



Family & Schools Handbook

A Guide to the Education Savings Account (ESA) Program



Tennessee
**Education Savings
Account Program**

Tennessee Department of Education | 2026-27 School Year

Contents

Tennessee Education Savings Account (ESA) Program Overview	5
Contact Information	5
Application.....	6
Student Eligibility.....	6
Income Eligibility	7
Residency Eligibility	8
Student Eligibility Examples.....	9
Student Application Timeline.....	11
Applicant Status Definitions.....	11
School Eligibility	13
Terms of the ESA.....	13
Special Education Services	14
Student Participating in the ESA Program with an IEP or 504.....	14
Parent and Student Rights Waived in the ESA Program.....	15
Enrollment Lottery	15
Enrollment.....	16
Participating Family Responsibilities	16
Next Steps After School Enrollment Approval.....	16
Enrollment in a Non-Participating Non-Public.....	17
FERPA	18
ESA Account Holder Contract.....	19
Updating Account Holder and/or Student Information.....	20
Students Reaching the Age of Majority	20

Application Assurances.....	22
Academic Accountability.....	22
Student Participation in the IEA Program or the EFS Program	23
Exiting the ESA Program.....	23
Involuntary Removal by the Department	23
Non-Renewal of the ESA.....	24
Completion of the ESA Program	25
Withdrawal/Transfer Procedures for Families	25
Transfer and Enrollment Options	26
Fiscal Responsibilities	26
Appeal Procedures	27
Legacy Students.....	28
Finance.....	28
ESA Use of Funds	28
Account Holder	28
Determination of Allocations.....	29
Use of Funds in a Participating Category I, II, or III School.....	29
Use of Funds in a Non-participating Category I, II, or III School	30
Unallowed Use of ESA Funds	31
Hardware/Technological Device	31
Fraud, Waste, or Abuse Reporting.....	32
Conflict of Interest	32
Account Holder Financial Responsibilities	33
Electronic Wallet.....	33

Use of ESA Funds	34
Unused Funds	34
Appendix A: Finance Worksheet.....	35
Finance Worksheet Example.....	35
ESA Participating Schools.....	36
School Eligibility	36
Application and Acceptance for School Participation.....	36
School Application to Participate in the ESA Program	36
School Application Windows.....	37
School Application Approval or Denial	39
School Approval Statements on School Websites and Documents.....	39
Annual School Renewal	39
Appealing a School Application Denial.....	40
School Employees	40
School Payment Management and Financial Obligations.....	41
School Notice of Student Withdrawal or Transfer	42
Refunding Overpayments	43
Annual School Reviews	43
Annual School Report of Graduation and Completion Rates	43
School Suspension	44
Appealing a School Suspension Denial	45
Annual Testing.....	46

Tennessee Education Savings Account (ESA) Program Overview

This handbook provides information to families and schools participating in the Education Savings Account (ESA) Program. Families and schools are responsible for following the policies and procedures outlined in this handbook. These guidelines are based on state law and State Board of Education (SBE) rules and are implemented by the Tennessee Department of Education (department).

The ESA Program allows eligible students who are zoned to attend 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 ESA participating non-public schools.

In Spring 2019, the Tennessee General Assembly passed, and Governor Bill Lee signed into law, the Tennessee Education Savings Account (ESA) Pilot Program, codified at Tennessee Code Annotated (Tenn. Code Ann.) § [49-6-2601](#) et seq. The first ESAs were awarded in August 2022. To implement the program, the Tennessee State Board of Education (SBE) approved rules, [SBE Rule 0520-01-16](#), and the department developed procedures to implement the ESA Program. Links to the ESA Program law and rules are posted on the department's [ESA webpage](#).

The ESA student application is available via an online application in the portal, which is also linked on the [ESA webpage](#) when the application window is open. A paper application is also available by request when the application window is open.

Contact Information

The department can answer further questions regarding the ESA Program.



Email

- ESA.Questions@tn.gov: For all questions related to ESA school enrollment, ESA school application, and general ESA Program inquiries
- ESA.Applications@tn.gov: For all questions related to the ESA student application
- ESA.Finance@tn.gov: For all questions related to ESA funding and expenses

Phone

- A list of ESA Team members and [contact information](#) is available on the [ESA webpage](#).

Application

The ESA student application has three (3) sections: student eligibility, income eligibility, and residency.

Student Eligibility

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

- **Tennessee resident entering kindergarten through grade 12 (K-12)**
 - To be eligible to enter kindergarten, a child must be five (5) years old on or before August 15 of the school year for which the child will be in kindergarten ([SBE Rule 0520-07-02](#)).
 - A child turning five (5) years old between August 15 and September 30 may enter kindergarten if:
 - The child's parent or legal guardian requests that 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.
- **Meets one of the following enrollment 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 an ESA,
 - For the purposes of this rule, one (1) full school year means a student is enrolled within ten (10) school days of the district's start date. For example, if Memphis-Shelby County Schools has a start date of August 3, 2026, and a student enrolls on August 14, 2026, 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 17, 2026, they would **not** meet the one (1) full school year requirement. Additionally, if a student has gaps in enrollment that sum to more than ten (10) school days throughout the year, the student would **not** meet the one (1) full school year requirement.
 - 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 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 ten (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, and is also considered eligible for the next school year under this requirement. For example, if the Memphis-Shelby County Schools has a start date of August 3, 2026, and a family moves to Tennessee on August 20, 2026, the family would be considered "eligible for the first time to enroll in a Tennessee school" for both the 2025-26 and 2026-27 school years.
- Was 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 Tenn. Code Ann. § 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. Students from households that receive benefits under the Temporary Assistance for Needy Families (TANF) Program or the Supplemental Nutrition Assistance Program (SNAP) are also eligible.*

Income Eligibility

All applicants must show that the student is a member of a household with an annual income that is not more than twice the [federal income eligibility guidelines for free lunch](#). These guidelines are updated annually each spring and will be updated on the [ESA webpage](#) once released. An applicant must submit **one** document for income verification.

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

- **Federal tax return (Form 1040 for the year specified in the application).** Please note: The name, address, entire list of dependents, and Line 9 of the document must be visible. Individuals listed on the Form 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.

