



HOUSE BILL 2532

By Lamberth

AN ACT to amend Tennessee Code Annotated, Title 49,
relative to education.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-6-3502(7), is amended by adding "any of the grades kindergarten through twelve (K-12) at" after "enrolls in".

SECTION 2. Tennessee Code Annotated, Section 49-6-3504, is amended by adding the following as a new subsection (f):

(f) Notwithstanding subsection (b) and subject to appropriation, the department shall make a maximum of forty thousand (40,000) scholarships available to eligible students for the 2026-2027 school year in the order required in subsection (c).

SECTION 3. Tennessee Code Annotated, Title 49, Chapter 6, Part 35, is amended by adding the following as a new section:

49-6-3513. Tennessee's participation in The One, Big, Beautiful Bill Act.

(a) It is the intent of the general assembly that this state participate in the federal education tax credit program created in The One, Big, Beautiful Bill Act.

(b) By December 31, 2026, the governor shall elect to participate in the federal education tax credit program created in The One, Big, Beautiful Bill Act, 26 U.S.C. § 25F. After electing to participate in the program, the governor shall comply with any and all requirements to maintain the state's participation in the program.

SECTION 4. This act takes effect on becoming a law, the public welfare requiring it.

Amendment No. 2 to HB2532

Hicks G
Signature of Sponsor

AMEND Senate Bill No. 2247*

House Bill No. 2532

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 49-6-3502(7), is amended by adding "any of the grades kindergarten through twelve (K-12) at" after "enrolls in".

SECTION 2. Tennessee Code Annotated, Section 49-6-3504, is amended by adding the following as a new subsection (f):

(f) Notwithstanding subsection (b) and subject to appropriation, the department shall make a maximum of thirty-five thousand (35,000) scholarships available to eligible students for the 2026-2027 school year in the order required in subsection (c).

SECTION 3. Tennessee Code Annotated, Section 49-3-108(i), is amended by deleting subdivisions (1)-(3) and substituting instead:

(1)

(A) Beginning with TISA allocations for the 2026-2027 school year, and except when subdivision (i)(2) applies, if an LEA's TISA allocation for the current school year is less than the LEA's TISA allocation for the immediately preceding school year, and the LEA experienced disenrollment, then the department shall allocate additional funds to the LEA in the amount of the average per pupil state funds received by the LEA in the immediately preceding school year for each student who disenrolled from the LEA for the immediately preceding school year and received, for the immediately preceding school year, an education freedom scholarship pursuant to chapter 6, part 35 of this title.

(B) The sum total of any additional funds received by an LEA pursuant to this subdivision (i)(1) must not exceed the LEA's TISA allocation for the immediately preceding school year.

(2)

(A) Beginning with TISA allocations for the 2027-2028 school year, if an LEA has ever received additional funds under this subsection (i), and if the LEA's TISA allocation for the current school year is less than the sum total of the LEA's TISA allocation for the immediately preceding school year and the amount of any additional funds received by the LEA pursuant to this subsection (i) for the immediately preceding school year, and the LEA experienced disenrollment, then the department shall allocate additional funds to the LEA in the amount of the average per pupil state funds received by the LEA in the immediately preceding school year for each student who disenrolled from the LEA for the immediately preceding school year and received, for the immediately preceding school year, an education freedom scholarship pursuant to chapter 6, part 35 of this title.

(B) The sum total of any additional funds received by an LEA pursuant to this subdivision (i)(2) must not exceed the sum total of the LEA's TISA allocation for the immediately preceding school year and the amount of any additional funds received by the LEA pursuant to this subsection (i) for the immediately preceding school year.

(3) Any additional funds provided to an LEA pursuant to this subsection (i) must be solely state funded. If an LEA is eligible for additional funds under this subsection (i) and subsection (b) or subsection (c), then the department shall only award additional funds to such an LEA pursuant to this subsection (i), subsection (b), or subsection (c), whichever results in the LEA receiving the greatest amount of additional funding.

