



School Handbook

A Guide to the Tennessee Education Savings Account Program

Tennessee Department of Education | 2025 - 26 School Year

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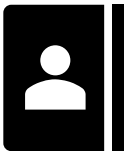
Tennessee Education Savings Account Program Overview

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 years 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 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 ESA Program. See below for specific contact information:

- Email:
 - ESA.Applications@tn.gov - for all questions related to the ESA student application
 - ESA.Questions@tn.gov - for all questions related to ESA school enrollment, ESA school application, and general ESA Program inquiries
 - ESA.Finance@tn.gov - for all questions related to ESA funding and expenses
 - Phone: [ESA Contact List](#)

The Law, Rule, and Procedure

In spring 2019, the Tennessee General Assembly passed, and Governor Bill Lee signed the Tennessee Education Savings Account (ESA) Pilot Program, codified at Tennessee Code Annotated (Tenn. Code Ann.) § [49-6-2601](#) et seq. into law. The first 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

A Category I, II, or III non-public school 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 approved by a regional accreditor that is identified by the SBE

See page 13 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

Tennessee resident entering kindergarten through grade 12

- To be eligible to enter kindergarten, a child must be five years old on or before August 15 of the school year for which the child will be in kindergarten (State Board of Education Rule [0520-07-02](#)).
- A child turning five between August 15 and September 30 may enter kindergarten if:
 - the child's parent or legal guardian requests the child be tested by the school where the child would attend kindergarten,
 - the principal or head of school finds through evaluation and testing that the child is sufficiently mature emotionally and academically to enter kindergarten, and
 - the school has a policy permitting early admission to kindergarten through testing.
- Students admitted early to kindergarten must submit a letter of admission from the director of a state-approved Category I, II, or III non-public school with the application. The letter must indicate that through testing and evaluation, the child was found sufficiently mature, emotionally and academically, to enter kindergarten.

- Meets *one* of the following requirements:
 - previously enrolled in and attended a Tennessee (K-12) public school for one **full** school year immediately before the school year for which the student receives the ESA;
 - For the purposes of this rule, one (1) full school year means a student is enrolled within 10 school days of the district's start date. For example, if Memphis-Shelby County Schools start date is August 5, 2024, and a student enrolls on August 16, 2024, a student would meet the one (1) full school year requirement given that they completed the remainder of the school year. If a student is enrolled on August 19, 2024, they would not meet the one (1) full school year requirement. Additionally, if a student has gaps in enrollment that sum to more than 10 school days throughout the year, the student would not meet the one (1) full school year requirement.
 - eligible for the first time to enroll in a Tennessee (K-12) public school;
 - For the purposes of this rule, if a family moved to Tennessee after the first 10 business days of the district's start date, a family is considered eligible in the year in which they moved to Tennessee. If they choose to apply to the program, the student is also considered eligible for the next school year under this requirement. For example, if the Memphis-Shelby County Schools start date is August 5, 2024, and a family moves to Tennessee on August 20, 2024, the family would be considered "eligible for the first time to enroll in a Tennessee school" for either the 2024-25 or 2025-26 school years.

- previously enrolled in and attended a Tennessee (K-12) public school for the entire school year in 2019-20, 2020-21, or 2021-22;
- eligible to enroll in a Tennessee (K-12) public school for the first time in one of the following school years: 2019-20, 2020-21, or 2021-22; or
- received an ESA in the previous school year.

- Currently 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

- 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)

Note: Students identified as economically disadvantaged pursuant to T.C.A. § 49-3-104(10) will automatically meet income eligibility requirements. This includes students classified as one of the following: a homeless, foster, runaway, migrant student, or a student eligible for free or reduced-price school meals or milk through the direct certification eligibility guidelines established pursuant to 42 U.S.C. §§ 1751-1769.

Income Eligibility Chart	
Household Size	Twice the Federal Free Lunch Income
2	\$53,144
3	\$67,132
4	\$81,120
5	\$95,108
6	\$109,096
7	\$123,084
8	\$137,072
Each additional member	\$13,988

Options for showing proof of income are limited to the following:

1. Federal tax return (Form 1040, most recent for 2024) Please note: The name, address, entire list of dependents, and total income (line 9) of the document must be visible. Individuals listed on the 1040 are considered household members, and the total income (line 9) is the amount used for calculating income eligibility with household size. The student's name should be listed as a dependent.
 - If a child's parents are divorced, *both* parents should provide a 1040 and be listed on the student application if any of the following apply:
 - a court-mandated parenting plan dictates that each parent has the child for 50% of the time,
 - a court-mandated parenting plan dictates that a parent with less than 50% of the time will claim the student as a dependent on his or her taxes; or
 - For households with parents filing taxes separately, the 1040 of both parents should be submitted.