- **Forms for both parents/guardians** should be included if either of the following apply:
 - Parents/guardians of the eligible student share equal residential custody pursuant to a custody order, or
 - Parents/guardians of the eligible student share a household but file taxes as “married, filing separately” or as “head of household.”
- **Temporary Assistance for Needy Families (TANF)** current benefits documentation should list the name of the parent and/or student, or
- **Supplemental Nutrition Assistance Program (SNAP)** current benefits documentation should list the name of the parent and/or student, or
- **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.), or
- **Verification letter** from the local school district of eligibility for services pursuant to the McKinney-Vento Act.

For more information, see the income chart posted on the [Applications page](#) of the [ESA webpage](#).

Residency Eligibility

All applicants must show proof of residential address as part of the application. Applicants can do this by submitting **two (2)** of the following. At least one of the documents provided must be issued within the last ninety (90) days.

- For documents originally produced in languages other than English, only certified English translation copies will be accepted.
- If the child attended any school outside of Tennessee in 2025-26, include the child's 2025-26 transcript with the application.
- A verification letter from the local school district of eligibility for services pursuant to the McKinney-Vento Act can also be used for proof of residency for the ESA Program.
- Any additional documentation for unique circumstances, please email ESA.Applications@tn.gov or contact a member of the [ESA team](#) for guidance with unique circumstances.

Documentation Requirements for Residency Eligibility Verification

Please Provide TWO (2) Proofs of Residency

The following is a list of documents that may be used as proof of residency for the Tennessee Education Savings Account (ESA) Program. Both documents must show your current address and contain the name of the parent or guardian listed on the application.

At least one (1) document must be current or have been updated within 90 days of application.

GROUP I

Issued within the **LAST 90 DAYS**

- **Utility Bills or Connection Notices**
 - Water, Gas, Electric, Internet, Garbage Collection
- **Installment Loan Statement**
 - Automobile, Mortgage, Personal, Student, Bank
- **Insurance Bill or Policy**
 - Homeowner's or Renter's insurance, Automobile insurance, Health insurance
- **Affidavit of Residence**
 - Landlord affidavit of residence (signed and notarized)
- **Fiscal Documentation**
 - Employment Check Stub, Bank Statement
- **Agency Documentation**
 - Social Security, Disability, TANF, SNAP, Public Assistance/Government Benefits
- **Court Documentation**

GROUP II

Issued within the **LAST 365 DAYS**

- **Rental or Mortgage Contract**
 - Deed of Sale for Property, Mortgage Contract, Rental or Lease Agreement (signed by the landlord and resident)
 - **Note: Any handwritten contracts or agreements must be notarized**
- **Tennessee Voter Registration Card**
- **Tax Documentation**
 - 2024 IRS Tax Return (Form 1040), Real Estate/Property Tax Receipt








NON-EXPIRED

- **Tennessee Identification Cards**
 - Driver License, Identification License or Card, Handgun Permit, Passport

Note: If your family is currently experiencing homelessness, please reach out to our team at ESA.Applications@tn.gov for assistance.

Student Eligibility Examples

The examples below are meant to assist in identifying whether a student is eligible for an ESA. These examples are not meant to be an exhaustive list. For further questions, email ESA.Applications@tn.gov.

	<p>Cara, who is about to be a high school senior, lives in Memphis and received an ESA the previous school year. Her zoned school is in Memphis-Shelby County Schools. As long as her family meets the income requirements, she will be eligible for an ESA.</p>
	<p>Helena is starting middle school, and her family moved from Atlanta, Georgia, to Nashville, Tennessee, this summer. Her new address will have her zoned to attend a Metro Nashville public school. If Helena's family meets the income requirements, she will be eligible for an ESA because this is the first time she is enrolling in a Tennessee school.</p>
	<p>Jason has been attending pre-K at a local non-public school in Shelby County and is zoned to attend a Memphis-Shelby County public school. If Jason's family meets the income requirements, he is eligible for an ESA because he is entering kindergarten, and this is the first time he is eligible to enroll in a Tennessee public school.</p>
	<p>Trejean attended public school in Knoxville last year, and his family recently moved to Nashville. Trejean's new address assigns him to Metro Nashville Public Schools. As long as his family meets the income requirements, he will be eligible for an ESA.</p>
	<p>Desiree is zoned to attend Memphis-Shelby County Schools and was home-schooled last year for the second grade. She is not eligible for an ESA. Desiree would need to return to a Tennessee public school for one full school year before she is eligible.</p>
	<p>Thomas is zoned to attend Metro Nashville Public Schools. He attended a non-public school in Nashville, Tennessee, last year for seventh grade but did not apply for an ESA. He also attended a non-public school in the 2019-20, 2020-21, and 2021-22 school years. He is not eligible for an ESA and would need to return to a Tennessee public school for one full school year before he is eligible.</p>
	<p>Lupe is a fifth grader and attends a non-public school in Davidson County. She has attended a non-public school for the past few years but attended a public school in the 2020-21 school year. She is zoned to attend Metro Nashville Public Schools. As long as her family meets income requirements, she is eligible for an ESA.</p>

Student Application Timeline

The state will announce its open enrollment window(s) each year. Timelines for the ESA Program will be posted on the [ESA webpage](#).

To apply for an ESA, the parent of an eligible student (*or an eligible student who has reached the age of eighteen (18)*) must submit an application, found online at the [ESA webpage](#).

Applications can be submitted in the following ways:

- **Online:** The online portal to submit an application can be accessed at app.esa.tnedu.gov. Parents or guardians will need an Internet connection and can access the portal through a smartphone or computer.
- **In person:** Paper applications can be requested via email at ESA.Applications@tn.gov and dropped off in person at the Tennessee Department of Education, located in Andrew Johnson Tower at 710 James Robertson Parkway, Nashville, TN 37243. Applications should be in an envelope and can be left with the front desk.
- **By mail:** Applications submitted by mail will be reviewed by the postmark to determine when the application was submitted. Applications can be mailed to the Tennessee Department of Education at the following address:

*ESA Program c/o TDOE
Andrew Johnson Tower, 10th Floor
710 James Robertson Parkway
Nashville, TN 37243*

Applicant Status Definitions

Status	Definition
Pending TN ESA Review	The application has been received by the department and is currently under review without a finalized decision.
Missing Document(s)	The application has missing documentation that requires submission.

