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# HB 793 - SB 836

## FISCAL MEMORANDUM



**Fiscal Review Committee**  
Tennessee General Assembly

March 21, 2025

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Fiscal Analyst: Alan Hampton | Email: alan.hampton@capitol.tn.gov | Phone: 615-741-2564

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**SUMMARY OF BILL AS AMENDED (005269):** Authorizes a local education agency (LEA) or public charter school to require that each student who seeks to enroll in the LEA or public charter school to produce documentation establishing that the student is: (1) a citizen of the United States; (2) is in the process of obtaining citizenship; or (3) holds a legal immigration or visa status.

Authorizes an LEA and public charter school to: (1) enroll students without requiring the production of documentation; (2) condition the enrollment of students on the production of documentation, regardless of whether the documentation produced establishes that a student meets, or fails to meet, one of the criteria; (3) condition the enrollment of a student who does not produce documentation as required by the LEA or public charter school, or whose documentation does not establish that the student meets one of the criteria on the and payment of tuition; or (4) deny enrollment to a student who does not produce the required documentation, or whose documentation does not establish that the student meets one of the criteria, without having to offer the student the option of enrolling in the LEA or public charter school if the student pays tuition. Establishes minimum uniform tuition amounts for students.

Establishes a student appeal process with the Department of Education (DOE) and enrollment procedures for LEAs and public charter schools during the appeal. Exempts a student and the parent or guardian of a student who is denied enrollment in, or who is removed from, an LEA or public charter school pursuant to this act from all compulsory school attendance and truancy intervention laws and requirements.

Beginning with the 2025-26 school year, requires each LEA and public charter school to document the number of students who enroll in the LEA or public charter school without providing a true copy of the student's birth certificate and to annually report that number to the DOE.

Requires the DOE to report such information received from each LEA and public charter school for the immediately preceding school year to the Speakers of the House of Representatives and the Senate by July 1 each year.

## FISCAL IMPACT OF BILL AS AMENDED:

### OTHER FISCAL IMPACT

The proposed legislation may result in a decrease to the Tennessee Investment in Student Achievement allocation to school districts for any local education agency or public charter school that elects not to enroll students. Any impact will occur in the year following disenrollment, the extent of which cannot be estimated.

Additionally, an increase in local revenue will occur from those students who are unwilling or unable to provide documentation and subsequently pay tuition. However, due to multiple unknown factors, the extent and timing of any such increase cannot be determined with certainty.

The proposed legislation may jeopardize federal funding to the state and to local governments. However, due to multiple unknown factors, the extent and timing of any decrease in federal funding cannot be determined with certainty.

Assumptions for the bill as amended:

- The proposed legislation authorizes an LEA or public charter school to require a student, prior to enrolling in an LEA or public charter school, to provide documentation establishing United States citizenship, pending citizenship, or legal immigration or visa status.
- An LEA or public charter school is authorized to:
  - Enroll students without requiring the production of documentation;
  - Condition the enrollment of students on the production of documentation regardless of whether the documentation produced establishes that a student meets, or fails to meet, one of the criteria;
  - Condition the enrollment of a student who does not produce documentation, as required by the LEA or public charter school, or whose documentation does not establish that the student meets one of the criteria on payment of tuition; or
  - Deny enrollment to a student who does not produce the documentation, as required by the LEA or public charter school, or whose documentation does not establish that the student meets one of the criteria without having to offer the student the option of enrolling in the LEA or public charter school if the student pays tuition.
- An LEA and public charter school that elects to condition a student's enrollment upon payment of tuition who do not provide documentation or whose documentation does not meet one of the criteria, is required to annually establish a uniform tuition amount for such students. Tuition may also be prorated based on the number of days the student is enrolled, if enrollment is for less than a full school year.
- The uniform tuition amount must:
  - Be no less than the base funding amount for the respective school year, as determined by the Tennessee Investment in Student Achievement (TISA) funding formula;

- Not exceed the total average per pupil funding for the LEA for the respective school year; and
- Be paid in full before the student is enrolled.
- For the 2024-2025 school year, the TISA base funding amount is \$7,075 and the average TISA payment per pupil that is subject to the state and local share of 70/30 is \$8,959.
- It is unknown how many LEAs or public charter schools may condition enrollment upon producing documentation and how many students in the state may refuse or may not be able to produce the required documentation.
- It is further unknown how many schools may condition enrollment upon payment of tuition and how many students may enroll upon payment of tuition, or how many schools will decide to not enroll those students who do not pay tuition.
- An increase in local revenue will occur due to those students who are unwilling or unable to provide any of the required documentation and subsequently pay tuition. However, due to multiple unknown factors, the extent and timing of any such increase cannot be determined with certainty.
- Any decrease in enrollment as a result of the proposed legislation will be reflected in the TISA funding formula in the following school year.
- The number of appeals to the DOE cannot be reasonably forecasted. It is assumed the DOE will establish an appeal process within existing resources; however, the assumption that any impact can be absorbed will need to be revisited if a significant number of appeals are filed on a recurring basis.
- LEAs, public charter schools, and the DOE will be able to comply with the reporting requirements within existing resources and during the normal course of business such that any fiscal impact is estimated to be not significant.
- Title VI of the *Civil Rights Act of 1964* prohibits discrimination based on race, color, or national origin in programs or activities that receive federal financial assistance.
- According to the United States Department of Justice, Civil Rights Division, the discrimination protections in Title VI apply to undocumented individuals in the United States.
- As a condition of receiving federal funds, the DOE must sign assurances that it will comply with federal civil rights laws such as Title VI. Violations of federal civil rights laws may place this funding at risk, however, the specific amount at risk is undetermined.
- The DOE receives \$1,105,785,800 in federal education funding as follows:
  - \$408,042,600 for the *Every Student Succeeds Act*;
  - \$255,559,500 for the *Individuals with Disabilities Act*;
  - \$28,511,100 for the *Carl Perkins Act*; and
  - \$413,672,600 for School Nutrition.
- The proposed legislation may also jeopardize federal funding received by LEAs and public charter schools. Due to multiple unknown factors, the extent and timing of any such decrease cannot be determined with certainty.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, slightly slanted style.

Bojan Savic, Executive Director