Eligibility letter for any of the following assistance programs, dated within the past 365 days:

2. **Supplemental Nutrition Assistance Program (SNAP)** - current benefits documentation should list the name of the parent and student,
3. **Temporary Assistance for Needy Families (TANF)** - current benefits documentation should list the name of the parent and student, or
4. **TennCare Medicaid** (Please note: There are limited TennCare program types that will demonstrate meeting the income eligibility requirement for ESA, and the student must be listed as the recipient of the benefits).
5. **Verification letter** from the local school district of eligibility for services pursuant to the McKinney-Vento Act.

Terms of the ESA

A student **currently receiving ESA funds remains** eligible for the ESA Program until the student:

- enrolls in a public school,
- enrolls in a Category IV or V school or a non-public school not approved under the rules of the State Board of Education,
- the student moves to a local school district that is not in a qualifying zone, (Account holders must reapply to the ESA Program **each year** and verify their home address and income. This process is called **renewal.**),
- fails to verify that household income meets the requirements, (Account holders must reapply to the ESA Program **each year** and verify their income. This process is called **renewal.**),
- is suspended or terminated from the ESA Program,

- graduates with no funds remaining in the ESA account or withdraws from high school, (A student may continue in the program until such time as he or she receives a high school diploma or receives a high school equivalency credential approved by the State Board of Education. Certificates of attendance do not constitute graduation from high school for the purpose of this program.)
- reaches 22 years of age. (The student may complete the school year in which he or she reaches the age of 22, if he or she will not be enrolled in the program past August 15 of the next school year.)

Note: A participating student may voluntarily withdraw from the program at any time. If a participating student withdraws or transfers to another school, the participating school must notify the department within five business days of withdrawal using the online form found [here](#). Additional guidance can be found [here](#).

ESA Use of Funds

Account Holder

The funds received through the ESA Program constitute a need-based scholarship provided for use on qualified educational expenses per Tenn. Code Ann. § [49-6-2603\(i\)\(1\)](#). ESA allocations are managed by the account holder. An **account holder** is the parent, legal guardian, or student who has reached the age of 18 years old. The account holder is responsible for signing the ESA Program contract and is responsible for complying with the requirements of the ESA Program. These responsibilities include completing the expense pre-approval budget sheet, complying with Tennessee Comprehensive Assessment Program (TCAP) requirements, and other aspects of participation in the program as determined by the department.

A student who is approved for an ESA and enrolls in a state-approved Category I, II, or III non-public school is the direct recipient of ESA funds. Although a parent or legal guardian manages the ESA account for students under the age of 18, the ESA distributions and allocations belong to the student. Further, an account holder is not the recipient of ESA funds unless the account holder is a student who reaches 18 years of age or older.

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 2024-25 school year, each approved student zoned to attend a school in the Memphis-Shelby County Schools or the Metro Nashville Public Schools received \$9,423.58; each approved student zoned to attend a school in the Hamilton County Schools received \$9,346.05.

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

Financial Accountability Pre-Approval

Account holders shall obtain online pre-approval for all expenses. If pre-approval is not obtained, the expense shall be deemed an unapproved expenditure. An account holder completes pre-approval in the portal before any funds are disbursed to the student's account in accordance with procedures developed by the department, according to State Board of Education Rule [0520-01-16-.05\(2\)](#). While account holders decide how funds are spent, schools can provide guidance and support to parents on these decisions.

