



School Handbook

A Guide to the Tennessee Education Savings Account Program

Tennessee Department of Education | 2024 - 25 School Year



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Tennessee Education Savings Account Program

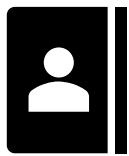
Overview

The Tennessee Education Savings Account (ESA) Program allows eligible students who are zoned to attend a school in Memphis-Shelby County Schools, Metro Nashville Public Schools, Hamilton County Schools, or a school that was in the Achievement School District (ASD) on May 24, 2019, to use state and local money toward education expenses, including tuition and/or fees at approved non-public schools.

This guide provides information to schools participating in the ESA Program. To assist participating families, schools can direct ESA account holders to find information [online](#). ESA account holders are students (if age 18 or older) or the participating student's legal parent or guardian. As a participating school, school leaders must agree to follow the policies and procedures outlined in this handbook.

Information regarding the ESA Program, including a frequently asked questions document, eligibility worksheets, a family handbook, and more are available online at tn.gov/education/esa. Additional information for participating schools about the **responsibilities of participating account holders** is also available on the [website](#).

Contact Information



The department can answer additional questions regarding the Education Savings Account Program. See below for specific contact information:

- Email: ESA.Questions@tn.gov, ESA.Finance@tn.gov, or ESA.Applications@tn.gov
- Phone: 615-741-9360
- Website: tn.gov/education/esa

The Law, Rule, and Procedure

In Spring 2019, the Tennessee General Assembly passed, and Governor Bill Lee signed the Tennessee Education Savings Account Pilot Program, codified at Tennessee Code Annotated (Tenn. Code Ann.) § [49-6-2601](#) et seq. into law. The first Education Savings Accounts (ESAs) were awarded in August 2022. During the 113th Legislative Session in 2023, the Tennessee General Assembly passed [Chapter 171](#) of the Public Acts of 2023 which expanded student eligibility to certain students previously enrolled in a non-public school. Also passed during this session was [Chapter 328](#) of the Public Acts of 2023 which expanded access to the ESA Program to residents of Hamilton County beginning in the 2023-24 school year.

To implement the program, the Tennessee State Board of Education (SBE) approved rules, Chapter [0520-01-16](#), and the department developed policies and procedures for the ESA Program. Links to the ESA Program Law and Rules are posted on the department's ESA [website](#).

The Tennessee General Assembly meets annually, and the Tennessee State Board of Education (SBE) meets at least quarterly. Any changes to law or rule as determined by these bodies will be enacted in due time with the ESA Program. As such, some elements of the program may change over time. Stakeholders should check the ESA [website](#) and send questions to ESA.Questions@tn.gov.

School Eligibility

Category I, II, or III non-public schools may apply to the department to become a participating school. A list of categories, definitions, and approved accrediting agencies can be found [here](#).

- Category I: Schools approved by the department.
- Category II: Schools approved by an accrediting agency which has been approved by the SBE.
- Category III: Schools that are regionally accredited as identified by the SBE.

See page 12 of this handbook for more information regarding the school application for participation aside from these requirements.

Student Eligibility

Students must meet the eligibility requirements below to participate in the ESA Program.

Student Eligibility
<ul style="list-style-type: none">• Tennessee resident entering kindergarten through grade 12<ul style="list-style-type: none">○ Entering kindergarten is defined as a child reaching age 5 by August 15 of the current school year. If the child is turning 5 between August 15 and September 30, a letter of admission from the director of a participating school is required and should accompany the application. The letter must indicate that through testing and evaluation, the child was found sufficiently mature emotionally and academically to enter kindergarten in accordance with Tennessee State Board of Education Rule 0520-07-02.
<ul style="list-style-type: none">• Meets <i>one</i> of the following requirements:<ul style="list-style-type: none">○ Previously enrolled in and attended a Tennessee public school for one full school year immediately before the school year for which the student receives the ESA○ Previously enrolled in and attended a Tennessee public school for the entire school year in 2019-20, 2020-21, or 2021-22○ Eligible for the first time to enroll in a Tennessee public school○ Was eligible to enroll in a Tennessee public school for the first time in one of the following school years: 2019-20, 2020-21, or 2021-22○ Received an ESA in the previous school year as outlined in Chapter 171 of the Public Acts of 2023.
<ul style="list-style-type: none">• Zoned to attend a school in Memphis-Shelby County Schools, Metro Nashville Public Schools, Hamilton County Schools, or a school that was in the Achievement School District on May 24, 2019
<ul style="list-style-type: none">• Member of a household with an annual income for the previous year that does not exceed twice the federal income eligibility guidelines for free lunch (see abridged chart below) <p>Note: <i>Students identified as “economically disadvantaged” as defined in federal law [42 U.S.C. § 1759(b)(5)] will automatically meet the income requirements for eligibility. “Economically disadvantaged” includes, but is not limited to, children who are experiencing homelessness, children who are recipients of direct certification, or children from households that receive benefits under the Temporary Assistance for Needy Families (TANF) program, Food Stamps, or TennCare.</i></p>

Income Chart 2023-24	
Household Size	Twice the Federal Free Lunch Income (Maximum)
2	\$51,272
3	\$64,636
4	\$78,000
5	\$91,364
6	\$104,728

Terms of the ESA

A participating student is eligible to remain in the ESA Program until the student:

- enrolls in a public school,
- enrolls in a school that is not a Category I, II, or III non-public school or a non-public school not approved under the rules of the State Board of Education,
- is no longer a resident of the local school district in which the student lived when the student began participating in the ESA Program, (Account holders must reapply to the ESA Program each year and verify their home address and income.)
- is suspended or terminated from the ESA Program,
- graduates or withdraws from high school, (Certificates of attendance do not equal graduation from high school for the purpose of the ESA Program.) A student may continue in the program until he or she receives a high school diploma or receives a passing score on all subtests of the General Educational Development test (GED) or High School Equivalency Test (HiSET).
- reaches 22 years of age, (The student may complete the school year in which he or she reaches the age of 22, as long as he or she will not be enrolled in the program past August 15 of the next school year.) or
- fails to verify that household income meets the requirements.

