

TENNESSEE LAWMAKERS NARROWLY PASS SCHOOL VOUCHER PROGRAM BILL: 5 KEY TAKEAWAYS ABOUT THE EDUCATION FREEDOM ACT

Insights
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Tennessee families will soon be able to use taxpayer dollars to cover the cost of private school tuition under the recently passed Education Freedom Act (EFA). Tennessee lawmakers passed a hotly debated \$447 million statewide school choice program on January 30 that will be administered by the Tennessee Department of Education, offering state-funded scholarships for eligible students to attend K-12 private schools. The EFA goes into effect for the 2025-2026 school year and requires the State Board of Education to promulgate rules to implement the requirements of the law and program. We'll explain everything your school needs to know, including five key takeaways under the new law.

Overview of Tennessee's New "Education Freedom Act"

Here are the key takeaways about the new law.

Eligible Students Must Enroll in K-12 Private School. For the 2025-2026 school year, the [new state law](#) provides 20,000 scholarships total for eligible students, with 10,000 of those scholarships reserved for students meeting certain criteria related to household income, zoning, or disabilities. To be eligible to receive the scholarship, the student must:

- be a resident of Tennessee who is entitled to attend a public school;
- not be enrolled in a home school or in a church-related school;

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- submit a completed scholarship application to the state department of education; and
- have enrolled in a private school for the upcoming school year.

Students participating in the Tennessee education savings account ([ESA pilot program](#)) or the individualized education account ([IEA program](#)) will be denied the scholarship for any school year they are enrolled in the ESA or IEA program.

- The ESA program allows eligible students who are zoned to attend Memphis-Shelby County Schools, Metro Nashville Public Schools, Hamilton County Schools, or certain schools in the Achievement School District, to use state and local funds for education expenses, including tuition at approved participating private schools.
- The IEA program is a school choice initiative established for eligible K-12 students with qualifying disabilities that provides funds can be used for various purposes including tuition at certain non-public schools.

The EFA Primarily Covers Cost of Tuition. Upon an eligible student meeting the state’s criteria, Tennessee parents can receive just over \$7,000 per child, and parents are required to use the funding on tuition and fees before other supplies. Any remaining scholarship funds after payment of tuition and fees may be used for textbooks, tutoring services, technology, transportation to and from the school, early postsecondary courses or exams, or educational therapy services.

Private Schools Remain Autonomous. The bill provides that a private school that enrolls scholarship recipients is not an agent of the state, and Tennessee has not imposed any additional rules, regulations, or requirements on private schools beyond the rules narrowly tailored to enforce the EFA. A private school is also not required to alter its creed, practices, admission policies, hiring policies, or curriculum in order to accept scholarship students. There is nothing in the bill that provides schools are recipients of federal financial assistance.

Standardized Testing Required for Scholarship Recipients. Under the new law, private schools must administer a national standardized achievement test, aligned to the respective private school’s instructional plan, or the

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Tennessee Comprehensive Assessment Program test (TCAP) to students who receive scholarships each year from third through eleventh grade. For those that specifically administer the TCAP, the bill requires the state to collect a sampling of voucher-recipient's TCAP test results to compare with statewide TCAP scores.

Effective Date. The new law takes effect for the 2025-2026 school year – so Tennessee private schools should consult with their Fisher Phillips attorney as soon as possible to discuss its implications.

Conclusion

Please consult your Fisher Phillips attorney, the authors of this Insight, any attorney in [our Tennessee offices](#), or any attorney on our [Education Team](#) to obtain practical advice and guidance on how to adapt your policies and training to comply. We will continue to monitor the latest developments and provide updates as warranted, so you should ensure you are subscribed to [Fisher Phillips' Insight System](#) to gather the most up-to-date information.