



SENATE BILL 2441

By Powers

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

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

SECTION 1. Tennessee Code Annotated, Section 49-16-213, is amended by deleting subsection (b) and substituting:

(b)

(1) In addition to the intervention options available under § 49-1-602, if a virtual school was identified as a priority school pursuant to § 49-1-602 beginning with the priority school list released in 2025 or has demonstrated school composite level student achievement growth at a level of "significantly below expectations" for any three (3) consecutive years of the school's operation, as represented by the Tennessee Value-Added Assessment System (TVAAS) developed pursuant to chapter 1, part 6 of this title and guidelines adopted by the state board of education pursuant to chapter 1, part 3 of this title, then the commissioner shall direct the LEA to close the virtual school. The closure of a virtual school pursuant to this subdivision (b)(1) takes effect at the end of the school year in which the commissioner directs the LEA to close the virtual school. Notwithstanding chapter 3, part 1 of this title, if a virtual school is closed upon direction of the commissioner, or if the LEA elects to close the virtual school, then the Tennessee investment in student achievement formula (TISA) payments for the LEA that established the school must exclude a student who was a member in the virtual school the prior year who did not remain a member in the LEA following the closure of the virtual school.

(2) If an LEA closes a virtual school pursuant to subdivision (b)(1), then the LEA may establish a new virtual school in accordance with this part.

(3) If a virtual school is closed upon direction of the commissioner, or if the LEA elects to close the virtual school, then:

(A) Within one (1) calendar week of the closure decision, the virtual school must notify in writing the parents or legal guardians of all students enrolled in the virtual school of the closure decision;

(B) Within thirty (30) days of the closure decision, the department shall communicate to the parents or legal guardians of all students enrolled in the virtual school other options for which the student is eligible to enroll;

(C) The virtual school shall not enroll any new students; and

(D) A contracted nonprofit or for-profit provider of the virtual school shall not withhold student records from the establisher or from a school in which a virtual school student transfers.

(4) If a virtual school demonstrates school composite level student achievement growth at a level of "significantly below expectations" for two (2) consecutive years, as represented by the TVAAS developed pursuant to chapter 1, part 6 of this title and guidelines adopted by the state board of education pursuant to chapter 1, part 3 of this title, or if a virtual school is identified as being among the bottom ten percent (10%) of schools in overall achievement as determined by the performance standards and other criteria set by the state board pursuant to § 49-1-602(b)(2)(B), then the department shall notify, in writing, the establisher, the provider, and the parents or legal guardians of all students enrolled in the school of the virtual school's performance status and that

if the virtual school's performance meets the criteria in subdivision (b)(1), then the commissioner is required to direct the LEA to close the virtual school.

SECTION 2. Tennessee Code Annotated, Section 49-16-214, is amended by deleting the section and substituting:

(a) An establisher may contract for services with nonprofit and for-profit providers for the operation and management of a virtual school in accordance with this section.

(b) A provider that has contracted with an establisher to operate or manage a virtual school pursuant to subsection (a) that is closed pursuant to § 49-16-213(b)(1) shall not operate a new virtual school in this state for a period of five (5) consecutive years immediately following the year of the school's closure.

(c) The department shall maintain and publish on the department's website a list of providers that:

(1) Are currently ineligible to contract for the operation and management of a new virtual school pursuant to subsection (b); and

(2) Were formerly ineligible to contract for the operation and management of a new virtual school pursuant to subsection (b), but that are now eligible to contract with an establisher due to the expiration of the five-year period described in subsection (b).

(d) If a nonprofit or for-profit entity provides services to more than one (1) virtual school that is operating in this state at the time that one (1) or more of the virtual schools closes pursuant to § 49-16-213(b)(1), then the nonprofit or for-profit entity may continue to provide services to the virtual school or virtual schools that do not meet the criteria for closure pursuant to § 49-16-213(b)(1) and that are in operation at the time of the other virtual school's closure.

SECTION 3. This act takes effect July 1, 2026, the public welfare requiring it.

Amendment No. 1 to SB2441

White
Signature of Sponsor

AMEND Senate Bill No. 2441*

House Bill No. 2420

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 49-16-213, is amended by deleting subsection (b) and substituting:

(b)

(1) In addition to the intervention options available under § 49-1-602, if a virtual school is identified as a priority school pursuant to § 49-1-602 beginning with the priority school list released in 2025 or has demonstrated school composite level student achievement growth at a level of "significantly below expectations" for any three (3) consecutive years of the school's operation, as represented by the Tennessee Value-Added Assessment System (TVAAS) developed pursuant to chapter 1, part 6 of this title and guidelines adopted by the state board of education pursuant to chapter 1, part 3 of this title, then the LEA shall close the virtual school. The closure of a virtual school pursuant to this subdivision (b)(1) takes effect at the end of the school year in which the virtual school meets a criterion for closure pursuant to this subdivision (b)(1).

(2) Notwithstanding chapter 3, part 1 of this title, if a virtual school is closed pursuant to subdivision (b)(1), then the Tennessee investment in student achievement formula (TISA) payments for the LEA that established the virtual school must exclude a student who was a member in the virtual school the prior school year who did not remain a member in the LEA following the closure of the virtual school.