Status	Definition
Conditionally Eligible	<p>The program is limited to 10,000 ESAs in the 2026-27 year; if the number of approved and conditionally eligible applications exceeds the number of ESA seats, a lottery will be conducted. If a lottery takes place, this student will enter the lottery.</p> <p>If this student is currently in a Tennessee public school, the department must verify that this student is enrolled in and completes the entire 2025-26 school year. If the student completes the year in a public school, they will be deemed "eligible" and will enter a lottery, should one be necessary.</p>
Eligible	<p>The program is limited to 10,000 ESAs in the 2026-27 year; if the number of approved and eligible applications exceeds the number of ESA seats, a lottery will be conducted. If a lottery takes place, this student will enter the lottery.</p>
Approved	<p>Application has been approved, and the account holder can begin the enrollment process.</p>
Expired	<ul style="list-style-type: none"> • Applicant has declined the ESA Program following approval. • Applicant has withdrawn from the ESA Program following approval. • Applicant did not submit enrollment information prior to the deadline. • Applicant did not submit a contract or budget prior to the deadline. • Applicant did not submit an in-progress application prior to the deadline. • Application has missing documentation that was not submitted within ten (10) business days. • Applicant did not submit an appeal within ten (10) business days from the notice of the application denial.
Denied	<p>The application has been denied due to being ineligible for the ESA Program and does not elect to appeal the department's decision.</p>
Appealed	<p>The application was denied, and the applicant has filed an appeal that is currently being reviewed.</p>

School Eligibility

ESA funds can be used to pay tuition at a Category I, II, or III participating non-public school. A list of all Tennessee non-public schools can be found on the department's [Non-Public Schools webpage](#).

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 on the department's [Non-Public Schools webpage](#).

- **Category I:** Schools approved by the department.
- **Category II:** Schools approved by an accrediting agency that has been approved by the Tennessee State Board of Education (SBE).
- **Category III:** Schools that are regionally accredited as identified by the SBE.

To become a participating ESA school, a principal, head of school, or designee must apply to the ESA Program. Category I, II, or III non-public schools can learn more about the ESA Program and school requirements on the [Schools & Service Providers webpage](#).

Non-public schools that have been approved to participate are listed on the [Parents and Students webpage](#). Parents are encouraged to check the list of ESA participating non-public schools; not all eligible non-public schools elect to participate in the program.

Terms of the ESA

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

- enrolls in a public school, Category IV, V non-public school or an independent home school,
- 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. This process is called **renewal**.),
- fails to verify that household income meets the program's 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 from high school with no funds remaining in an 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.), or

- reaches twenty-two (22) years of age (The student may complete the school year in which he or she reaches the age of twenty-two (22), as long as 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, the participating school must notify the department within five business days of withdrawal using the online [ESA Student Withdrawal Form](#). Additional guidance can be found in the [withdrawal and transfer guidance document](#).*

Special Education Services

Student Participating 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 receiving an ESA, the student is required to enroll in a Category I, II, or III 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:

- 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. The student 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 school 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 [U.S. Department of Education question-and-answer document](#).
- 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 [FAQs for Serving Students with Disabilities](#) available on the [ESA webpage](#).

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 IDEA acknowledge 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,
- the student will not be served through an Individualized Education Program (IEP) and will not be entitled to receive a Free Appropriate Public Education (FAPE) through either the local education agency of residence or through the non-public school in which the student enrolls; any IEP that was in effect prior to participation in the ESA Program will no longer be effective, and
- the student could be eligible for an Individual Service Plan (ISP) and equitable services through the local education agency serving the area in which the non-public school is located.

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.