Note: A participating student may voluntarily withdraw from the program at any time. If a participating student withdraws, the participating school must notify the department within five business days of withdrawal notification using the online form found [here](#). This [document](#) is provided as guidance for this process. This [checklist](#) will also assist you in this process.

ESA Use of Funds

Account Holder

The funds received through the ESA constitute as need-based financial aid provided for use on qualified educational expenses per Tenn. Code Ann. § [49-6-2603\(i\)\(1\)](#). ESA distributions and allocations are managed by the account holder. An account holder is the parent, legal guardian, or student who has reached the age of eighteen and has not submitted documentation showing a valid conservatorship or power of attorney. The account holder is responsible for signing the ESA agreement and is responsible for complying with the requirements of the ESA Program. These responsibilities include completing the funding pre-approval process, complying with Tennessee Comprehensive Assessment Program (TCAP) requirements, and other aspects of participation in the program as determined by the department.

Determination of Allocations

The maximum annual amount a participating student is entitled to under the ESA Program shall be equal to the amount representing the per-pupil state and local funds generated and required through the Tennessee Investment in Student Achievement (TISA) for the local education agency where the student resides, or the statewide per pupil average of required state and local TISA funds, whichever amount is *less* according to Tenn. Code Ann. § 49-6-2605(a) and State Board of Education Rule [0520-01-16-.04\(7\)](#). The amount of an ESA may change from year to year as the amount is reviewed and determined annually according to local and state funding formulas. The department anticipates releasing these numbers in mid-summer annually. For the 2023-24 school year, students zoned to attend a school in the Memphis-Shelby County School District or the Metro Nashville School District received \$9,069.80; students zoned to attend a school in the Hamilton County School District received \$8,943.67.

Financial Accountability

Account holders shall obtain pre-approval for all expenses. If pre-approval is not obtained, the expense shall be deemed an unapproved expenditure. An account holder may request pre-approval by completing and submitting the department's pre-approval form in accordance with procedures developed by the department, according to State Board of Education Rule. While account holders decide how funds are spent, schools can provide guidance and support to parents on these decisions. The most up-to-date guidance is available on the ESA [website](#).

Unused Funds

Account holders are not required to spend the entire sum each year; however, a minimum amount of fifty percent (50%) of the funds must be used each year on approved expenses for the benefit of the student enrolled in the program, according to [0520-01-16-.06\(7\)\(a\)](#). If overall spending does not equal fifty percent (50%) by the deadline for submission of the last expense documentation and if the ESA is renewed for the following year, the department shall subtract the difference from the payments in the next contract year. If a student withdraws from the ESA Program or if the ESA is not renewed, the ESA shall be closed, and any remaining funds shall be returned to the state treasurer pursuant to T.C.A. § [49-6-2603](#).

Funds in an ESA may be used only for educational purposes.

These are the allowable use of funds for students enrolled at participating Category I, II, or III non-public schools:

- Tuition and fees at a participating non-public school (*ESA funds may not be used for tuition at a non-participating school.*)
- Registration fees at a participating non-public school (*ESA funds may not be used at a non-participating school.*)
- Application fees at a participating non-public school (*ESA funds may not be used at a non-participating school.*)
- Required school uniforms at a participating non-public school (*ESA funds may not be used for uniforms at a non-participating school.*)
- Required textbooks at a participating non-public school (*ESA funds may not be used for required textbooks at a non-participating school.*)
- Tuition and fees for approved educational summer education programs and specialized after-school education programs (*ESA funds cannot be used for non-educational childcare programs.*)
- Tutoring services provided by an individual or agency who meets department requirements (*An individual must hold an active TN teacher license, and an agency must have accreditation through one of the groups listed in SBE [0520-01-16-.05\(1\)\(c\)\(2\)](#).*)
- Tuition and fees at an eligible postsecondary institution (*An eligible postsecondary institution must be at a postsecondary institution operated by the Board of Trustees of the University of Tennessee; the Board of Regents of the state university and community college system; a local governing board of trustees of a state university in this state; or a private postsecondary institution accredited by an accrediting organization approved by the State Board.*)

- Textbooks required by an eligible postsecondary institution (*An eligible postsecondary institution must be at a postsecondary institution operated by the Board of Trustees of the University of Tennessee; the Board of Regents of the state university and community college system; a local governing board of trustees of a state university in this state; or a private postsecondary institution accredited by an accrediting organization approved by the State Board.*)
- Transportation to and from a participating school or education provider (*ESA funds are paid only to a commercial fee-for-service provider e.g., bus; this does not include private transportation by a parent, family member, or participating student.*)
- Fees for early postsecondary opportunity courses, exams, or exams related to college admission (*Fees do not include room and board, food, or consumable school supplies.*)
- Educational therapies or services for participating students provided by a department-approved, licensed therapist
- Computer hardware, technological devices, or other department-approved technology fees (*This is applicable only if the technology is used for educational needs, is purchased at or below fair market value, and is purchased through a participating school, private school, or provider.*)
- ESA management fees provided by a private or non-profit financial management organization approved by the department, not to exceed 2% of the ESA funding in a fiscal year.

