

Vouchers: Now What?

Last Updated: February 4, 2025

On January 30, 2025, a universal school voucher bill, [HB 6004/SB 6001](#), passed both chambers of the Tennessee state legislature during a special legislative session and is headed to Governor Bill Lee for signature. Ed-Trust Tennessee has been consistent and public in our [opposition to public dollars going to private schools](#) and we remain firm in that stance. However, we also recognize that transparency around what's next empowers community stakeholders to engage in the rulemaking process, understand the program, and mitigate harm for their communities. This memo describes the next steps to enact the legislation and shares more detail about the bill. For more information on Tennessee's limited voucher programs and research on the effects of voucher programs, please refer to our [earlier memo](#).

What happens next?

Early February: Sign Into Law

We anticipate a formal signing ceremony in early February and a focus on this recently passed legislation during Governor Lee's State of the State address on [February 10, 2025](#).

Once the bill is signed into law by Governor Lee, all sections of the bill will go into effect, except for the section dealing with sports betting revenue, which go into effect in July. This section includes allocation of sports betting revenue for school facilities, and is described later in the memo.

February – May: Regular Legislative Session

It is possible that legislators will introduce additional legislation to change elements of HB 6004/SB 6001, the bill that was just passed. EdTrust-Tennessee will continue to monitor all education bills filed in our [2025 Bill Tracker](#), which will have the most updated information on potential changes to the voucher program.

Legislation passed during the special session, including universal vouchers (HB 6004/SB 6001) and other legislation for things like disaster relief, has a significant cost. Analysis from the Sycamore Institute estimates legislation passed during special session will cost \$917.6 million next fiscal year, not including amounts related to immigration enforcement. As a result, Tennessee lawmakers may face constraints funding other proposals during the regular session.

March – June: Rulemaking

The State Board of Education will engage in a public rulemaking process to put the law into effect, which will

include opportunities to provide public comment. Notices around official rulemaking hearings are posted on the [State Board of Education website](#). This may begin while the legislative session is still in session. Ed Trust-Tennessee will monitor the timeline and share opportunities for engagement as they are posted.

July 1, 2025

All provisions of the law will go into effect.

What will the new universal voucher program look like?

Information in this section is based on the amended version of HB 6004/SB 6001 that passed both chambers. Specific details could change as the rulemaking process unfolds.

<p>Eligible Students</p>	<p>2025-26 School Year (20,000 vouchers available):</p> <ul style="list-style-type: none"> • 10,000 vouchers available to eligible students based on income (300% of free and reduced lunch, or \$173K/year or less for family of 4), who have a disability, or are eligible for the existing ESA program. • 10,000 available to any eligible student. <p>2026-27 School Year and Beyond (up to 5,000 additional vouchers per year, with all vouchers allocated in the following order):</p> <ol style="list-style-type: none"> 1. Past recipients 2. Students eligible for free and reduced-price lunch based on family income (\$58K/year or less for a family of 4) 3. Students whose family incomes are 300% of free and reduced lunch eligibility or less (\$173K/year for family of 4) 4. Public school students or students eligible for public kindergarten 5. All other eligible students <p>Undocumented students are ineligible for the voucher program, and students must waive their rights under IDEA to receive special education services to participate.</p>
<p>School Requirements</p>	<p>Private schools in categories 1-3 (more info on categories available at Sycamore Institute, 2024).</p> <p>No additional testing beyond what they are required to offer to operate; can opt to give students the TCAP.</p>
<p>Amount and Student Count</p>	<p>Base student funding amount for Tennessee’s public school funding formula, TISA, which was \$7,075 for the 2024-25 school year.</p> <p>20,000 in the first year with increases of up to 5,000 additional vouchers per year, depending on demand for the program and state appropriations</p>

Total Voucher Program Cost

The [fiscal note](#) for the amended version of the bill shows the cost to administer just the universal voucher program is estimated to be \$148.6 million next fiscal year, and \$190.8 million in the following fiscal year, with costs increasing in subsequent years. This includes both the cost of the vouchers themselves and costs to administer the program. The total cost of HB 6004/SB 6001 is projected to be more than \$1.1 billion in the first five years, based on this official fiscal analysis.