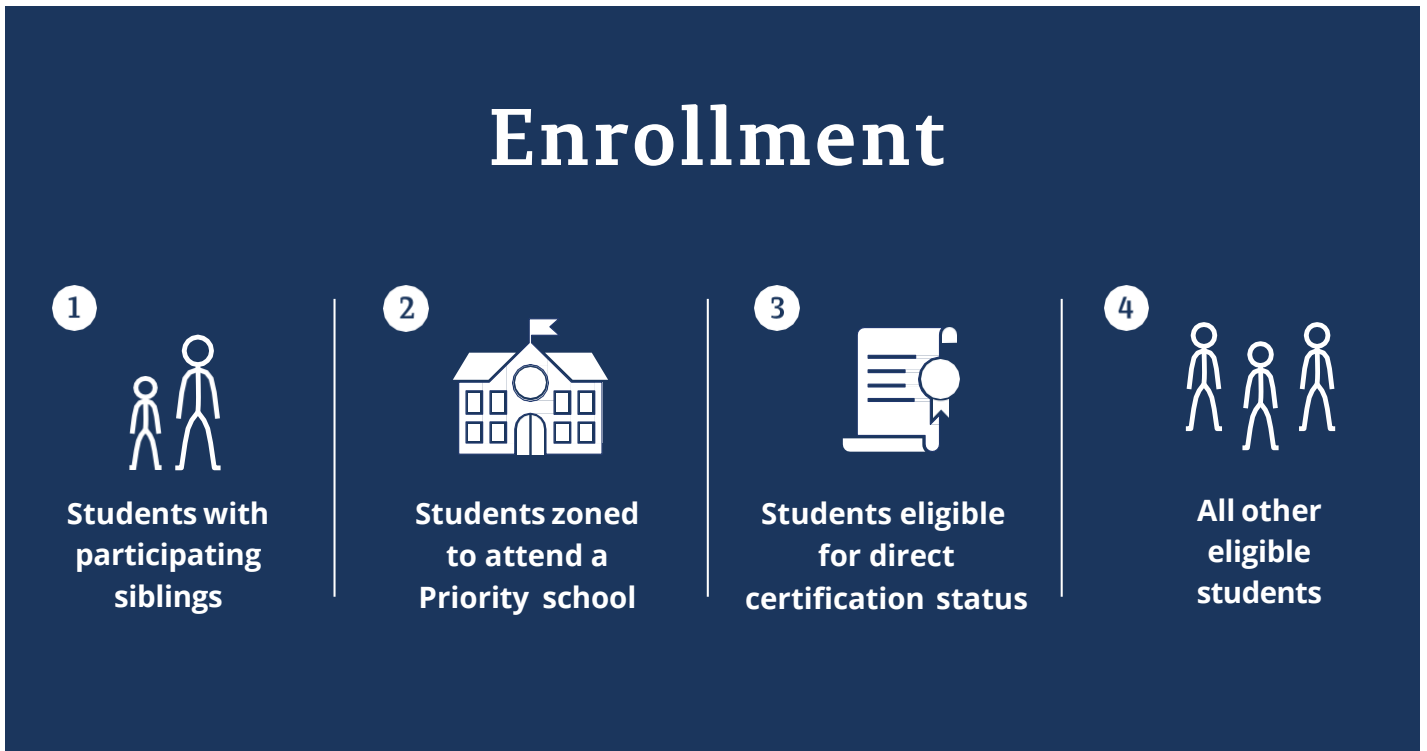
Enrollment Lottery

During the priority window, if the department receives more eligible applications than the maximum number of students that may participate in the program for that school year, the department will hold an enrollment lottery. Students who participated in the program in the previous school year will automatically be re-enrolled in the program if renewal requirements are met. In other words, these students will not have to enter the lottery.

If an enrollment lottery is conducted, enrollment preference will be granted in the following order:

- 1. Eligible students who have a sibling participating in the program;**
- 2. Eligible students zoned to attend a [Priority School](#) as defined by the state's accountability system at the time of the enrollment lottery;**
- 3. Eligible students who are eligible for direct certification status; and**
- 4. All other eligible students.**

For more information, see the [ESA Lottery Guidelines document](#).



Enrollment

Participating Family Responsibilities

Enrollment in a Participating ESA School

Once a student's application is approved by the department, the parent, guardian, or student over eighteen (18) years old must apply and be accepted to a Category I, II, or III non-public school. The list of approved ESA participating non-public schools in each region is available on the [ESA webpage](#).

Next Steps After School Enrollment Approval

1. Log in to the ESA Portal

- a. A parent, guardian, or student (age 18 or older) must log in to their ESA Portal [account](#) to select the student's school.
- b. The **"Select School"** option will only appear if the student's application status is **"Approved."**
 - i. If the status is **Conditionally Eligible, Appealed, or Denied**, the option will not be available.

2. School Verification Required

- a. After selecting the school in the portal, the school must **verify the student's enrollment** before the ESA enrollment deadline.

3. Whom to Contact

- a. Families should:
 - i. Contact the **ESA Program** with questions about an ESA application status or approval.
 - ii. Contact the **school** after receiving an approval or denial letter from the non-public school.
- b. **Important:**
 - i. ESA approval is determined by the **department**, not by the school.
 - ii. School admission is determined by the **school**, not by the department.

4. Using ESA Funds

- a. Once the school verifies the student enrollment and the ESA contract is signed, families can begin using ESA funds for:
 - i. Tuition
 - ii. Textbooks
 - iii. Technology
 - iv. Other pre-approved educational expenses

5. Additional Notes

- a. Not all participating schools accept ESA students for every grade level.
- b. The school must be selected in the portal **before** the ESA account is officially established.

Enrollment in a Non-Participating Non-Public

If a student is enrolled in a state approved non-participating Category I, II, or III non-public school, ESA funds will only cover certain eligible expenses. ESA funds cannot be used for tuition payments at non-participating schools. A list of state-approved non-public schools to choose from can be found on the [Non-Public Schools webpage](#). Please refer to page 28, the Finance section, of this ESA Family and Schools Handbook for more information on allowable expenses in a non-participating school.

Once an ESA application has been approved, if the parent (or student who has reached the age of eighteen (18) intends on utilizing the ESA funds at a non-participating school, the account holder must select the non-participating school option in the portal and submit an enrollment contract to the department. Note: Students in grades 3-11 are required to take the Tennessee Comprehensive Assessment Program (TCAP) assessment in the spring. Additionally, the parent

(or student who has reached the age of eighteen (18)) must notify the department by emailing ESA.Questions@tn.gov upon the high school graduation of the student. Students in a non-participating school must submit a mid-year school enrollment verification.

Enrollment in Category IV or V non-public schools, independent home schools, or non-public schools not approved in Tennessee is not permitted for students participating in the ESA program.

More information about next steps in the enrollment process is available in the [Next Steps for Families Following Student Application Approval guidance](#). Watch the [ESA Family Portal: Selecting a School video](#) to see instructions on how to select the student's school in the portal.

The account holder must sign the ESA account holder contract and complete the budget sheet to move forward in the process of expending funds. More information is provided in the [Next Steps for Families Following Student Application Approval guidance](#).

Additionally, each family will be responsible for working with the department to ensure the participating student (account holder) takes the TCAP assessment in math and English language arts (ELA) and submits the following data throughout the year:

- Graduation Information
- Other requested data

The TCAP assessment is required for all ESA students, whether they are enrolled in an ESA participating school or a non-participating non-public school. The department will communicate testing details and instructions via the email on record in the student's account prior to the opening of the spring testing window each year.

FERPA

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 certain pertinent stakeholders:

- Any non-public school, public school, or postsecondary institution, that the student previously attended, currently attends or has attended while enrolled in the ESA Program,
- The local education agency (LEA) where the student resides or where the student's current non-public school is located,

- Any Tennessee state governmental entity, including, but not limited to, the Tennessee Department of Treasury, Tennessee Department of Children’s Services, the Tennessee Student Assistance Corporation, and

The department ensures that student information is kept confidential and secure.

ESA Account Holder Contract

Once the school verifies school enrollment in the portal, a family will receive the account holder contract and the pre-approval budget sheet. Account holders must sign the ESA Program contract in order to receive the ESA funds. The contractual term of the ESA is projected to begin July 1 and end on June 30 of the following year. If the department determines that the account holder has violated the terms of the contract or failed to comply with the requirements set forth in the Act, the Rule, or this *ESA Family and Schools Handbook*, the department is authorized to suspend or terminate the ESA.

A student who is approved for an ESA and enrolls in a 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 eighteen (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 the ESA student who has reached eighteen (18) years of age or older.