Use of Funds in a Participating Category I, II, or III School

These are the allowable uses of funds for students enrolled at ESA 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 state-approved, non-participating school.)*
- registration fees at a participating non-public school; *(ESA funds may not be used for registration fees at a state-approved, non-participating school.)*
- application fees at a participating non-public school; *(ESA funds may not be used for application fees at a state-approved, non-participating school.)*
- required school uniforms at a participating non-public school; *(ESA funds may not be used for uniforms at a state-approved, non-participating school.)*
- required textbooks at a participating non-public school; *(ESA funds may not be used for required textbooks at a state-approved, 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 Tennessee 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.)* Technology purchases are limited to one device per student per year.
- 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 School

These are the allowable uses of funds for students in state-approved non-participating 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 Tennessee 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.)* Technology purchases are limited to one device per student per year.
- 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.

Students in a non-participating school need to be required to submit a mid-year school enrollment verification.

Unallowed Uses 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,
- field trips, or
- personal transportation.

Unused Funds

Account holders are not required to spend the entire sum of the ESA allocation each year; however, a minimum amount of fifty percent (50%) of the funds allocated annually 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 and if the ESA is renewed for the following year, the department shall subtract the difference from the account 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](#).

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. 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

ESA Program Timeline for Schools		
	FALL 2025	WINTER 2026
 School Application OPENS	FEBRUARY 5 2025	APRIL 20 2025
 School Application DEADLINE	APRIL 19 2025	NOVEMBER 1 2025



Note: If a scheduled date falls on a weekend or a holiday, the date will be adjusted to the following business day.

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 second week of December and close on the second week of April each year. **For the 2025-26 school year, the application opened on February 5, 2025, and closed on April 19, 2025.** All schools that submitted applications and were approved during this time can enroll ESA students in Fall 2025.
- **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 2025-26 school year, the application opened on April 20, 2025, and will close on November 1, 2025.** All schools that submit applications and are approved during this time can enroll ESA students beginning in January 2026. Schools approved to participate mid-year can accept ESA students who will receive ESA funds prorated based on the enrollment period.

At the time of application, schools must declare **the number of ESA 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 ESA seats it declares for capacity.

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 ESA amount 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 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 clearly specify whether application fees, enrollment fees, technology, textbooks, and uniforms are included in tuition or charged separately. These fees must be applied consistently to ESA students as all other students enrolled at the school.
 - Supplies are not an allowable use of funds unless they are part of the tuition fee at your school.

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](#).

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](#) and the ESA online [portal](#); and
- any deadlines for interested families to be aware of during the application process.

Please review [this](#) document for additional tips for participating schools.

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, updated documents must also 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](#). More information is available on our website [here](#).

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.
- 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. An appeal of the step one (1) decision shall be filed with the commissioner by the appellant within thirty (30) calendar days of receipt of the notice of denial of the Step 1 Appeal 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 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

The Family Educational Rights and Privacy Act of 1974 (FERPA) is the federal law that protects the privacy of student education records. This form, provided in the application, allows the ESA team to discuss account holder information with pertinent stakeholders, such as officials at the enrolled school, other state departments, etc. The department ensures that student information is kept confidential and secure.

The department encourages families to communicate directly with the ESA Program, and, in turn, encourages families to 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. Once a student's application is approved by the department, the parent, guardian, or student over 18 years old must log in to their ESA Portal Account to select their school. Note: If a student has an application status that says anything other than "Approved," (i.e. Conditionally Eligible, Appealed, Denied) the "Select School" option will not be available for that student. See this [document](#) for more information.

Once the school verifies the enrollment in the portal, a family will receive the account holder contract and the pre-approval budget sheet within 3 business days following school approval.

Families must complete the ESA account holder contract to establish an account and receive ESA funds. The student must attend a Category I, II, or III non-public school. If, after signing the contract, the student enrolls in and attends a public school, home school, or Category IV or V non-public school, the student will no longer be eligible for an ESA, and the student will be removed from the program.

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 department's 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 ESA.Questions@tn.gov. The participating school may NOT charge account holders a fee to administer the state assessments.

For those participating students who take an annual TCAP assessment, the participating school must also provide the participating student with an assessment report 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.

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

Electronic Wallet

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 disbursement of ESA funds, the account holder must be enrolled 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. This is accomplished by the account holder selecting the school in the portal.
- Participating non-public schools must provide account holders with a receipt and list of fees 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 school must complete the [student withdrawal form](#) within 5 business days of receipt of a student's notice of withdrawal. 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](#).