Use of Funds in a non-participating Category I, II, or III non-public school

These are the allowable uses of funds for students in non-participating non-public schools:

- Tuition and fees for approved educational summer education programs and specialized after-school education programs (ESA funds cannot be used for non-educational childcare programs.)
- Tutoring services provided by an individual or agency who meets department requirements (*An individual must hold an active TN teacher license, and an agency must have accreditation through one of the groups listed in SBE [0520-01-16-.05\(1\)\(c\)\(2\).](#)*)
- Educational therapies or services for participating students provided by a department-approved, licensed therapist
- Transportation to and from an education provider (*ESA funds are paid only to a commercial fee-for-service provider e.g. bus; this does not include private transportation by a parent family member, or participating student.*)
- Tuition and fees at an eligible postsecondary institution (*An eligible postsecondary institution must be at a postsecondary institution operated by the Board of Trustees of the University of Tennessee; the Board of Regents of the state university and community college system; a local governing board of trustees of a state university in this state; or a private postsecondary institution accredited by an accrediting organization approved by the State Board.*)
- Fees for early postsecondary opportunity courses, related exams, or exams related to college admission (*Fees do not include room and board, food, or consumable school supplies.*)
- Textbooks required by an eligible postsecondary institution (*An eligible postsecondary institution must be at a postsecondary institution operated by the Board of Trustees of the University of Tennessee; the Board of Regents of the state university and community college system; a local governing board of trustees of a state university in this state; or a private postsecondary institution accredited by an accrediting organization approved by the State Board.*)
- Computer hardware, technological devices, or other department-approved technology fees (*This is applicable only if the technology is used for educational needs, is purchased at or below fair market value, and is purchased through a participating school, private school, or provider.*)
- ESA management fees provided by a private or non-profit financial management organization approved by the department, not to exceed 2% of the ESA funding in a fiscal year.

Unallowed Use of ESA Funds

The following expenses **cannot** be paid with ESA funds. These include, but are not limited to:

- any late fees or costs due to canceled or missed appointments,
- food,
- before-school and/or after-school care,
- summer camp (different from an academic summer school),
- extracurricular and athletic fees,
- supply fees (i.e., those which include consumable items/materials),
- field trips, or
- personal transportation.

Application and Acceptance for School Participation

School Application to Participate in the ESA Program

Eligible schools must submit an application and receive an approval letter from the department to become a participating non-public school in the ESA Program. Completing an interest form and/or submitting an application does not constitute approval. Once applications have been reviewed, approved schools will receive an official approval letter from the department, and a list of all approved schools will be subsequently posted on the [ESA website](#).

School Application Windows

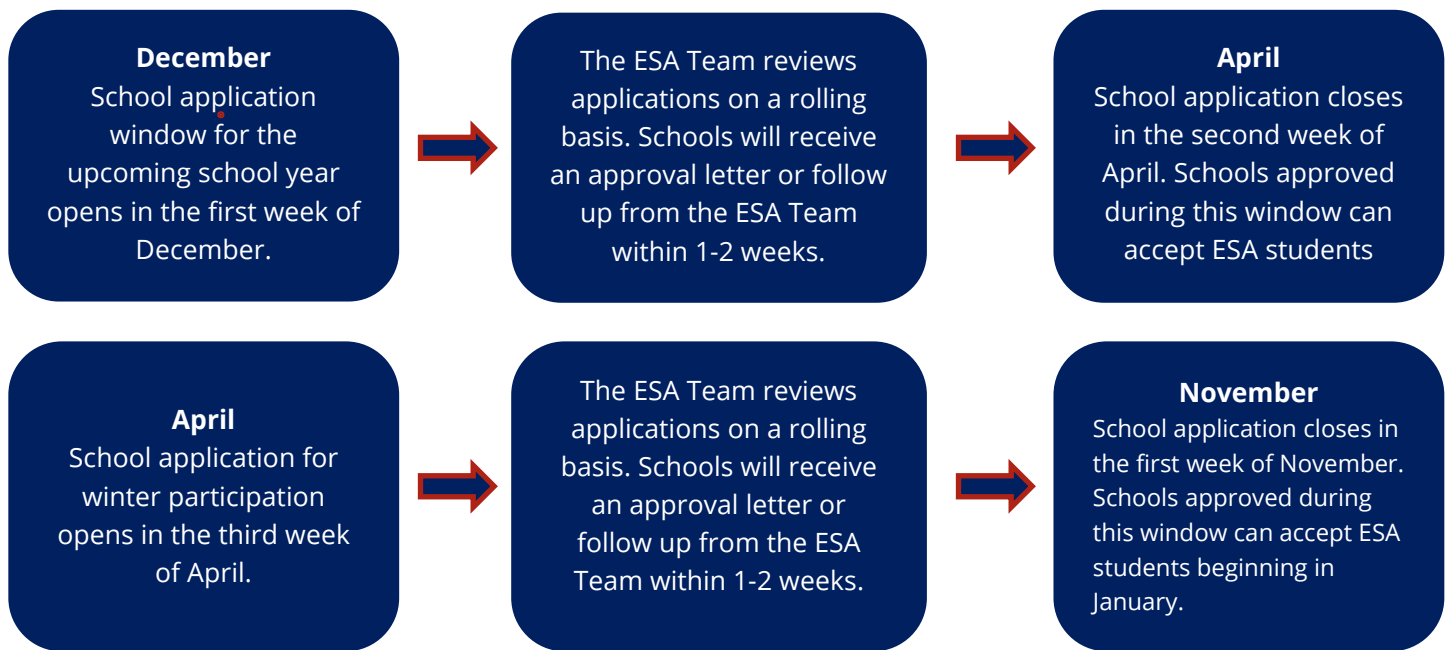
The application for schools to participate in the ESA Program each year consists of two windows:

- **Window 1 (fall enrollment):** Annually, the fall application window will open the first week of December and close on the second week of April each year. For the 2024-25 school year, the application will open on December 9, 2023, and close on April 19, 2024. All schools who submit applications and are approved during this time can enroll ESA students beginning in Fall 2024.
- **Window 2 (winter enrollment):** Annually, the winter application window will open the third week of April and close on the first week of November each year. For the 2024-25 school year, the application will open on April 20, 2024, and close on November 1, 2024. All schools who submit applications and are approved during this time can enroll ESA students beginning in January 2025. Schools approved to participate mid-year can accept ESA students who will receive ESA funds prorated based on the enrollment period.