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, independent 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. **Contracts with Schools**

Any contract a family signs with a non-public school is the responsibility of the parties represented in the contract. Families need to carefully read the terms of the contract to ensure they understand refunds, the payment schedule, and all other terms prior to signing. It is the responsibility of the family to ensure that the terms of the contract are fulfilled. In some schools, ESA funds may not cover the entire cost of tuition. Account holders are responsible for ensuring that the account is paid in full. Any tuition or fees charged by a participating school or eligible postsecondary institution that exceed the ESA amount (or prorated amount upon a withdrawal) shall be the responsibility of the account holder.

The ESA Program and Tennessee Department of Education are not parties in the school-family contract and cannot void a private contract, give legal advice, or arrange payment schedules.

Updating Account Holder and/or Student Information

Account holders must regularly verify and update contact information on file to ensure regular and timely communications from the department. This includes, but is not limited to, any changes made to the following:

- Email address,
- Physical address,
- Phone number,
- Student's grade level, or
- Change in legal status (i.e., conservatorship or power of attorney documentation).

Account holders must report any of the changes above to the department by emailing ESA.Questions@tn.gov.

Students Reaching the Age of Majority

Once the student becomes a legal adult on their eighteenth (18th) birthday, they are no longer considered a minor, and the student will assume certain rights previously held by the parent or guardian. This includes the right to sign contracts and make decisions regarding the student's education, including whether to remain enrolled in an Education Savings Account (ESA). Because of this—*well in advance* of your student reaching eighteen (18) years of age—decisions must be made about the management of the student's ESA to remain compliant with state law, federal law, and ESA requirements.

Upon reaching the age of majority, the student can choose to become the account holder and assume all the rights and responsibilities of managing their own ESA. However, if the student determines that they want the parent or guardian to retain control of their ESA account as the account holder, the student can sign a power of attorney, or the parent or guardian can obtain a conservatorship through a court proceeding, which is a lengthier process. **Please be advised: A power of attorney is only valid if the adult student has the mental capacity to understand the nature and purpose of the document and can knowingly designate you as the student's power of attorney.**

A power of attorney (POA) is not required to be drafted by an attorney and does not need to be approved or issued by a judge. The ESA Program simply requires the POA to be signed by the student and two disinterested witnesses or notarized. In addition, the department provides an optional limited POA form that only transfers the minimum rights necessary for participation in the ESA Program. A template of this form is provided below.

At age eighteen (18), the student or parent must complete one of the following options to continue participation in the ESA Program during the current year, to renew an ESA for the coming school year, or to retain an ESA for post-secondary participation. Failure to choose an option below and provide the necessary documentation could result in a hold being placed on the ESA account and/or potentially losing some or all ESA funds.

- **Option 1: Retain Parental Control as Account Holder**

- The parent or legal guardian will submit either 1.) a power of attorney signed by the student and two disinterested witnesses or notarized, OR 2.) a court order of conservatorship. Whichever of these two documents is submitted must explicitly state that the following rights have been transferred from the student to the parent or legal guardian:
 1. educational decisions regarding placement and participation of the student in the ESA Program; *and*
 2. banking and financial decisions and transactions are limited to management, control, and access of the ESA funds.
- Both a POA or a conservatorship can take time to obtain. If you intend to obtain a power of attorney, you can have the document *prepared* prior to the student's eighteenth (18th) birthday. The student can sign the document on their eighteenth (18th) birthday, and it will take effect immediately. If you intend to obtain a conservatorship, the petition to appoint a conservator can be prepared in advance to be filed on the student's eighteenth (18th) birthday. The notarized power of attorney or order of conservatorship must be provided in full to ESA.Questions@tn.gov.

- **Option 2: Transfer Account Holder to Student**

- If your family decides for your student to manage their own ESA account, once the decision is processed by the department, the student will be prompted to sign into their EFS account to complete the following documents when they reach age eighteen (18) years old:
 1. Program Assurances
 2. Account Holder Contract
 3. Family Educational Rights to Privacy Act (FERPA) Waiver
 4. Portal account access

For questions, contact ESA.Questions@tn.gov or see the [contact list](#) on the [ESA webpage](#).

Please complete and submit the Education Savings Account (ESA) Program Age of Majority Form provided below **within ten (10) business days of your student turning eighteen (18)**.

- [ESA Age of Majority Form](#)
- [ESA Durable Limited POA Form](#)

Application Assurances

When a parent (or student who has reached the age of eighteen (18)) submits an application to participate in the ESA Program, the prospective account holder agrees to the following assurances:

- **Provide an education for the participating student that meets the school attendance requirement in state law** [[Tenn. Code Ann. § 49-6-3001\(c\)\(1\)](#)] through enrollment in a state board-approved Category I, II, or III non-public school.
- **Comply with the requirement that participating students in grades 3-11 participate in the Tennessee Comprehensive Assessment Program (TCAP) tests** for Mathematics and English Language Arts each year of enrollment in the program.
- **Not enroll the participating student in the Education Freedom Scholarships (EFS) Program or the Individualized Education Account (IEA) Program** during the time the student is enrolled in the ESA Program.
- **Understand that participation in the program waives the student's right to receive specially designed instruction and related services according to the Individuals with Disabilities Education Act (IDEA)**. The student will not be entitled to a free appropriate public education (FAPE) from the public school district, and the availability of disability-related services may be limited.
- **Follow the acceptable uses of ESA funds and the responsibilities of the parent of an eligible student** (or eligible student who has reached the age of eighteen (18)).

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 eighteen (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.

Student Participation in the IEA Program or the EFS Program

Students may apply to the [Individualized Education Account \(IEA\) Program](#), the [Education Freedom Scholarship \(EFS\) Program](#), and the [ESA Program](#), and may receive approval for all three programs. However, a student can only participate in one program per school year.

Exiting the ESA Program

A student may exit the ESA Program in one of four ways:

- **Involuntary removal by the department:** the student is removed from the ESA Program by the department;
- **Non-renewal of the ESA:** the account holder chooses not to submit an ESA renewal student application or renew the ESA account holder contract for the next school year;
- **Completion of the ESA Program:** the student graduates from high school or reaches twenty-two years of age; or
- **Withdrawal:** an account holder may voluntarily withdraw a student from the ESA Program at any time during the contractual year.