SECTION 4. Tennessee Code Annotated, Section 49-6-3504, is amended by deleting subsection (c) and substituting instead the following:

(c) The department shall award scholarships in the following order:

(1) An eligible student who received a scholarship in the immediately preceding year, in the order in which the department receives completed scholarship applications;

(2) If scholarships remain available after all eligible students described in subdivision (c)(1) receive a scholarship, then an eligible student whose annual household income does not exceed one hundred percent (100%) of the amount required for the student to qualify for free or reduced-price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service, or an eligible student who is an eligible student as defined in § 49-6-2602 or § 49-10-1402, in the order in which the department receives completed scholarship applications;

(3) If scholarships remain available after all eligible students described in subdivision (c)(2) receive a scholarship, then an eligible student whose annual household income does not exceed three hundred percent (300%) of the amount required for the student to qualify for free or reduced-price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service, in the order in which the department receives completed scholarship applications;

(4) If scholarships remain available after all eligible students described in subdivision (c)(3) receive a scholarship, then an eligible student whose annual household income exceeds three hundred percent (300%) of the amount required for the student to qualify for free or reduced-price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service who, at the time of submitting a completed scholarship application, is currently enrolled in a public school or is eligible to

enroll in kindergarten in a public school for the respective school year, in the order in which the department receives completed scholarship applications; and

(5) If scholarships remain available after all eligible students described in subdivision (c)(4) receive a scholarship, then an eligible student whose annual household income exceeds three hundred percent (300%) of the amount required for the student to qualify for free or reduced-price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service, in the order in which the department receives completed scholarship applications.

SECTION 5. Tennessee Code Annotated, Title 49, Chapter 6, Part 35, is amended by adding the following as a new section:

(a) The department shall annually report, in accordance with subsection (b), the number of eligible students who applied for a scholarship, disaggregated by:

(1) The number of applications received from each county;

(2) The number of eligible students who, at the time of submitting a completed scholarship application, were enrolled in a public school;

(3) The number of eligible students who, at the time of submitting a completed scholarship application, were not yet enrolled in school, but who were applying for a scholarship for kindergarten enrollment; and

(4) To the extent such data is available to the department, the number of eligible students whose annual household income:

(A) Does not exceed one hundred percent (100%) of the amount required for the student to qualify for free or reduced price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service;

(B) Does not exceed three hundred percent (300%) of the amount required for the student to qualify for free or reduced price lunch, as

provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service; and

(C) Exceeds three hundred percent (300%) of the amount required for the student to qualify for free or reduced price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service.

(b) The department shall submit the report required in subsection (a) to the education committee of the senate and the committee of the house of representatives having jurisdiction over kindergarten through grade twelve (K-12) education by June 1, 2026, for the 2025-2026 school year; by October 1, 2026, for the 2026-2027 school year; and by each October 1 thereafter for the immediately preceding school year.

(c) The report must not include personally identifiable information.

SECTION 6. This act takes effect upon becoming a law, the public welfare requiring it.

Amendment No. 3 to HB2532

Hicks G
Signature of Sponsor

AMEND Senate Bill No. 2247*

House Bill No. 2532

by deleting Section 4 and substituting instead the following:

SECTION 4. Tennessee Code Annotated, Section 49-6-3504(c), is amended by deleting "Beginning with the 2026-2027 school year" and substituting "For the 2026-2027 school year" and by designating the existing language as subdivision (1) and adding the following as a new subdivision (2):

(2) Beginning with the 2027-2028 school year, the department shall award scholarships in the following order:

(A) An eligible student who received a scholarship in the immediately preceding year, in the order in which the department receives completed scholarship applications;

(B) If scholarships remain available after all eligible students described in subdivision (c)(2)(A) receive a scholarship, then an eligible student whose annual household income does not exceed one hundred percent (100%) of the amount required for the student to qualify for free or reduced-price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service, or an eligible student who is an eligible student as defined in § 49-6-2602 or § 49-10-1402, in the order in which the department receives completed scholarship applications;

(C) If scholarships remain available after all eligible students described in subdivision (c)(2)(B) receive a scholarship, then an eligible student whose annual household income does not exceed three hundred percent (300%) of the amount

required for the student to qualify for free or reduced-price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service, in the order in which the department receives completed scholarship applications;

(D) If scholarships remain available after all eligible students described in subdivision (c)(2)(C) receive a scholarship, then an eligible student whose annual household income exceeds three hundred percent (300%) of the amount required for the student to qualify for free or reduced-price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service who, at the time of submitting a completed scholarship application, is currently enrolled in a public school or is eligible to enroll in kindergarten in a public school for the respective school year, in the order in which the department receives completed scholarship applications; and

(E) If scholarships remain available after all eligible students described in subdivision (c)(2)(D) receive a scholarship, then an eligible student whose annual household income exceeds three hundred percent (300%) of the amount required for the student to qualify for free or reduced-price lunch, as provided in the income eligibility guidelines published by the United States department of agriculture's food and nutrition service, or an eligible student, in the order in which the department receives completed scholarship applications.

Amendment No. 8 to HB2532

Barrett
Signature of Sponsor

AMEND Senate Bill No. 2247*

House Bill No. 2532

by inserting the following new sections immediately preceding the last section and renumbering the subsequent section accordingly:

SECTION __. Tennessee Code Annotated, Title 49, Chapter 6, Part 35, is amended by designating § 49-6-3512 as § 49-6-3513 and adding the following as a new § 49-6-3512:

49-6-3512.