School Application Calendar

Date	Event
December 9, 2023	2024-25 School Application Opens
April 19, 2024	2024-25 School Application Closes for Fall
April 20, 2024	2024-25 School Application Opens for Winter
November 1, 2024	2024-25 School Application Closes
December 2, 2024	2025-26 School Application Opens
April 18, 2025	2025-26 School Application Closes for Fall
April 19, 2025	2025-26 School Application Opens for Winter

School Application Flowchart



At the time of application, schools must declare **the number of student seats in each grade level** that will be available for students enrolled in the ESA Program using funds for tuition and other expenses. Understanding that schools and eligible students must be a good fit for one another, the approved school is not obligated to fill all seats it declares for annual capacity. If a school would like to amend its ESA seats, the head of school or designee should complete [this form](#) to initiate the process.

If an approved student enrolls at a participating school but *not* in a grade level indicated on the school application, the approved ESA student can use funds in the same manner as students in non-participating, non-public schools. In this case, ESA funds can be used for summer educational experiences, tutoring, therapy, technology, or transportation. The department will require the account holder to submit proof of enrollment, and if the student is in grades 3-11, the student will be required to take the Tennessee Comprehensive Assessment Program (TCAP) in the spring. For students in non-participating, non-public schools, the account holder is responsible for ensuring TCAP compliance.

The school application also requires schools to demonstrate financial viability to repay any funds that may be owed to the state. The school may comply with this requirement by filing a surety bond payable to the state from a surety. The department will also accept copies of the most recent tax return or a notarized letter from a certified public accountant. The amount demonstrated on the financial viability paperwork must be equal to 25% of the number of seats declared multiplied by the approximate base amount of the ESA from the prior year.

As part of the application process, the school must also submit the school's academic calendar, admission policy, and a tuition and fees schedule in order to meet the following requirements as set forth in Tenn. Code Ann. § [49-6-2607\(e\)](#) and State Board of Education Rule [0520-01-16-.08](#):

- **School calendar:** Please submit a calendar that clearly shows instructional days.
- **Admission policy:** School admission policies must clearly state that the school does not discriminate on the basis of race, color, or national origin.
- **Tuition and fees:** Documentation submitted to the department must clearly state the amount of tuition (per grade level, if it varies) as well as any fees. Schools must indicate if technology, textbooks, and uniforms are included in tuition or are separate fees.
 - Enrollment fees, application fees, and supply fees are not allowable if they are separate from tuition for all students.

Applications for non-public schools to participate in the ESA Program must be completed and submitted by the principal or head of school. Applications will be accessible through the [ESA website](#). The ESA Team is always available to answer questions or assist schools in the application process.

Application Approval or Denial

The department will review the submitted application, all supporting documentation, and notify the designated contact via email if the school is approved to participate in the ESA Program. If the school's application requires additional paperwork or updated information, the department will work with the school contact to clarify the necessary documentation to approve the school in a timely manner.

If the department approves the school's application to participate in the ESA Program, the department will include the school on the list of approved participating schools for that school year posted online at tn.gov/education/esa.

If the department does not approve the school's application to participate in the ESA Program, the department will email an explanation of why the school was not approved.

School Approval Statements on School Websites and Documents

Once a school has been approved as a participating ESA school, the school is encouraged to share this information on the school's website and other promotional materials. Recommended language includes the following:

- A statement that the school has been approved as an ESA participating school and approved ESA students can use their ESA funds for tuition and other education-related fees at the school
- The grade levels and number of seats available at the school for ESA students, especially if the school does not admit ESA students in all available grades
- A link to the ESA website (tn.gov/education/esa) and the ESA online portal (app.esa.tnedu.gov)
- Any deadlines for interested families to be aware of during the application process

Annual School Renewal

Schools interested in participating in the ESA Program must submit a new application each year as an indication of their interest. Due to fluctuations in seat numbers, financial viability, school policies, school calendars, and other factors, documents must be submitted to the department as part of the school renewal application. The department will make all reasonable accommodations for schools working to change accreditation status or submit documentation after approval from a school Board of Trust or other governing body.

Appealing a School Application Denial

If the school's application is denied, the school principal, head of school, or board chair may appeal the decision by following the two-step appeals process in accordance with State Board of Education Rule [0520-01-16-11](#).

Step 1:

- The appeal shall be submitted to the commissioner of education within 10 business days of receipt of the notice of application denial, suspension, termination, and/or removal. Notice of application denial, suspension, termination, and/or removal shall be provided electronically and via first-class USPS mail and will be deemed received three business days after the date of postmark.
- The appeal shall be reviewed by the commissioner of education, or the commissioner's designee, and a decision shall be issued within 45 calendar days. To file a step one appeal, complete the appeal form located on the ESA [website](#), and email the completed form to ESA.Questions@tn.gov.
- Appeal forms submitted after the deadline, incomplete appeal forms, or appeal forms with vague language that does not clearly articulate the issue on appeal will not be reviewed.

Step 2:

- The appellant shall be notified of the commissioner's or commissioner's designee's decision in step one (1) of the appeal process electronically and via first-class USPS mail. Such notice shall be deemed received three (3) business days after the date of postmark.
- An appeal of the step one (1) decision shall be filed with the commissioner by the appellant within thirty (30) calendar days of receipt and shall be heard as a contested case hearing pursuant to the Uniform Administrative Procedures Act (T.C.A. [Title 4, Chapter 5](#)).

Student Participation in the Individualized Education Account Program

Students can apply to both the Individualized Education Account (IEA) Program and the ESA Program and can receive approval for both programs. However, a student can only participate in one program per school calendar year.

Student Participation in Interscholastic Athletics

As outlined in Tenn. Code Ann. [49-6-2603\(k\)](#), an ESA participating student is not eligible to participate in a sport sanctioned by an association that regulates interscholastic athletics for the first year in which a student attends a participating school if:

1. The participating student attended a Tennessee public school and participated in that sport;
2. The student participated in that sport in the year immediately preceding the year in which the student enrolled in the participating ESA school; and
3. The participating student has not relocated outside of the Local Education Agency (LEA) in which the Tennessee public school that the participating student formerly attended is located.