Involuntary Removal by the Department

Pursuant to [SBE Rule 0520-01-16-.04](#), the department may remove any account holder from eligibility for an ESA if the account holder fails to comply with the terms of the ESA account holder contract or applicable laws, rules or procedures, or misuses ESA funds.

If the department determines that the account holder has misspent ESA funds, the department will complete the following:

- notify the account holder that the student is being removed from the ESA Program,
- freeze the funds in the ESA account, and
- suspend the ESA account.

If a student is removed from the ESA Program, the account holder must submit expenses and supporting documentation by the deadline stated in the removal notice. The funds will be prorated for the proportion of the days of enrollment, and any remaining funds in the ESA account will be returned to the state treasurer.

If the department determines that ESA funds have been misspent, the department shall notify the account holder, and the account holder shall repay the misspent amount in the manner and within the timeframe set by the department. Additionally, the department is authorized to freeze and/or withdraw funding directly from the student's ESA for reasons including, but not limited

to, fraud, misuse of funds, account holder failure to comply with the terms of the state laws, rules, procedures, or the ESA account holder contract, the participating student's return to the LEA, or deposit of funds into the account in error.

If there are not enough funds remaining in the ESA to cover the misspent funds, the account holder agrees to repay the funds to the department. The account holder acknowledges that failure to reimburse misspent ESA funds to the department may result in the department referring the matter to the Tennessee Attorney General's Office for recoupment.

If the department determines that the account holder has repeatedly or egregiously misspent ESA funds, the department is authorized to terminate the ESA.

Checks or money orders should be made payable to Treasurer, State of Tennessee.

With the check or money order, the account holder must include a letter with the student's name, account holder's name, and the reason the funds are being returned to the state. To ensure timely delivery and confirmation of receipt, we strongly recommend using a mailing method that provides delivery tracking or proof of receipt, as the department will not be responsible for any mail that is lost in transit.

Mail the check and letter to:

Tennessee Department of Education
Division of Choice: Education Savings Account Program
Andrew Johnson Tower, 10th Floor 710 James Robertson Parkway Nashville, TN 37243
Attention: Chad Gordon

Non-Renewal of the ESA

Account holders may choose not to renew the student's enrollment in the ESA Program. If an account holder has not submitted an ESA Renewal Student Application, including all supporting documentation, or does not sign a new ESA account holder contract for the new contractual year, the student's ESA will be closed by the end of the ESA contract term. Any funds remaining in the account will be withdrawn and returned to the state treasurer to be placed in the state's education funding account.

Each year, participating students must reapply to participate in the ESA Program through the department's ESA application process. The parent/guardian must verify his or her address and income eligibility every year. This renewal application is available on the [ESA webpage](#) and must be submitted during the application window.

Completion of the ESA Program

A participating student is no longer eligible to remain in the ESA Program or eligible to receive ESA funding if either of the following occurs:

- The student graduates or withdraws from high school with no funds remaining in an open ESA account; or
- The student reaches twenty-two (22) years of age with no funds remaining in an open ESA account. However, if the participating student reaches the age of twenty-two with funds remaining, the student may complete the school year in which he or she reached the age of 22, provided the student does not turn twenty-two (22) years old on or before Aug. 15, 2027, to remain enrolled in the ESA Program for the 2026-27 school year.

After graduating from high school or reaching twenty-two (22) years of age, unused funds in an ESA from prior years can be used for the next four (4) consecutive years, provided the student attends or takes courses from an eligible postsecondary institution, and the expenditures are determined to be qualifying expenses.

Withdrawal/Transfer Procedures for Families

A student enrolled in the ESA Program may withdraw from a Category I, II, or III non-public school at any time. If a student chooses to withdraw, the student's parent(s)/guardian(s) must immediately complete one of the following courses of action to retain the student's Education Savings Account (ESA) for the year:

- provide the department with proof of transfer and enrollment in another approved ESA participating non-public school within ten (10) school days, or
- 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 qualifying zone within ten (10) school days.

If neither of the above options are met within ten (10) school days, the ESA account will be terminated.

To withdraw a student from an approved ESA participating non-public school, parent(s)/guardian(s) must:

- notify the student's current school that they will be withdrawing the student from the school. Follow the school's instructions for how to withdraw the student, and

- complete the ESA Program’s [Student Withdrawal/Transfer Form](#) within five (5) business days of the student’s withdrawal from the non-public school and email ESA.Finance@tn.gov.

Transfer and Enrollment Options

Transfer and Enroll in Another Approved Participating ESA Non-Public School Within 10 School Days	Transfer and Enroll in Another Non-Participating State Approved Category I, II, or III Non-Public School	Transfer and Enroll in a Public School District, Independent Homeschool, or Category IV or V Non-Public school
View the current list of schools on the Parents and Students webpage . The remaining funds can be used at the new school.	Fees for tuition, uniforms, and textbooks are not allowed.	Student will be ineligible to participate in the ESA Program, and the student’s account will be closed.

Fiscal Responsibilities

- When a student withdraws from an approved ESA participating non-public school or ESA eligible non-public school during the school year, the ESA account for that school year will be reduced on a prorated daily basis, pursuant to SBE Rule 0520-01-16.04(8). This prorated award is calculated using the number of instructional days enrolled according to the local education agency’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 that 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 the age of twenty-two (22) and has any remaining funds left in their account, the student will then become an ESA Legacy Student. Legacy students may use remaining funds for eligible postsecondary education expenses. Legacy students are not given additional ESA funds. For more information on legacy students, see the [Legacy Student guidance document](#) available on the [ESA webpage](#).

Appeal Procedures

Account holders may appeal the department's decision to deny an application, remove the account holder from the ESA Program, or freeze or withdraw funding by following the two-step appeals process in accordance with [SBE Rule 0520-01-16-.11](#). If a family is appealing for more than one student, please submit an appeal form for each child.

Appeals forms and [appeals guidance](#) are available on the [ESA website](#). Appeals cannot be processed without an official appeal form being submitted.

