**The way Tennessee funds schools - hurts students with disabilities**

Tennessee uses a funding formula called the Basic Education Plan (BEP) to determine how much money each district and school gets for its operating costs. The BEP is a complex funding mechanism that results in unequal funding and poor outcomes for Tennessee students. Tennessee schools ranked 43rd in the country in spending, ranked 35th in educational outcomes and 38th in graduation rates.

It’s worse for students with disabilities - the US Department of Education has deemed Tennessee’s implementation of the Individuals with Disabilities Act (IDEA) as below the acceptability threshold. Tennessee students with Individualized Education Programs (IEPs) graduate at a rate 17 percentage points behind their peers.

[**How the funding formula works:**](https://edlawcenter.org/research/tennessee/bep-primer.html)

* Schools are assigned a number of “positions” to be funded based on the enrollment and actual attendance of the school for the previous year
* Each position is assigned a “salary unit cost,” or the amount that the state will provide to the district and school to pay for each position
	+ In 2017, a teacher position was worth a little over $44,000
		- This price tag doesn’t account for variables in teacher salary - a teacher who has taught for 40 years likely earns more, and a new teacher likely earns less
		- This has implications for the quality of a school teaching staff - it incentivizes schools to hire teachers that are less experienced, and thus, less expensive
	+ Other positions have similarly assigned “salary unit costs” - this includes special education assistants, behavioral interventionists, speech-language pathologists, counselors and social workers
* Based on the previous year’s enrollment, the “salary unit costs” are added up and pooled into a pot that is then available to spend
	+ This means a school can determine that they want smaller class sizes and invest more of their pooled money into teachers (at the expense of other positions or investments)
* The money is divided into 4 broad buckets for spending - instructional salaries, instructional benefits, classroom costs and non-classroom costs
* Most local school districts supplement the BEP funding with local funds (through taxes, or other means)
	+ In 2015-2016, the BEP funded 63,131 instructional staff across the state, but local districts collectively employed 73,848 instructional staff - meaning that local taxes paid for an additional 10,000 plus teachers
		- This indicates that the funding formula is not accurate for local school needs

**Why the BEP is a bad model for students with disabilities:**

* For the purposes of funding, the BEP assumes all students in each school are identical in need and identical in cost to educate
	+ This discounts disability, socioeconomic status, language proficiency, academic proficiency of the student body, geography and quality of instructional staff
	+ Without accounting for more expensive needs in a given school, budgets are stretched thin to support the unique needs of students
	+ This helps to explains why academic proficiency and educational attainment is lower in schools with a large population of students in poverty, high rates of special education services or many students for whom English is a second language, for example
* The BEP consistently underfunds education in the state because the formula is reactionary
	+ The BEP formula does not anticipate nor account for the rising cost of education, instead determining a “salary cost” through opaque and hard to understand mechanisms
	+ The BEP formula does not account for changing student demographics and needs
		- For example, the BEP won’t account for learning loss and necessary remediation following nearly a year of inconsistent and frequently interrupted learning
		- This is why in 2021 the Governor’s special legislative session created a patchwork of programs to account for this, rather than using the BEP
* The BEP has rarely been fully funded at its statutory intent
	+ The Governor had to inject $70 million in his new 2021 budget to ensure that schools could afford the student-teacher ratio mandated by the BEP itself
* When schools are left to scramble to make funds work, they often make cuts to the most expensive programs - including special education
	+ This leads to older, less effective curriculum, fewer classroom assistants, larger caseloads for school psychologists, social workers, counselors, etc.
	+ Schools make fewer investments in individualized education, including assistive technology, smaller classrooms and caseloads and less educational and behavioral support

**How to fix the BEP:**

* In short, you can’t - the state has tried for years through a series of reactionary patches and fixes that have only perpetuate the problems of the BEP
* The state should replace the BEP with a [weighted funding formula](https://edtrust.org/resource/5-things-to-advance-equity-in-state-funding-systems/) that accounts for the unique needs of given districts, schools, staff and students

Have questions or want to get involved? Contact: jeff\_s@tndisability.org or 615-383-9442