Participating School Obligations and Responsibilities

Student Approval and Proof of Enrollment

Due to student privacy regulations, the ESA Team will not communicate student application status with a school until the student has been approved for an ESA and has a Family Educational Rights and Privacy Act (FERPA) waiver on file. Therefore, schools should encourage families to communicate directly with the ESA Program, and families should, in turn, communicate with schools once an approval or denial letter has been received. Student approval for the ESA Program is determined by the department; schools do not play a role in ESA approval. Student approval for a particular school is determined by the school's own admissions process.

For a student account to be established and funds to be available, the department must have proof of student enrollment at a Category I, II, or III non-public school. Approved students should share a copy of their approval letter with their chosen school. Then, as soon as possible, and no later than August 31, 2024, schools must submit proof of enrollment to the department in the e-Wallet portal for ESA account establishment. Schools may begin submitting proof of enrollment as soon as families receive ESA approval.

Schools are responsible for sending the following information on letterhead:

- Student name
- Student date of birth
- Student date of enrollment (first day of class)
- Student grade for 2023-24 school year
- Total tuition amount*
- Cost of required uniforms*
- Cost of required textbooks*
- Cost of required technology*
- Additional itemized fees with associated costs*

**The amount should be totaled after any additional school-based, non-ESA financial aid is applied to the student account.*

A sample template to use is included in the appendix of this handbook.

Academic Accountability

Participating schools are held accountable to the ESA account holder (i.e., parent or guardian of participating student or student who has reached the age of 18) for meeting the educational needs of the participating student. This means that, at a minimum, **the participating school must annually provide the account holder with a written explanation of the participating student's progress.**

Annual Testing

Participating schools must ensure that participating students in grades 3 through 11 are administered the Tennessee Comprehensive Assessment Program (TCAP) tests in math and English language arts each year the student is enrolled in the ESA Program. Each school must designate a testing coordinator, regardless of the grade level in which ESA students are enrolled. The school's testing coordinator will be trained by department staff to administer the assessments. In order to adequately prepare, the ESA testing coordinator will be available to provide in-person training in each region and answer any questions schools may have. If you have questions, contact **Tonya Chase** at Tonya.Chase45@tnedu.gov.

The participating school may NOT charge account holders a fee to administer the state assessments. Any assessment fees charged by the participating school for tests, other than the required state assessment, must be included in the fee schedule submitted with the school's application to participate in the ESA Program and must be itemized on the receipt given to account holders. Account holders may use ESA funds to pay for authorized assessments other than the required state tests.

The participating school must also provide the participating student with an assessment report for those participating students who take an annual TCAP assessment, which must include, at a minimum:

- the name of the assessment,
- the date the assessment was administered to the student,
- the name of the participating student (first, last, middle initial),
- the student's state ID number (issued by the public school in which the participating student resides), and
- the participating student's score on the assessment.

Participating students who take the TCAP must take the TCAP assessment (not the alternative growth measure, portfolio, or Tennessee Universal Reading Screener) and will not be able to receive testing

accommodations under the Individuals with Disabilities Education Act (IDEA). However, students will receive Americans with Disabilities Act (ADA) accommodations as applicable.

Additionally, data from the TCAP tests that are annually administered to students must be used to determine student achievement growth, as represented by the Tennessee Value-Added Assessment System (TVAAS). The department will post TVAAS scores of participating schools publicly on the department's [website](#).

Non-discrimination Certification

Participating schools must certify that they will not discriminate against participating students or applicants on the basis of race, color, or national origin.

School Employees

Participating schools must administer criminal background checks for all school employees upon employment and every five years thereafter.

Participating schools must maintain documentation certifying that any employees providing services to participating students have undergone a fingerprint-based criminal history records check conducted by the Tennessee Bureau of Investigation (TBI) and forwarded by the TBI to the Federal Bureau of Investigation (FBI) for processing pursuant to the National Child Protection Act. The criminal background check shall also include, at a minimum, a check of Tennessee's Sex Offender Registry and the Abuse Registry of the Tennessee Department of Health. All participating schools must maintain documentation that all employees working on school grounds when students are present and/or providing services to students have undergone a fingerprint-based criminal history records check conducted by the Tennessee Bureau of Investigation (TBI) and forwarded to the Federal Bureau of Investigation (FBI). Contact the ESA Team for questions regarding the fingerprinting process or see the ESA [website](#) for guidance.

Additionally, participating schools must exclude from employment any person not permitted by state law to work in a non-public school and any person who might reasonably pose a threat to the safety of students.

Payment Management and Financial Obligations

Participating schools agree to several assurances as conditions of partnership with the program. Any school participating in the ESA Program agrees to the following:

- Prior to the first payment of ESA funds, the account holder must provide proof of enrollment in a Category I, II, or III non-public school. No funds shall be disbursed to an ESA account without proof of enrollment in a Category I, II, or III non-public school.
- Participating non-public schools must provide account holders with a receipt for all qualifying expenses paid to the participating non-public school using ESA funds.
- No additional tuition or fees are allowed to be charged to participating students that are not also charged to non-participating students.
- Participating non-public schools must not, in any manner, refund, rebate, or share funds from an ESA with a parent/guardian of a participating student or a participating student.
- Any tuition or fees charged by a participating non-public school or postsecondary institution that exceed the ESA amount shall be the responsibility of the account holder.
- Participating non-public schools must agree to accept payments for tuition and fees from an account holder on the payment schedule identified by the department.
- If a participating student enrolls in the program for less than an entire school year, the ESA amount for that school year shall be reduced on a prorated daily basis.
- If the department determines that ESA funds have been misused, the department shall notify the participating non-public school, and the school shall repay the misused amount in the manner and within the timeframe set by the department. Additionally, the department is authorized to freeze or withdraw ESA funding for reasons including, but not limited to, fraud and misuse of funds.
- If a participating student becomes ineligible to participate in the program for any reason or withdraws from the program, the participating student's ESA shall be closed, and any remaining funds shall be returned to the State Treasurer to be placed in the Tennessee Investment in Student Achievement (TISA) Account of the Education Trust Fund of 1992 under Tenn. Code Ann. §§ [49-3-357](#) and [49-3-358](#).