Step 1:

- Submit the appeal form to the Tennessee Department of Education within ten (10) business days of receipt of the notice of application denial, revoked eligibility, or frozen/withdrawn ESA funds. (Notice of application denial, revoked eligibility, or frozen/withdrawn ESA funds will be provided electronically. It is the account holder's responsibility to monitor the email address provided to ensure messages from the ESA Program are received.)
- To file a Step 1 appeal of application denial, complete the Step 1 appeal form in the [ESA account holder portal](#). Appeals cannot be processed without an official appeal form being submitted.
- The commissioner or the commissioner's designee will review the appeal. A decision will be issued within forty-five (45) calendar days. (The account holder will be notified of the commissioner's decision for the Step 1 appeal electronically.)

Step 2:

- If the account holder wants to appeal the commissioner's decision, the appeal form must be filed with the commissioner by the account holder within thirty (30) calendar days and shall conform to the Uniform Administrative Procedures Act (UAPA) ([Tenn. Code Ann. Title 4, Chapter 5](#)).
- To file a UAPA appeal, complete the form posted [online](#) and email it to ESA.Questions@tn.gov. Appeals cannot be processed without an official appeal form being submitted.
- After the UAPA form has been submitted to the department, account holders will be notified by an administrative law judge, who will set the date and time of the account holder's hearing.

Legacy Students

If a participating student graduates from high school or reaches the age of twenty-two (22) and has money left in the ESA account, the student will become a **Legacy Student**. The [Legacy Student guidance document](#) has a complete explanation of the Legacy Student status.

A Legacy Student may use their remaining ESA funds to attend or take courses from an eligible postsecondary institution.

A Legacy Student's ESA will be closed after the first of the following events:

- the Legacy Student graduates from an eligible postsecondary institution,
- four back-to-back years elapse immediately after the Legacy Student enrolls in an eligible postsecondary institution, or
- the Legacy Student is not enrolled in an eligible postsecondary institution for twelve (12) back-to-back months.

Finance

ESA Use of Funds

Account Holder

The funds received through the ESA Program constitute a need-based financial aid award 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 eighteen. 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 account holder contract and expense budget sheet, complying with Tennessee Comprehensive Assessment Program (TCAP) requirements, and following 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 eighteen (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 eighteen (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) funding formula 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](#) and SBE Rule SBE 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. Please visit the [ESA webpage](#) for more information.

Funds in an ESA may be used only for educational purposes for the student on the account.

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

A list of ESA participating non-public schools is available on the [ESA webpage](#). These are allowable uses of ESA funds for students enrolled at ESA participating Category I, II, or III non-public schools:

- tuition 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 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 Rule 0520-01-16-.05\(1\)\(c\)\(2\)](#).)*
- tuition and fees at an eligible postsecondary institution; *(An eligible postsecondary institution must be 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 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 non-public school or education provider; *[Fees are paid only to a commercial fee-for-service provider (e.g., a 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, non-public school, or provider.)* Technology purchases are limited to one device per student per year.
- ESA management fees provided by a non-profit financial management organization approved by the department, not to exceed two percent (2%) of the ESA funds in a fiscal year.

Use of Funds in a Non-participating Category I, II, or III School

These are allowable uses of funds for students in state-approved non-participating schools:

- tuition and fees for approved educational summer programs and specialized after-school educational programs; *(Fees 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 teaching license, and an agency must have accreditation through one of the groups listed in SBE Rule [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 a participating school or education provider; *(Fees are paid only to a commercial fee-for-service provider (e.g., a 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 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 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, non-public school, or provider.)* Technology purchases are limited to one device per student per year.
- ESA management fees provided by a non-profit financial management organization approved by the department, not to exceed two percent (2%) of the ESA funding in a fiscal year.

Please note: Students in a non-participating school are required to submit a mid-year school enrollment verification form.

Unallowed Use of ESA Funds

Some expenses may not 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.

Hardware/Technological Device

- Account holders may **not** use ESA funds to purchase internet services or any type of software. Please note: If the software is part of an approved expense (i.e., a bundled package), it may be allowable, as it is *not* an additional expense.

- Technology purchases must be made directly through the e-Wallet portal in the Marketplace and shipped to a participating ESA school. Families must confirm receipt of all technology and uniform deliveries in the portal. To do this, click on Marketplace Orders and then click the “Confirm Receipt” button. Families will have ten (10) business days from the date of delivery to confirm receipt of technology and/or uniform items within the portal. If confirmation of receipt is not completed within ten (10) business days, the ESA account will be frozen. Families will need to contact the ESA finance department to confirm receipt so that the account may be unfrozen.
- Technology purchases are limited to **one device per student** for each school year.

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 the [Fraud Report form](#). The department can redirect cases that do not match our investigation criteria to the appropriate agency.

Note: Responses are monitored from the [Fraud Report form](#). Identifying information, including contact information, is optional but may help with follow-up, if needed. The ESA Program implements law established 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 [Tenn. Code Ann. §§ 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 that 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**.

Conflict of Interest

It is a conflict of interest and against ESA Program rules and procedures for a family member of a student, including a stepparent or a member of a student’s household, to provide a professional recommendation or approval for a service or the use of computer hardware or another technological device for the student.

Account Holder Financial Responsibilities

Account holders agree to several assurances as conditions of partnership with the program. Any account holder participating in the ESA Program agrees to the following:

- The agreement and any additional information required by the department shall be completed in the ESA portal by the deadlines set by the department before the first ESA payment is disbursed.
- An account holder, family member, or household member cannot be a service provider for an ESA student.
- Prior to the first payment of ESA funds, the account holder must enroll the student in a Category I, II, or III non- public school, submit their school selection in the ESA portal, sign the account holder contract, and complete the pre-approval of funds process. No funds shall be disbursed into an ESA account without completion of each step.
- The use of funds must be educational and for the sole benefit of the participating student for which the ESA is established. ESA funds shall only be used by the account holder on allowable expenses.
- The account holder is responsible for the repayment of all ineligible expenses and any eligible expenses spent in excess of the amount of the ESA.
- All contracts entered are the responsibility of the private parties involved.
- Any tuition or fees charged by a participating school or postsecondary institution that exceeds the ESA amount shall be the responsibility of the account holder.
- 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 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 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 available in the portal payment system for all account holders. The portal link and more information can be found on the [ESA webpage](#).

