

HOUSE BILL 2774

By Todd

AN ACT to amend Tennessee Code Annotated, Title 49,  
Chapter 6, relative to grants for education  
expenses.

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

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 6, is amended by adding  
the following language as a new part:

**49-6-3801.** This part is known and may be cited as the "More Opportunities for Students  
in Tennessee (MOST) Act."

**49-6-3802.**

As used in this part, unless the context otherwise requires:

(1) "Contractor" means an individual or entity with whom the department  
enters a contract for the purpose of performing a program function under this  
part;

(2) "Department" means the department of education;

(3) "Eligible education expense" means:

(A) Tutoring services provided by a tutor or tutoring facility that  
meets the requirements established by the department;

(B) Computer hardware, technological devices, or other  
technology fees approved by the department, if the computer hardware,  
technological device, or technology fee is used for the student's  
educational needs;

(C) Textbooks, curriculum, or other instructional materials;

(D) Child care services;

(E) Educational therapy services, including, but not limited to, occupational, behavioral, physical, speech-language, and audiology therapies that meet the requirements established by the department and the state board of education;

(F) Supplemental education services; and

(G) Other education expenses as approved by the department pursuant to this part;

(4) "Eligible student" means a resident of this state who:

(A) Is a student in any of the grades kindergarten through eight (K-8); and

(B) Is a student who fulfills applicable direct certification eligibility guidelines pursuant to 42 U.S.C. §§ 1751-1769;

(5) "Grant" means an award of up to three thousand dollars (\$3,000) per eligible student, to be used for eligible education expenses;

(6) "Grant distribution platform" means a web-based system through which grant funds are transferred from the department to parents of eligible students;

(7) "Parent" means the parent, guardian, person who has custody of the eligible student, or an individual who has caregiving authority under § 49-6-3001;

(8) "Participating student" means an eligible student whose parent is participating in the program; and

(9) "Program" means the MOST program created in this part.

**49-6-3803.**

(a) Subject to appropriation, there is established the MOST program, to be administered by the department in accordance with this part. The purpose of the program is to provide education grants for eligible students.

(b) In order to administer the program, the department:

(1) Shall establish procedures to determine student eligibility in accordance with the requirements established by this part;

(2) Shall establish a grant application form that a parent of a student may submit to the department to determine the student's eligibility for the grant program and make the application form readily available on the department's website;

(3) Shall establish an income-verification process for a parent of an eligible student to verify that the student's household income meets the requirements of 42 U.S.C. §§ 1751-1769;

(4) Shall select a third party to build a grant distribution platform;

(5) Shall administer or select a third party to administer the grant distribution platform;

(6) May retain contractors as needed to administer the program, if any, and delegate program functions to such contractors;

(7) May conduct audits, or designate a third party to conduct audits of:

(A) A participating student and the participating student's parent to monitor compliance with this part; and

(B) A contractor retained pursuant to this part;

(8) May deduct two percent (2%) from the total amount of grant funds appropriated under this part to cover the costs of overseeing the funds and administering the program; and

(9) May take such other actions as are necessary to implement and enforce this part.

(c) The department shall provide parents of eligible students with a written explanation of the allowable uses of grant funds, the responsibilities of parents regarding grant funds, and the department's duties regarding grant funds, eligible students, and students.

(d) The department shall strive to ensure that lower-income families are notified of the grant program and of the eligibility requirements to participate in the grant program.

(e) The department shall adopt policies or procedures necessary for the administration of the program, including, but not limited to, procedures for establishing, or contracting for the establishment of, an anonymous online fraud reporting service and telephone hotline, for reporting fraudulent activity related to the grant funds.

(f) If a person knowingly uses grant funds for expenses that do not constitute one (1) or more of the eligible expenses listed in this part with the intent to defraud the grant program or knowingly misrepresents the nature, receipts, or other evidence of any expenses paid with the intent to defraud the grant program, then the department may refer the matter to the appropriate enforcement authority for criminal prosecution.

(g) Grant funds must be expended during the fiscal year in which they are awarded. Any unused funds at the end of the fiscal year shall not revert to the general fund, and must be transferred and allocated to the department.

(h) Grant funds must be awarded to eligible students on a first-come, first-served basis until all available funds are distributed.

**49-6-3804.**

(a) To participate in the grant program, a parent of an eligible student shall agree in writing to:

(1) Only use the grant funds for eligible education expenses listed in this part; and

(2) Verify that the student's household income meets the requirements of 42 U.S.C. §§ 1751-1769 by providing a federal income tax return from the previous year or by providing proof that the parent of an eligible student is eligible to enroll in the state's temporary assistance for needy families (TANF) program. Household income must be verified under this subdivision (a)(2) when the parent of a student submits an application to participate in the grant program.

(b) The maximum amount to which an eligible student is entitled under the grant program is three thousand dollars (\$3,000).

(c) A participating student may be suspended or terminated from participation in the grant program if the department determines that the parent of the participating student or participating student has failed to comply with the requirements of this part.

(d) If a parent of a participating student is found to misuse grant funds, then neither the parent nor another parent of the participating student living in the same household may apply for a grant in the future for any student; provided, that the parent may appeal an audit finding according to a process established by the department.

(e) A parent of a participating student or any other person who uses the grant funds for expenses that do not constitute one (1) or more of the eligible expenses listed in this part, or misrepresents the nature, receipts, or other evidence of any expenses paid by the parent of a participating student is liable for restitution to the department in an amount equal to the amount of such expenses.

**49-6-3805.**

This part is repealed on June 30, 2024.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.