Electronic Wallet

The ESA Program allocations are in the electronic wallet payment system for all account holders. Participating schools will have access to the e-wallet school portal that includes the school fees charged to families and where schools can track payments. The portal [link](#) and more information can be found on the [ESA website](#).

Notice of Student Withdrawal or Transfer

A student may withdraw from a participating school at any time. Participating schools shall follow the steps for student withdrawals from the Education Savings Account (ESA) Program and review options available to account holders (parents/caregivers) if they choose to withdraw.

- Complete the Program’s mandatory [Student Withdrawal/Transfer Form](#) **within five (5) business days** of the student’s withdrawal from school, pursuant to State Board of Education Rule [0520-01-16-.08\(6\)](#).
 - When the [Student Withdrawal/Transfer Form](#) is submitted, the ESA Program will send an automatic email confirmation to the school email address provided on the student withdrawal form.
- Both the school and the parent should submit a withdrawal form. If the account holder withdraws the student in person, please remind them to access and submit the [Student Withdrawal/Transfer Form](#).
- Within **10 business days** of the withdrawal date, ensure families know the remaining fees covered by the ESA during the student’s enrollment period.
 - If a student withdraws mid-year, the ESA for that school year will be reduced on a prorated daily basis, as required by State Board of Education (SBE) Rule [0520-01-16-.04\(8\)](#).
 - The department will prorate the amount paid to a school based on the days of an ESA student’s enrollment at the school relative to the minimum number of days each school is open for instruction.
- Ensure the account holders are aware of the following options for their student prior to completion and submission of the withdrawal form:
 1. Enroll/transfer the student to a different ESA-participating non-public school.
 - The remainder of the ESA funds can be used at the new ESA participating non-public school after revision of the Funds Pre-Approval Form in the [e-Wallet portal](#).
 - The account holder must send a copy of the school contract to ESA.Questions@tn.gov.
 - The account holder must submit verification of enrollment from the new participating school to ESA.Questions@tn.gov.
 - A list of all ESA-participating non-public school options can be located on the department’s [website](#).
 2. Enroll the student in a non-participating Category I, II, or III non-public school.
 - If the account holder selects this option, the **fees for tuition, uniforms, and textbooks are no longer allowable use of funds** for the ESA. A list of how funds can be used in a non-participating, non-public school can be found in the family handbook on the [ESA website](#).
 - The account holder must send a copy of the school contract to ESA.Questions@tn.gov. A list of all non-public school options can be located on the department’s [website](#).

3. Enroll the student in a public school district or a non-ESA eligible non-public school option, including homeschool or a Category IV or Category V non-public school.

If the account holder selects this option, they are **no longer able to participate in the program and the student's unused ESA funds will be returned to the State.**

This [document](#) can provide additional assistance in completing withdrawal or transfer information.

Eligibility Note: If an account holder should voluntarily or involuntarily withdraw from their Category I, II, or III non-public school, they must enroll in another Category I, II, or III non-public school to maintain their ESA account. If an account holder should enroll in a public school, home school, or Category IV or V school, they are no longer eligible to participate in the program and will immediately forfeit the remainder of their funds. The student would not retain any ESA funds or status in the event the student re-applies to the ESA Program.

However, according to T.C.A. § [49-6-2602\(3\)\(A\)\(iii\)](#), a student would remain eligible for the ESA Program for the next school year, following withdrawal from the ESA Program, despite having attended a non-public school. To re-enroll in the program, the eligible student must apply using the application on the [ESA website](#).

- **Fiscal Responsibilities for Withdrawals:** When a student withdraws from a participating non-public school during the course of the school year, the ESA funds for that school year will be reduced on a prorated daily basis, pursuant to State Board of Education (SBE) [Rule 0520-01-16-.04\(8\)](#). The Tennessee Department of Education shall prorate the full ESA amount paid to a school based on the days of enrollment at the school relative to the minimum number of days each school is open for instruction. Any expenses owed to the participating non-public school which exceed the amount of the prorated ESA amount shall be the account holder's responsibility.
- Families must submit expense documentation within 10 business days of the withdrawal date to include all expenses covered through the ESA, regardless of future enrollment in a participating or non-participating ESA school.
- When the withdrawal/transfer form is submitted, an automatic email confirmation will be generated by the ESA Program and sent to the account holder email address provided on the student withdrawal form.
- Upon leaving the ESA Program, through return to a public school, independent home school, or Category IV or V nonpublic school, any funds remaining in the ESA account will be returned to the State Treasurer, pursuant to SBE Rule.
- If a student graduates from high school or reaches age 22 and has any remaining funds left in their ESA account, the student will then become a Legacy ESA student. Legacy students may use their remaining funds for eligible postsecondary education expenses. Legacy students are not given additional ESA funds. For more information on Legacy ESA students, contact ESA.Questions@tn.gov.

Annual Reviews

The department will conduct an annual review of each participating non-public school for fiscal and program compliance. Part of this review may include requesting supporting documentation or additional information regarding an account holder or related reimbursement.

Annual Graduation and Completion Rates

Participating non-public schools must annually submit graduation and completion information of participating ESA Program students to the department. The department will email participating non-public schools a copy of the [Graduation Data Submission Form](#) annually in late April. The department must receive the completed form no later than the date set forth by the department. The participating school principal or designee must complete the form.

On the form, participating non-public schools must report all of their 12th grade students who participate in the ESA Program as one of the following: *graduated*; *completed*; *withdrew from the school*; *repeating 12th grade*; *continuing due to special education needs*; or *other* with an explanation.