To ensure that private schools receiving public funds through the program are providing students an education that does not threaten our American freedoms or American form of government, an eligible student shall not receive a scholarship pursuant to this part if the student is enrolled in a private school that promotes or advocates for the support, adoption, or implementation of any foreign law, legal code, or system, as defined in § 20-15-101, in this state that, if adopted or implemented, would violate rights guaranteed by the Tennessee Constitution or United States Constitution.

SECTION __. Tennessee Code Annotated, Section 49-6-3508(c), is amended by deleting "A private" and substituting instead "Except as required in § 49-6-3512, a private".

Amendment No. 9 to HB2532

Williams
Signature of Sponsor

AMEND Senate Bill No. 2247*

House Bill No. 2532

by deleting Section 3 and substituting instead the following:

SECTION 3. Tennessee Code Annotated, Section 49-3-108(i), is amended by deleting subdivisions (1)-(3) and substituting instead the following:

(i)

(1)

(A) For the 2026-2027 and 2027-2028 school years, if an LEA's TISA allocation for the current school year is less than the LEA's TISA allocation for the 2025-2026 school year, and the LEA experienced disenrollment, then the department shall allocate additional funds to the LEA in the amount of the average per pupil state funds received by the LEA in the immediately preceding school year for each student who disenrolled from the LEA in the immediately preceding school year and who, at the time of the student's registration or enrollment in the LEA provided the LEA with the student's Social Security number.

(B) The department shall require each LEA, as a condition to the LEA's receipt of any additional funds pursuant to this subdivision (i)(1), to report to the department the reason each non-virtual student disenrolled from the LEA in the immediately preceding school year, regardless of whether the student provided the LEA with their Social Security number at the time of the student's registration or enrollment in the LEA.

(C) The sum total of any additional funds received by an LEA pursuant to this subdivision (i)(1) must not exceed the LEA's TISA allocation for the 2025-2026 school year.

(2)

(A) Beginning with the 2028-2029 school year, if the LEA's TISA allocation for the current school year is less than the LEA's TISA allocation for the 2025-2026 school year, and the LEA experienced disenrollment, then the department shall allocate additional funds to the LEA in the amount of the average per pupil state funds received by the LEA in the immediately preceding school year for each student who disenrolled from the LEA for the immediately preceding school year and received, for the immediately preceding school year, an education freedom scholarship pursuant to chapter 6, part 35 of this title.

(B) The sum total of any additional funds received by an LEA pursuant to this subdivision (i)(2) must not exceed the LEA's TISA allocation for the 2025-2026 school year.

(3) Any additional funds provided to an LEA pursuant to this subsection (i) must be solely state funded. If an LEA is eligible for additional funds under this subsection (i) and subsection (b) or subsection (c), then the department shall only award additional funds to such LEA pursuant to this subsection (i), subsection (b), or subsection (c), whichever results in the LEA receiving the greatest amount of additional funding.

Amendment No. 10 to HB2532

Johnson
Signature of Sponsor

AMEND Senate Bill No. 2247*

House Bill No. 2532

by adding the following sections immediately preceding the last section and renumbering the subsequent section accordingly:

SECTION __. Tennessee Code Annotated, Section 49-6-2606(a)(1), is amended by deleting the subdivision and substituting:

(1) As a condition of participating in the program:

(A) Participating students must be annually administered the Tennessee comprehensive assessment program (TCAP) tests, or successor tests authorized by the state board of education, that are administered to a public school student enrolled in the same grades or same course subjects as the participating student;

(B) Participating students in grade eleven (11) must be administered the examination that is administered to public school students in grade eleven (11) pursuant to § 49-6-6001(b)(1); and

(C) Participating students in kindergarten through grade three (K-3) must annually be administered the Tennessee universal reading screener, or a universal reading screener approved by the state board of education, as described in § 49-1-905(c), during each of the three (3) administration windows established by the department of education pursuant to § 49-1-905(c)(1).

SECTION __. Tennessee Code Annotated, Section 49-6-3507(a)(1), is amended by deleting the subdivision and substituting:

(1) As a condition of receiving a scholarship pursuant to this part:

(A) A recipient must be annually administered the Tennessee comprehensive assessment program (TCAP) tests, or successor tests authorized by the state board of education, that are administered to a public school student enrolled in the same grades or same course subjects as the recipient;

(B) A recipient in grade eleven (11) must be administered the examination that is administered to public school students in grade eleven (11) pursuant to § 49-6-6001(b)(1); and

(C) A recipient in kindergarten through grade three (K-3) must annually be administered the Tennessee universal reading screener, or a universal reading screener approved by the state board of education, as described in § 49-1-905(c), during each of the three (3) administration windows established by the department of education pursuant to § 49-1-905(c)(1).

