School Autonomy and Equity: Findings From a National Study." U.S. Department of Education. 2019. <https://www2.ed.gov/rschstat/eval/title-i/weighted-funding/report.pdf>.

33 KS Stat. § 72-5191.

District Student-Based Budgeting

Tennessee policymakers can look to the two largest school districts in the state, Shelby County Schools (SCS) and Metro Nashville Public Schools (MNPS), for local examples of a student-based approach.

MNPS began implementing student-based budgeting for 15 principals in the 2013–2014 school year, increasing to 55 the following year, and eventually district-wide student-based budgeting in the 2015–2016 school year to better align funding with strategic plans and a desire to increase transparency.³⁴ While the district still controls a significant amount of the budget, MNPS has stated that adopting student-based budgeting practices has given principals control over more than half of the operating budget.³⁵ This control also comes with increased transparency as dollars per student can be easily understood through a simple chart that explains the formula in addition to detailed school-level budgets.³⁶ By empowering individual schools to cater to their student populations, MNPS believes school leaders are able to better serve their students and foster innovation.³⁷

A study by the Reason Foundation noted SCS began a pilot program of student-based budgeting in the 2017–2018 school year. After some promising results indicating greater school autonomy and flexibility, SCS fully accepted the practice the following school year.³⁸

SCS also came to the conclusion that student-based funding is more transparent and better suited to meet each student's individual needs. The district

said it changed from a traditional funding model to a student-based one because “the district believes school communities, not Central Office, know what’s best for its students.”³⁹ SCS also stated that the old funding model limited school-level discretion in budgets, which resulted in “too many dollars in one area and not enough resources in another area. Student-based budgeting allows schools the flexibility needed to focus their resources where they’re needed most.”⁴⁰

In addition to the benefits these districts have witnessed, the way charter schools are funded offers another insight on how funding can more accurately reflect the current student population. Though the BEP uses the weighted district average student enrollment from the previous year as the basis for allocating funds, a charter school’s enrollment is determined as “the weighted average of the actual number of students enrolled in the charter school for the current school year.”⁴¹ With funding tied to recent changes in enrollment, charter schools display that dollars for education do not need to be based on weighted year-old data, but instead can be adjusted throughout the year to meet the needs of a changing student population.

34 “Fiscal Year 2015–2016 Budget.” Metropolitan Nashville Public Schools. <https://static1.squarespace.com/static/57752cbcd1758e541bdeef6b/t/579124efd2b8573d020219f2/1469129988535/2015-16%2BBUDGET%2BBOOK.compressed.pdf>; Christian Barnard, “Weighted Student Formula Yearbook, 2019.” Reason Foundation. July 31, 2019. <https://reason.org/policy-study/weighted-student-formula-yearbook-2019/>.

35 “Student-Based Budgeting.” Metro Nashville Public Schools. 2017. https://static1.squarespace.com/static/57752cbcd1758e541bdeef6b/t/58dbb492e58c6250326a6a7c/1490793618580/2017Budget_SBB_032817.pdf.

36 “Fiscal Year 2015–2016 Budget.” Metropolitan Nashville Public Schools. <https://static1.squarespace.com/static/57752cbcd1758e541bdeef6b/t/579124efd2b8573d020219f2/1469129988535/2015-16%2BBUDGET%2BBOOK.compressed.pdf>.

37 “Education Committee Members Talk Budget, Student Achievement.” Nashville Area Chamber of Commerce. 2015. <https://www.nashvillechamber.com/blog/2015/education-committee-members-talk-budget-student-achievement>.

38 Christian Barnard, “Weighted Student Formula Yearbook, 2019.” Reason Foundation. July 31, 2019. <https://reason.org/policy-study/weighted-student-formula-yearbook-2019/>.

39 “Back to Students: Frequently Asked Questions.” Shelby County Schools. <http://www.scsk12.org/back2students/files/2018/Back2StudentsFAQs.pdf>.

40 Ibid.

41 Tara Bergfeld and Carolyn Polanchek, “Tennessee Charter School Funding.” Tennessee Comptroller of the Treasury, Office of Research and Education Accountability. September 2016. http://mediad.publicbroadcasting.net/p/wpln/files/201609/charter_funding.pdf.



Conclusion

For decades, Tennessee has tried to make the BEP work through tweaks and increased funding, yet it continues to fail to meet the needs of students—especially those who need the most assistance. By focusing on resources, not children, the BEP and its complexity fail to serve Tennessee students, parents, educators, or taxpayers efficiently. Tennessee should look to the majority of states that have realized a resource-based education funding formula is not equitable, not easily understandable, and not flexible for schools and students.

By adopting a student-based funding approach, not only will Tennessee students be supported according to their unique needs, but transparency will come to public education funding and spending, which will fully equip parents, policymakers, and the public on how those dollars are being spent. This transparency will allow them to compare schools' stated goals to spending patterns and analyze old policies or procedures that may not be serving students as well as they initially intended. Finally, policymakers and the public will be empowered to see whether school leadership is serving students and stewarding tax dollars well.

All stakeholders should welcome student-based funding as the way to appreciate each student's individuality, fund them more fairly, innovate through flexibility, bolster transparency, and improve outcomes not only in individual classrooms, but throughout the entire education system. It is past time Tennessee legislators put the BEP to B-E-D and bring forth a new education funding formula that places students at its center.



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