- **Participating non-public schools will define graduation as a student who has either received a regular diploma or a special education diploma.**
- **Participating non-public schools will define completion as a student who has taken and passed the HiSET or the GED.**

Please note: *If a secondary school does not have any participating students who are enrolled in the ESA Program and who are graduating/completing high school, the participating non-public school principal must still complete the [form](#) and submit it to the department by the deadline to indicate the participating non-public school does not have any participating students who are graduating/completing.*

Program Suspension

Pursuant to Tenn. Code Ann. § [49-6-2608](#), **the department may suspend or terminate a participating non-public school from participating in the ESA Program in future years if the department determines that the participating non-public school has failed to comply with state law, rules, or department procedures for the ESA Program or for non-public schools, including the requirements set forth in this handbook.** This includes, but is not limited to, failure of participating students to make academic progress as demonstrated by performance measures from multiple data sets including but not limited to the TCAP assessment or a nationally normed assessment utilized by the school.

If the noncompliance is correctable within a reasonable amount of time and if the health, safety, or welfare of the participating students is not threatened, the department may issue a notice of noncompliance, which provides the participating non-public school a timeframe to provide evidence of compliance before the department takes action to suspend or revoke the participating non-public school's participation in the ESA Program.

If the department issues a notice of noncompliance:

- Participating non-public school principals will be given a reasonable period of time from the date of the notice, as determined by the department, to demonstrate compliance.
- The notice will state the reason(s) for the noncompliance, provide instructions on how to demonstrate compliance, and give a deadline for demonstrating compliance to the department.
- If the department issues a notice of proposed action suspending or revoking a participating non-public school's participation, the notice will state the reason(s) for the action and specify the participating non-public school's right to appeal.

The department may immediately suspend a school's participation in the ESA Program if it determines that there is probable cause to believe there is a threat to the safety of students and/or fraudulent activity on the part of the participating non-public school.

If the department suspends or terminates a participating non-public school's participation, the department will notify affected account holders of the decision. If a participating non-public school is suspended or if a participating non-public school withdraws from the ESA Program, affected participating students remain eligible to participate in the ESA Program.

Appealing a School Suspension Denial

Schools may appeal the department's decision to suspend or terminate a school's participation in the ESA Program by following the two-step appeals process as required in the rules in SBE Chapter [0520-01-16-11](#).

Step 1:

- The appeal shall be submitted to the commissioner of education within 10 business days of receipt of the notice of revoked eligibility or frozen/withdrawn ESA funds. Notice of suspension, termination, and/or removal shall be provided electronically and via first-class USPS mail and be deemed as received three business days after the date of postmark.
- The appeal shall be reviewed by the commissioner of education, or the commissioner's designee, and a decision shall be issued within 45 calendar days. To file a step one appeal, complete the [appeal form](#) located on the [ESA website](#), and email the completed form to ESA.Questions@tn.gov.
- Appeal forms submitted after the deadline, incomplete appeal forms, or appeal forms with vague language that does not clearly articulate the issue on appeal will not be reviewed.

Step 2:

- The appellant shall be notified of the commissioner's or commissioner's designee's decision in step one (1) of the appeal process electronically and via first-class USPS mail. Such notice shall be deemed as received three (3) business days after the date of postmark.
- An appeal of the step one (1) decision shall be filed with the commissioner by the appellant within thirty (30) calendar days of receipt and shall be heard as a contested case hearing pursuant to the Uniform Administrative Procedures Act (T.C.A. [Title 4, Chapter 5](#)).

Parent and Student Rights Waived

Special Education Services

Participation in the ESA Program has the same effect as parental refusal to consent to the receipt of services under the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. § 1414). Participating schools are not obligated to provide special education services. However, participating schools must comply with applicable federal and state laws and regulations.

- While a student participating in the ESA Program does not retain the right to receive special education and related services through an Individualized Education Program (IEP), the participating student does retain the right to continue special education eligibility. **Enrollment in the ESA Program does not result in automatic non-eligibility determinations. Eligibility decisions are made solely by the student's IEP team. The student's IEP can be reactivated by unenrolling in the ESA Program and re-enrolling in a public school district.**
- Students enrolled in non-public schools may request an eligibility evaluation from the local educational agency (LEA) in which the non-public school is located. Students are only entitled to equitable services provided through an Individualized Service Plan (ISP).
- Upon signing the ESA Account Holder Contract, the account holder has the right to withdraw the student from the ESA Program at any time, following the procedures in this handbook, and enroll the student in a public or non-public school, or a home school independent from the ESA Program. Prior to re-enrolling in public school, account holders must notify both the department and the LEA to provide information that the student intends to withdraw from the ESA Program.

Parent and Student Rights Waived in the ESA Program

By signing the *ESA Account Holder Contract* and accepting ESA funding, account holders acknowledge the following:

- The student will have no individual entitlement to a Free Appropriate Public Education (FAPE). Participation in the ESA Program has the same effect as a parental refusal to consent to the receipt of specially designed instruction and related services pursuant to the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. § 1414). The student's IEP is no longer in effect, and the LEA will not be required to provide accommodations or services listed in the IEP.
- The LEA in which the student was previously enrolled is not obligated to provide special education or related services to the student during the term of the ESA, with the exception of services provided under a contract with an LEA, including individual classes and extracurricular programs and/or an Individualized Service Plan (ISP), as determined by the student's IEP team.
- Participating non-public schools are not required to provide special education services for the student.

Fraud Waste or Abuse

Fraud, Waste or Abuse Reporting

Citizens and agencies are encouraged to report fraud, waste, or abuse in state and local government.

Any member of the public can submit information regarding fraud, concerns, or other complaints concerning the Tennessee Education Savings Account (ESA) Program. Potential cases of fraud can be reported electronically using [this form](#) or by calling 615-770-6813. The ESA Team can redirect cases that do not match our investigation criteria to the Tennessee Comptroller's Office.