(3) If an LEA is required to close a virtual school pursuant to subdivision (b)(1), then:

(A) Within one (1) calendar week from the date on which the virtual school is identified as meeting a criterion for closure pursuant to subdivision (b)(1), the virtual school shall notify, in writing, the parents or legal guardians of all students enrolled in the virtual school of the closure;

(B) Within thirty (30) days of the determination made by the LEA to close a virtual school, the LEA shall communicate to the parents or legal guardians of all students enrolled in the virtual school other options for which the student is eligible to enroll;

(C) The virtual school shall not enroll any new students; and

(D) A contracted nonprofit or for-profit provider of the virtual school shall not withhold student records from the establisher or from a school to which a virtual school student transfers.

(4) If a virtual school attains a school composite level student achievement growth score of "significantly below expectations" for two (2) consecutive years, as represented by the TVAAS developed pursuant to chapter 1, part 6 of this title and guidelines adopted by the state board of education pursuant to chapter 1, part 3 of this title, or if a virtual school is identified as being among the bottom ten percent (10%) of schools in overall achievement as determined by the performance standards and other criteria set by the state board pursuant to § 49-1-602(b)(2)(B), then the LEA shall notify, in writing, the provider and the parents or legal guardians of all students enrolled in the virtual school of the virtual school's performance status and that if the virtual school's performance meets a criterion for closure pursuant to subdivision (b)(1), then the LEA must close the virtual school.

SECTION 2. Tennessee Code Annotated, Section 49-16-214, is amended by deleting the section and substituting:

(a) An establisher may contract for services with a nonprofit or for-profit provider for the operation and management of a virtual school.

(b) The department of education shall maintain and publish on the department's website a list of providers that operated or managed a virtual school pursuant to subsection (a) that was closed pursuant to § 49-16-213(b).

SECTION 3. This act takes effect July 1, 2026, the public welfare requiring it.

Amendment No. 1 to HB2420

White
Signature of Sponsor

AMEND Senate Bill No. 2441*

House Bill No. 2420

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 49-16-213, is amended by deleting subsection (b) and substituting:

(b)

(1) In addition to the intervention options available under § 49-1-602, if a virtual school is identified as a priority school pursuant to § 49-1-602, beginning with the first priority school list released after the 2025 priority school list, or has demonstrated school composite level student achievement growth at a level of "significantly below expectations" for any three-consecutive-year period beginning with the 2025-2026 school year, as represented by the Tennessee Value-Added Assessment System (TVAAS) developed pursuant to chapter 1, part 6 of this title and guidelines adopted by the state board of education pursuant to chapter 1, part 3 of this title, then the LEA shall close the virtual school.

(2) The closure of a virtual school pursuant to subdivision (b)(1) takes effect at the end of the school year in which the virtual school meets a criterion for closure pursuant to subdivision (b)(1).

(3) Notwithstanding chapter 3, part 1 of this title, if a virtual school is closed pursuant to subdivision (b)(1), then the Tennessee investment in student achievement formula (TISA) payments for the LEA that established the virtual school must exclude a student who was a member in the virtual school the prior

school year who did not remain a member in the LEA following the closure of the virtual school.

(4) If an LEA is required to close a virtual school pursuant to subdivision (b)(1), then:

(A) Within one (1) calendar week from the date on which the virtual school is identified as meeting a criterion for closure pursuant to subdivision (b)(1), the virtual school shall notify, in writing, the parents or legal guardians of all students enrolled in the virtual school of the closure;

(B) Within thirty (30) days of the determination made by the LEA to close a virtual school, the LEA shall communicate to the parents or legal guardians of all students enrolled in the virtual school other options for which the student is eligible to enroll;

(C) The virtual school shall not enroll any new students; and

(D) A contracted nonprofit or for-profit provider of the virtual school shall not withhold student records from the establisher or from a school to which a virtual school student transfers.

(5) If a virtual school attains a school composite level student achievement growth score of "significantly below expectations" for any two-consecutive-year period beginning with the 2025-2026 school year, as represented by the TVAAS, or if a virtual school is identified as being among the bottom ten percent (10%) of schools in overall achievement as determined by the performance standards and other criteria set by the state board pursuant to § 49-1-602(b)(2)(B), then:

(A) The LEA shall notify, in writing, the provider and the parents or legal guardians of all students enrolled in the virtual school of the virtual school's performance status and that if the virtual school's

performance meets a criterion for closure pursuant to subdivision (b)(1), then the LEA must close the virtual school; and

(B) The virtual school shall not enroll any new students in the current or upcoming school year if the LEA issues a notice required in subdivision (b)(5)(A).

SECTION 2. Tennessee Code Annotated, Section 49-16-214, is amended by deleting the section and substituting:

(a) An establisher may contract for services with a nonprofit or for-profit provider for the operation and management of a virtual school.

(b) The department of education shall maintain and publish on the department's website a list of providers that operated or managed a virtual school pursuant to subsection (a) that was closed pursuant to § 49-16-213(b).

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