The ESA Program allocations are available in each account holder's ESA account. Participating schools will have access to the 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

School/Program Withdrawal	Parent Options
<p>A student participating in the ESA Program may withdraw from a Category I, II, or III non-public school voluntarily at any time or be withdrawn involuntarily. When this occurs, the school should also advise the parents of options, outlined in the right-hand column, for further participation in the ESA Program. Furthermore, ESA participating schools have a fiscal responsibility to complete the following when a student withdraws from the school:</p> <ul style="list-style-type: none"> • Complete the Student Withdrawal Form. • Notify the department within five business days of receipt of a student’s notice of withdrawal, pursuant to State Board of Education Rule 0520-01-16-.08(6). • If a family has paid the school more than the ESA prorated amount, refund the excess funds to the State Treasurer within 10 calendar days of notification. 	<p>A student enrolled in the ESA Program may withdraw from Category I, II, or III non-public school at any time. Withdrawn students must immediately complete one of the following courses of action to retain their ESA account for the year.</p> <ul style="list-style-type: none"> • Provide the department with proof of transfer and enrollment in another approved ESA participating non-public school within 10 school days. • Provide the department with proof of transfer and enrollment in another non-participating, state approved Category I, II, or III non-public school in a qualified zone within 10 school days. • If the account holder selects this option, the fees for tuition, uniforms, and textbooks are no longer allowable use of funds for the ESA account. <p>If neither of these options are selected, the ESA account will be closed. Another option:</p> <ul style="list-style-type: none"> • Transfer and enroll the participating student in a public school district, independent homeschool, or Category IV or V non-public school. • If the account holder selects this option, their student will be ineligible to participate in the ESA program and their student’s ESA will be closed. The remainder of their ESA funds will be returned to the state treasury.

Fiscal Responsibilities

- When a student withdraws from Category I, II, or III non-public school during the course of the school year, the ESA account for that school year will be reduced on a prorated daily basis, pursuant to the State Board of Education ([SBE Rule 0520-01-16-.04\(8\)](#)). This prorated award is calculated using the number of instructional days enrolled according to the local public district's calendar. The ESA Program can only pay an approved ESA participating non-public school up to this prorated award. Any expenses owed to the approved ESA participating non-public school which exceed the amount of the prorated ESA amount shall be the account holder's responsibility.
- When the withdrawal/transfer form is submitted, an automated email confirmation will be generated by the ESA Program and sent to the account holder email address provided on the student withdrawal form.
- 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 remaining funds for eligible post-secondary education expenses. Legacy students are not given additional ESA funds. For more information on legacy students, see this [document](#) on the ESA [website](#).

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 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 traditional diploma or receives a high school equivalency credential approved by the State Board of Education. Certificates of attendance do not constitute graduation from high school for the purpose of this program.

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.
- 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.
- 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](#)). More information on the appeals process can be found on the [website](#).

Parent and Student Rights Waived

Special Education Services

Student Enrolling in the ESA Program with an IEP or 504

If a student has an Individualized Education Program (IEP) or 504 plan, the student is eligible and encouraged to apply. Before enrolling in the ESA Program, the student is required to enroll in a non-public school. Non-public schools are not required to follow the Individuals with Disabilities Education Act (IDEA) and may not be required to follow Section 504 of the Rehabilitation Act. Please be aware of the following:

- Non-public schools are not required to follow the IDEA. If a student had an IEP in public school, enrollment in the ESA Program means that the student will no longer be entitled to a Free Appropriate Public Education (FAPE) provided through an IEP. They may instead be eligible for equitable services provided through an Individual Service Plan (ISP). The distinction between an IEP and an ISP is that students with an IEP are required to receive *all* the special education and related services that the student needs to receive FAPE, but students with an ISP are only eligible to receive *some* special education and related services, depending on the amount of funding that the school district has set aside for non-public students. The school district involved will engage in a process called “consultation” to determine which services will best support non-public students with disabilities who attend school within the area served by the district. For students who will benefit from the services, the district will schedule a meeting and develop an ISP. For more information about equitable services, ISPs, and the consultation process, please see the following question and answer document from the United States Department of Education [here](#).
- Non-public schools are only required to follow Section 504 if the school receives federal funding. Some non-public schools may not receive any federal funding and are therefore not required to implement the 504 plan that a student had in place in public school.

For more information on students with disabilities participating in the ESA Program, please see the resource titled [FAQ for Serving Students with Disabilities in ESA Program 2024](#) available on the ESA [website](#).

