State Ratings Rubric: Tennessee

SOUTHERNERS FOR FAIR SCHOOL FUNDING
POWERED BY THE ED TRUST–TENNESSEE

MEETS CRITERIA | PARTIALLY MEETS CRITERIA | DOESN'T MEET CRITERIA

↑ Rating went up since last year
↓ Rating went down since last year
↗ Some improvements since last year
↘ Some decline since last year
Rating did not change

Last updated: August 2025

COMPONENT	DESCRIPTION	RATING	EXPLANATION
FUND STUDENTS ADEQUATELY			
Funding Adequacy	Per-student funding is at or above the national average ($16,645).		Per-student funding was $3,917 less than the national average in the 2021-22 school year.
Yearly Increases	Base funding for all students increases every year to account for inflation.		The per-student base amount increased by 3.1% for the 2025-26 school year, from $7,075 to $7,295.
Progressive Tax Policies	The state maintains healthy revenue sources for schools.	↑	No major reforms to property, income, or sales tax in 2025.
FUND STUDENT NEEDS EQUITABLY			
Student-Based Formula	The funding formula is primarily student-based.		Primarily student-based formula.
Students from Low-Income Backgrounds	The state provides additional funds for students from low-income backgrounds.		25% weight.
English Learners	The state provides additional funds for English Learners.		Three different weights based on English proficiency and years of support, ranging from 20% to 70%.
Students with Disabilities	The state provides additional funds for students with disabilities, based on their needs.		Eight different weights based on the type of disability, ranging from 15% to 150%.

FUND DISTRICTS APPROPRIATELY			
Cost Sharing	The state requires local governments to share the cost based on their ability to pay.		Local governments contribute 30% on average, based on their revenue from property, sales, and other taxes.
Local Revenue Cap	The state limits wealthy districts from contributing excessively more than other districts.		The state does not set a cap.
Rural Districts	Small districts and districts with few students per square mile ("sparse districts") receive additional funds.		5% weight for small districts and 5% weight for sparse districts.
Concentrated Poverty	Districts with high concentrations of poverty receive additional funds.		5% weight.
FUND STUDENTS TRANSPARENTLY & EFFECTIVELY			
Formula Transparency	The funding formula is easy to understand and clearly explained.		The formula is easy to understand, and the state education department publishes a clear and user-friendly school funding guide every year.
Funding Data	The state shares detailed, timely, and user-friendly public data on districts' funding.		Data is accessible and detailed, but not timely.
District Spending Plans	The state requires districts to share public reports about how they invest funds to meet students' needs.		Local accountability reports do not show how specific investments relate to student groups with additional funding.
Formula Review	The state requires a clear, stakeholder-led process to evaluate the formula and recommend improvements.		A review committee that includes legislators, educators, and district leaders will meet quarterly starting in 2026 to review the formula and provide recommendations.
FUND PUBLIC SCHOOLS EXCLUSIVELY			
Vouchers	The state does not divert public funds to private schools through voucher programs, education savings accounts, or scholarship tax credits.	↓	The Education Freedom Scholarship program provides vouchers with near-universal eligibility and no accountability requirements.

Sources: Education Law Center, EdFund, EdBuild, Bellwether, Education Commission of the States, Institute on Taxation and Economic Policy, Tennessee Department of Education