“Hold Harmless” Provision

The bill includes a provision that if school districts see both a decline in student enrollment and a decline in funding allocations from TISA, they will receive supplemental state funds to make up the difference between their prior and current allocations.

The fiscal note projects that TISA per-student base funding will increase by 3.13% each year, and if this occurs, very few districts will benefit from this provision. The official fiscal note projects 15 districts will qualify in fiscal year 2027, out of more than 140 districts across the state. The cost for this provision is also projected to be small – about \$5.3 million. The fiscal analysis for the amended bill estimates public schools will lose \$50.3 million in fiscal year 2027 due to students leaving public schools to utilize the voucher.

Data and Accountability

Private schools who receive vouchers can opt to administer the Tennessee Comprehensive Assessment Program (TCAP), the statewide assessment public school students take, but they are not required to do so. The fiscal note for the bill projects that none of the private schools receiving the voucher will administer TCAP, but if schools do administer the test, the TN Department of Education will select a random sample of results to be reported.

Private schools eligible for the voucher program must administer a nationally standardized achievement test to operate in Tennessee. Private schools who participate in the voucher program will submit student assessment data to the Office of Research and Education Accountability (OREA) in the Office of the Comptroller of the Treasury using a standard form. Submitted data is only required to be aggregated, deidentified data. OREA is required to analyze results by recipient grade level, household income level, sex, and race. OREA is required to submit an annual report to education committee members. There is no requirement for OREA to report their findings publicly, so advocates and stakeholders may not be able to see data on student outcomes.

Discrimination and Civil Rights

The bill explicitly ensures that schools accepting the voucher do not need to adjust their creed, practices, admission policies, hiring policies, or curriculum to participate in the voucher program. The amended bill also includes specific provisions for some student populations.

- Students with disabilities: families of students with disabilities must waive their rights to receive special education and related services.

- Undocumented students: students who cannot provide evidence of lawful presence in the United States are not eligible for the voucher.

What else was included in the voucher bill?

Teacher Bonuses

One-time bonuses of \$2,000 per teacher were part of the voucher bill. These bonuses will be paid to teachers only if their school board or the governing body of their public charter school adopts a resolution affirming they would like to participate in Section 4 of the Education Freedom Scholarship Act of 2025 by June 1, 2025. This section of the voucher bill creates the teacher bonuses.

Facilities Funding

Sports betting revenue will first be used to cover projected shortfalls in lottery scholarship programs, like the HOPE Scholarship, then allocated to facilities funding. Districts must complete an application process detailed in the amendment to access funding. Funding will be awarded on a \$25 per-pupil basis to three sets of districts in priority order.

First priority will go to districts who meet any of the following criteria; Figure 2 shows the estimated breakdown for this set of prioritized funding.

- At-Risk/Distressed: Located in a county designated as economically distressed or at risk by the Tennessee Department of Economic and Community Development (ECD).
- High-Performing: A district in which 50% or more of public schools receive an A letter grade
- Fast-growth: Eligible for the fast growth stipend funding in the Tennessee Investment in Student Achievement (TISA), Tennessee’s public school funding formula. This funding goes to districts who are experiencing greater than 1.25% growth.

Figure 2: Estimated Distribution of Facilities Funds in FY 2025-2026 ([Official Fiscal Note](#))

Category	Districts	Students	Allocations (Rounded)
At-Risk/Distressed	50	118,581	\$3 million
High-Performing	15	132,358	\$3.3 million
Fast Growth	44	484,155	\$12.1 million

After this first priority group, additional funds can be used to support facilities needs at districts who have sustained damage due to an emergency or natural disaster. After these two groups of districts have been served, additional funds can be awarded to other districts in the order in which completed applications are received.

Where can I learn more?

- [Voucher Memo](#), EdTrust-Tennessee, 2025
- [Vouchers Unveiled Webinar Recording](#), EdTrust-Tennessee, 2025
- [Vouchers Unveiled Webinar Resource Guide](#), EdTrust-Tennessee, 2025
- [2025 Update on Tennessee's Education Savings Account/Voucher Program](#), Nashville Public Education Foundation, 2025
- [The Education Freedom Scholarship Act and Private Schools in Tennessee](#), The Sycamore Institute, 2024

Have questions? Let us help find the answers. Email jmillsmcferron@edtrust.org for more information.