Note: Responses are monitored from this form. Identifying information, including contact information, is optional but may help with follow-up if needed. The ESA Program implements the policies signed into law through the Tennessee General Assembly and does not have the discretion to change eligibility requirements, funding amounts, residency zoning, or other such constraints as outlined in T.C.A. §§ [49-6-2601](#) et seq.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be wasteful, inefficient, or fraudulent activities please report these to the Tennessee Comptroller's Office for Fraud, Waste, and Abuse at: <https://www.comptroller.tn.gov/office-functions/investigations/fraud-waste-and-abuse.html> or call **1-800-232-5454**.

Appendix A: Frequently Asked Questions

How many ESAs are available?

Up to 5,000 ESAs are available at this time. The number of available ESAs is determined by Tenn. Code Ann. § [49-6-2604\(c\)](#).

Can an ESA be used for sports?

Standalone use of an ESA for sports fees outside of tuition is not an allowable use of funds.

Additionally, an ESA student is **ineligible** to participate in a sport sanctioned by an association that regulates interscholastic athletics for the first year in which a student attends a participating school if the participating student attended a Tennessee public school and participated in that sport, the student participated in that sport in the prior school year, and the participating student has not relocated outside the LEA in which the student participated in the sport previously, according to Tenn. Code Ann. § [49-6-2603\(k\)](#).

Can a family use an ESA to attend a non-public school outside of their county of residence?

Yes. A participating student must remain zoned to attend a school in Memphis-Shelby County Schools, Metro Nashville Public Schools, Hamilton County Schools, or the Achievement School District, but the ESA can be used to attend any participating non-public Category I, II, or III school. Students must maintain their residency in order to remain eligible for the ESA.

Does the school's admission criteria remain uncompromised if the school participates in the ESA Program?

Yes. An eligible student must be accepted by the school based on the school's entrance criteria. Participating schools agree not to discriminate based on race, color, or national origin. The state gives participating schools and providers maximum freedom to provide for the educational needs of participating students. Neither a participating school nor a provider is required to alter its creed, practices, admissions policies, or curriculum in order to accept participating students, other than as is necessary to comply with the requirements of the program.

Is a participating school obligated to accept a participating student for a second year if he or she is not thriving in the school environment?

No. The application and enrollment procedures and policies of the participating school are determined by the school itself. Participating schools should follow their regular re-enrollment criteria for ESA students, just as they do for non-ESA students. This also applies to a school's retention and promotion policies.

Is it possible a participating student may not qualify for an ESA in consecutive years?

Yes. A participating student must reapply every year and provide proof of compliance with income and residency requirements. Students who are approved for an ESA one year are not guaranteed an ESA in consecutive years.

How frequently must the school complete fingerprinting of employees?

Pursuant to [0520-01-16-08\(2\)\(l\)](#), schools must conduct criminal background checks on employees upon employment and at least every five years thereafter. Every school employee should have a fingerprint-based background check on file that is not older than 5 years.

Can the participating school require the account holder to purchase tuition insurance?

Only if the participating school's current policies and protocols require it of other non-ESA families as well.

Can a participating student return to a public school?

Yes. A participating student may return to their assigned public school at any time.

Appendix B: Sample Enrollment Letter

The following information should be sent to the department to verify an ESA student's enrollment at a participating school. The information must be emailed to ESA.Questions@tn.gov on school letterhead from a school representative. Multiple attachments can be included with the same email.

Dear ESA Program,

This letter is to certify that [STUDENT NAME], date of birth [MM/DD/YYYY], is enrolled at [SCHOOL NAME] for the [GRADE] grade for the 2024-25 academic year.

The first day of enrollment (first day student attended) [DATE].

The student's financial information is below:

	Total cost for all students	Cost after school-provided financial aid (before ESA applied)	Remainder cost to be covered by ESA and out-of-pocket from family
Tuition			
Textbooks fee			
Technology fee			
Uniforms fee			

Sincerely,

[SCHOOL NAME]

Appendix C: Finance Worksheet

Account holders are encouraged to use this worksheet to understand how their ESA funds can be applied to particular educational expenses. Participating schools may assist with completing Columns A and B for an ESA student.

Instructions: Complete what is required by the school for **all students** in Column A. Then, complete the amount of any non-ESA financial aid your child is receiving in Column B. Subtract Column B from Column A to determine the leftover cost.

Sample: Amber enrolls at a school where tuition for all students is \$10,000, and each student is charged a textbook fee of \$500. Amber receives \$6,000 of financial aid from the school for tuition. The sample chart below shows these amounts for Column A (what is charged to all students) and Column B (what Amber receives in her financial aid package). Column C is the remainder to be paid; Amber would need to pay \$4,000 for tuition and \$500 for the textbook fee. The ESA covers both as allowable uses of funds. Any remaining amount in Amber’s ESA can be used for other educational expenses, such as educational summer programs or tutoring.

Amber's ESA	A. Total cost for all students	B. Financial aid for my student	C. Amount remaining
Tuition	\$10,000	\$6,000	\$4,000
Textbooks	\$500	\$0	\$500

See the next page for a complete chart to use.

Finance Worksheet

Account holders are encouraged to use this worksheet to understand how their ESA funds can be applied to particular educational expenses. Participating schools may assist with completing Columns A and B for an ESA student.

Instructions: Complete what is required by the school for **all students** in Column A. Then, complete the amount of any non-ESA financial aid your child is receiving in Column B. Subtract Column B from Column A to determine the leftover cost.

	A. Total cost for all students	B. Financial aid for my student	C. Amount remaining
Tuition			
Textbooks			
Technology			
Uniforms			
Transportation			
Tutoring			
Therapy			

*Check with your participating school to determine if the ESA funds amount is included in anticipated financial aid.

The amount listed in the **far-right column C**—Amount remaining—can be covered by the ESA Program as long as it does not add up to more than the total ESA funding amount, which is _____. If Column C is more than the ESA funds, the account holder will need to pay for any remaining tuition or fees out of pocket.

Column C amounts should be entered in the Financial Pre-Approval form in the e-Wallet portal. All expenses **must** be approved by the ESA Team.