Parent and Student Rights Waived in the ESA Program

By signing the ESA Account Holder Contract and accepting ESA funds, account holders with students previously determined eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA) acknowledge the following:

- that the student shall not be determined ineligible for special education and related services under the IDEA due to the student's participation in the ESA Program,
- that the student remains eligible for special education and related services under the IDEA until a Tennessee LEA determines that such Recipient no longer meets the special education eligibility standards; until the student graduates with a traditional high school diploma; or until the end of the school year in which the student turns 22 years old, whichever occurs first.

Additionally, the non-public school enrolling an ESA student who was-previously served through a Section 504 plan may or may not be required to implement that plan.

Fraud, Waste, or Abuse

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](#). 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 here or call **1-800-232-5454**.

Appendix A: Frequently Asked Questions

How many ESAs are available?

Up to 7,500 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 approved 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 ESA non-public school or eligible non-public school are determined by the school itself. Participating schools and approved non-public 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 State Board Rule [0520-01-16.08\(2\)\(I\)](#), 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?

Tuition insurance can be required 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: Finance Worksheet Example

Account holders and participating schools are encouraged to use this worksheet so that families may understand how their ESA can be applied to particular educational expenses and what remaining, if applicable, costs may need to be paid out-of-pocket by the family.

Instructions: Fill in what is required by the school for students in Column A. Then, fill in the amount of any non-ESA financial aid the student is receiving in Column B.

The ESA estimate is not released until July of each year. To determine an estimate of what funds may need to be paid out of pocket, we encourage families to reference the ESA award from the previous year in Column C.

- **Memphis:** \$9,423.58
- **Nashville:** \$9,423.58
- **Chattanooga:** \$9,346.05

Once all amounts are inserted, start with Column A and subtract Columns B and C to see an estimate of total out-of-pocket costs (total cost – school-based financial aid – ESA award = out-of-pocket expense).

Example: Cindy enrolls at a school in Memphis where tuition for third-grade students is \$1,000, and each student is charged a textbook fee of \$500 and a technology fee of \$200. Cindy receives \$3,000 of financial aid from the school for tuition.

The sample chart below shows these amounts for Column A (what is charged to third-grade students) and Column B (what Cindy receives in her financial aid package). Column C is how Cindy plans to use the ESA award. Cindy’s family would need to pay \$2,276.24 for tuition out-of-pocket. The ESA award would not cover the full cost of Cindy’s school expenses.

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
	Total cost for student	Total Amount of School-Based Financial Aid	ESA Award (how the family plans to budget their funds)	Remainder to be covered out-of-pocket by the family
Tuition	\$14,000	\$3,000	\$8,723.58	\$2,276.24
Textbook Fee	\$500		\$500	\$0
Technology Fee	\$200		\$200	\$0
Transportation				
Tutoring				
Therapy				
Total	\$14,700	\$3,000	\$9,423.58	\$2,276.42

See the next page for a complete chart to use.

Finance Worksheet Template

Account holders and participating schools are encouraged to use this worksheet so that families may understand how their ESA can be applied to particular educational expenses and what remaining, if applicable, costs may need to be paid out-of-pocket by the family.

Instructions: Fill in what is required by the school for students in Column A. Then, fill in the amount of any non-ESA financial aid the student is receiving in Column B.

The ESA estimate is not released until July of each year. To determine an estimate of what funds may need to be paid out of pocket, we encourage families to reference the ESA award from the previous year in Column C.

Memphis: \$9,423.58

Nashville: \$9,423.58

Chattanooga: \$9,346.05

Once all amounts are inserted, start with Column A and subtract Columns B and C to see an estimate of total out-of-pocket costs (total cost – school-based financial aid – ESA award = out-of-pocket expense).

	A	B	C	D
	Total cost for students	Total Amount of School-Based Financial Aid	ESA Award (how the family plans to budget their funds)	Remainder to be covered out-of-pocket by the family
Tuition				
Textbooks				
Technology				
Uniforms				
Transportation				
Tutoring				
Therapy				
Total				

Column C amounts should be entered in the Financial Pre-Approval form (i.e., how the family plans to budget expenses) in the e-Wallet portal. All expenses **must** be approved by the ESA Team.