SECTION __. Tennessee Code Annotated, Section 49-10-1403, is amended by deleting subsection (e) and substituting:

(e)

(1) A parent of a participating student:

(A) Shall ensure that the participating student is annually administered the Tennessee comprehensive assessment program (TCAP) tests, or successor tests authorized by the state board of education, that are administered to a public school student enrolled in the same grades or same course subjects as the participating student;

(B) Who is enrolled in grade eleven (11), shall ensure that the student is administered the examination that is administered to public school students in grade (11) pursuant to § 49-6-6001(b)(1); and

(C) Who is enrolled in any of the grades kindergarten through three (K-3), shall ensure that the participating student is annually administered the Tennessee universal reading screener, or a universal

reading screener approved by the state board of education, as described in § 49-1-905(c), during each of the three (3) administration windows established by the department of education pursuant to § 49-1-905(c)(1).

(2) A participating student's results on the tests administered pursuant to this subsection (e) must be reported to the parent of the student.

(3) Students with disabilities who would have participated in the TCAP alternate assessments, as determined by the student's IEP, are exempt from the requirements of this subsection (e).

Amendment No. 5 to SB2247

Johnson
Signature of Sponsor

AMEND Senate Bill No. 2247*

House Bill No. 2532

by deleting Section 3 and substituting:

SECTION 3. Tennessee Code Annotated, Section 49-3-108(i), is amended by deleting the subsection and substituting:

(i)

(1) For the 2026-2027 school year, if an LEA's TISA allocation for the current school year is less than the LEA's TISA allocation for the 2025-2026 school year and the LEA experienced disenrollment, then the department shall allocate additional funds to the LEA in the amount of the difference between the LEA's TISA allocation for the current school year and the LEA's TISA allocation for the 2025-2026 school year.

(2)

(A) For the 2027-2028 and 2028-2029 school years, if an LEA's TISA allocation for the current school year is less than the LEA's TISA allocation for the 2025-2026 school year and the LEA experienced disenrollment, then the department shall allocate additional funds to the LEA in the amount of the average per pupil state funds received by the LEA in the immediately preceding school year for each student who disenrolled from the LEA in the immediately preceding school year and, at the time of the student's registration or enrollment, provided the LEA with the student's social security number.

(B) The department shall require each LEA, as a condition to the receipt of any additional funds pursuant to this subdivision (i)(2), to report to the department the reason for disenrollment provided by each non-virtual student who disenrolled from the LEA in the immediately preceding school year, regardless of whether the student provided the LEA with their social security number at the time of registration or enrollment.

(C) The sum total of any additional funds received by an LEA pursuant to this subdivision (i)(2) must not exceed the difference between the LEA's TISA allocation for the current year and the LEA's TISA allocation for the 2025-2026 school year.

(3)

(A) Beginning with the 2029-2030 school year, if an LEA's TISA allocation for the current school year is less than the LEA's TISA allocation for the 2025-2026 school year and the LEA experienced disenrollment, then the department shall allocate additional funds to the LEA in the amount of the average per pupil state funds received by the LEA in the immediately preceding school year for each student who disenrolled from the LEA for the immediately preceding school year and received, for the immediately preceding school year, an education freedom scholarship pursuant to chapter 6, part 35 of this title.

(B) The sum total of any additional funds received by an LEA pursuant to this subdivision (i)(3) must not exceed the difference between the LEA's TISA allocation for the current year and the LEA's TISA allocation for the 2025-2026 school year.

(4)

(A) Any additional funds provided to an LEA pursuant to this subsection (i) must be solely state funded.

(B) If an LEA is eligible for additional funds under subdivision (i)(1) and subsection (b) or subsection (c), then the department shall only award additional funds to the LEA pursuant to subdivision (i)(1) and shall not award any additional funds to the LEA pursuant to subsection (b) or subsection (c).

(C) If an LEA is eligible for additional funds under subdivision (i)(2) or (i)(3) and subsection (b) or subsection (c), then the department shall only award additional funds to such LEA pursuant to subdivision (i)(2) or (i)(3), subsection (b), or subsection (c), whichever results in the LEA receiving the greatest amount of additional funding.

(5) As used in this subsection (i), "disenrollment" means that the LEA's non-virtual average daily membership for the current school year is lower than the LEA's non-virtual average daily membership for the immediately preceding school year.