Use of ESA Funds

Account holders at participating schools will submit payments for tuition and school fees through the portal on a quarterly basis and can make additional purchases through the marketplace as needed. The account holder shall confirm receipt in the ESA portal of product purchases within ten (10) business days of delivery.

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 [SBE Rule 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 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 [Tenn. Code Ann. § 49-6-2603](#).

Appendix A: Finance Worksheet

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 late May/early June 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. The final ESA award amount will be released in late July. Any necessary adjustments will be made to student wallet account at the beginning of the second quarter in October. For more information on award amounts, please see the information posted on the [ESA webpage](#).

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 student	Total of School-Based Financial Aid	ESA Award	Remainder covered by 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 ESA portal. All expenses **must** be approved by the department.

ESA Participating Schools

School Eligibility

ESA funds can be used to pay tuition at a Category I, II, or III ESA *participating* non-public school.

A list of *all* Tennessee non-public schools can be found on the [Non-Public Schools webpage](#).

In order to become a participating ESA school, a principal, head of school, or designee must apply to the ESA Program. Category I, II, or III non-public schools can learn more about the ESA Program and school requirements on the [Schools & Service Providers](#) page of the ESA webpage.

Non-public schools that have been approved to participate are listed on the [Parents & Students webpage](#) of the department's website. Parents are encouraged to check the list of ESA participating non-public schools when considering where to apply or spend an ESA; not all eligible schools participate in the program.

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 webpage](#).

School Application Windows



ESA Program Timeline for Schools		
	FULL YEAR 2026-27	2 nd SEMESTER ONLY
 School Application OPENS	FEBRUARY 5 2026	APRIL 20 2026
 School Application DEADLINE	APRIL 17 2026	NOVEMBER 2 2026



Figure 1: For the full year 2026-27, the school application opens February 5, 2026, with a deadline of April 17, 2026. For the second semester only, the school application opens April 20, 2026, with a deadline of November 2, 2026.

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 (full year enrollment):** Annually, the full year application window will open in February and close in April each year. **For the 2026-27 school year, the ESA school application will open on February 5, 2026, and close on April 17, 2026.** All school applications submitted and approved during this time can enroll ESA students in Fall 2026.
- **Window 2 (second semester only enrollment):** Annually, the second semester application window will open the third week of April and close on the first week of November each year. **For the 2026-27 school year, the application will open on April 20, 2026, and will close on November 1, 2026.** All school applications submitted and approved during this time can enroll ESA students beginning in January 2027. 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 twenty-five percent (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 [SBE 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, like 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 webpage](#). The [ESA Team](#) is always available to answer questions or assist schools in the application process.

School 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 on the [Parents and Students webpage](#).

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

Please review the [Tips for Participating Schools guidance 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 [SBE Rule 0520-01-16-.11](#). More information is available on the [ESA webpage](#). Appeals cannot be processed without an official appeal form being submitted.

Step 1:

- The appeal form shall be submitted to the commissioner of education within ten (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 forty-five (45) calendar days. To file a step one appeal, complete the appeal form located on the [ESA webpage](#), and email the completed form to ESA.Questions@tn.gov. Appeals cannot be processed without an official appeal form being submitted.
- 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 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 ([Tenn. Code Ann. Title 4, Chapter 5](#)). Appeals cannot be processed without an official appeal form being submitted.

School Employees

Participating schools must administer criminal background checks for all school employees upon employment and every five (5) years thereafter, as required by Tennessee Code Annotated and the Tennessee State Board of Education. 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 all required background checks.

Additionally, participating schools must exclude employment from 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.

School Payment Management and Financial Obligations

Participating schools make 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 into 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 exceeds 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 five (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](#).
- School will submit enrollment check forms each quarter to ESA staff prior to fund disbursement.

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 webpage](#).

School Notice of Student Withdrawal or Transfer

School/Program Withdrawal

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:

- Complete the [Student Withdrawal Form](#).
- Notify the department within five (5) business days of receipt of a student's notice of withdrawal, pursuant to [SBE 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 ten (10) calendar days of notification following procedures outlined by the department.

Parent Options

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. Provide the department with proof of transfer and enrollment in another approved ESA participating non-public school within ten (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 ten (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.

If neither of these options are selected, the ESA account will be closed.

An additional option outside of the ESA program is to:

- 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.

Refunding Overpayments

If an ESA student withdraws from your school during the school year, their award will be pro-rated based on their enrolled instructional days. The early withdrawal from the program could result in an overpayment that will need to be reviewed and potentially adjusted.

In these cases, if an overpayment is identified, the department will contact your school with instructions for refunding the appropriate amount back to the state.

After the department has communicated with the school three times and the refund has still not been received, an email will be sent to the school with a deadline of ten (10) business days for the return of the funds.

If the refund is not received by that deadline, the school will not be allowed to participate in the program during the next school year.

Annual School 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 School Report of 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 twelfth (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 [Graduation Data Submission 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.*

School 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.

The following will occur 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 Rule 0520-01-16-11](#).

Step 1:

- The appeal form shall be submitted to the commissioner of education within ten (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 forty-five (45) calendar days. To file a step one appeal, complete the [Appeal Form for Schools](#) located on the [ESA webpage](#), and email the completed form to ESA.Questions@tn.gov. Appeals cannot be processed without an official appeal form being submitted.
- 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 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 ([Tenn. Code Ann. Title 4, Chapter 5](#)). More information on the appeals process can be found on the [Appeals webpage](#).

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 grades 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.

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.

Participating students who take the TCAP must take the standard TCAP assessment (not the alternative growth measure, portfolio, or Tennessee Universal Reading Screener) and will not be guaranteed testing accommodations under the Individuals with Disabilities Education Act (IDEA). However, students will receive Americans with Disabilities Act (ADA) accommodations as applicable.

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 TVAAS website](#).

Additionally, families of students in non-participating schools will be contacted by the department concerning arrangements for TCAP testing for their students.



Tennessee Department of Education | 2026-27 School Year

tn.gov/education/esa

4 / 26

Permission is granted to use and copy these materials for non-commercial educational purposes with attribution credit to the "Tennessee Department of Education." If you wish to use the materials for reasons other than non-commercial educational purposes, please contact the office of general counsel at (615) 741-2921.