



Family Handbook

A Guide to the Education Savings Account (ESA) Program



Tennessee
**Education Savings
Account Program**

Tennessee Department of Education | 2024-25 School Year

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Tennessee Education Savings Account (ESA) Program Overview

This handbook provides information to families participating in the ESA Program. Families are responsible for following the policies and procedures outlined in this handbook. These guidelines are based on state law and State Board of Education policy and are followed by the ESA Program Team.

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

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 Education Savings Accounts (ESAs) were awarded in August 2022. To implement the program, the Tennessee State Board of Education (SBE) approved rules, Chapter [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 website](#).

A frequently asked questions list is available for families as well as other helpful ESA resources. Visit tn.gov/education/esa.

For the 2024-25 school year, the application will be available February 1, 2024, through an online application portal which is linked on the [ESA website](#). A paper application is also available on the [ESA website](#). Please visit tn.gov/education/esa for more information.

Contact Information

The Tennessee Department of Education (the department) can answer further questions regarding the Tennessee Education Savings Account (ESA) Program. See below for specific contact information.

Email:

ESA.Questions@tn.gov- for all questions related to the ESA Program

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: **615-741-9360**



Student Eligibility and Funding

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

- **Tennessee resident entering kindergarten through grade 12**
 - To be eligible to enter kindergarten, a child must be five years old on or before August 15 of the school year for which the child will be in kindergarten (State Board of Education Rule [0520-07-02](#)).
 - A child turning five on or before September 30 may enter kindergarten if:
 - **the child's parent or legal guardian requests the child be tested by the school where the child would attend kindergarten,**
 - **the principal or head of school finds through evaluation and testing that the child is sufficiently mature emotionally and academically to enter kindergarten, and**
 - **the school has a policy permitting early admission to kindergarten through testing.**
 - Students admitted early to kindergarten must submit an acceptance letter from a Category I, II, or III participating non-public school with the application.
- **Meets one of the following requirements:**
 - Previously enrolled in and attended a Tennessee 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 10 business days of the district's start date. For example, if the Memphis-Shelby County Schools start date is August 1, 2023, and a student enrolls on August 14, 2023, 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 15, 2023, they would not meet the one (1) full school year requirement.
 - Previously enrolled in and attended a Tennessee public school for the entire school year in 2019-20, 2020-21, or 2021-22, as outlined in [Chapter 171 of the Public Acts of 2023](#),
 - Eligible for the first time to enroll in a Tennessee public school
 - For the purposes of this rule, eligible for the first time to enroll in a Tennessee school means that a family moved to Tennessee after the first 10 business days of the district's start date. A family is considered eligible in the year in which they moved to Tennessee, if they choose to apply to the program, and is also considered eligible for the next school year under this requirement. For example, if the Memphis-Shelby County Schools start date is August 1, 2023, and a family moves to Tennessee on August 15, 2023, the family would be considered "eligible for the first time to enroll in a Tennessee school" for either the 2023-24 or 2024-25 school years.
 - Was eligible to enroll in a Tennessee public school for the first time in one of the following school years: 2019-20, 2020-21, or 2021-22, as outlined in [Chapter 171 of the Public Acts of 2023](#),
 - Received an ESA in the previous school year,
 - Is enrolling in Tennessee schools for the first time OR was enrolled in and attended a Tennessee public school for the full 2023-24 school year OR used an ESA in the 2023-24 school year,

- **Currently zoned to attend a Memphis-Shelby County school, a Metro Nashville public school, a Hamilton County school, 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” as defined in federal law [42 U.S.C. § 1759(b)(5)] will automatically meet the income requirements for eligibility. “Economically disadvantaged” includes, but is not limited to, children who are experiencing homelessness, children who are recipients of direct certification, or children from households that receive benefits under the Temporary Assistance for Needy Families (TANF) program, Food Stamps, or TennCare.*

Income Eligibility Chart: 2023-24

Household Size	Twice the Federal Free Lunch Income Guidelines
2	\$51,272
3	\$64,636
4	\$78,000
5	\$91,364
6	\$104,728
7	\$118,092

This chart is updated annually as information is provided from the United States Department of Agriculture. More information regarding student income eligibility is available online at tn.gov/education/esa.

Eligibility Examples

The examples below are meant to assist you in identifying whether your family is eligible for an ESA. These examples are not meant to be an exhaustive list. For further questions, email ESA.Questions@tn.gov or call 615-741-9360.



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 a Memphis-Shelby County district school. As long as her family meets the income requirements, she will be eligible for an ESA.



Helena is starting middle school, and her family moved from Atlanta, Georgia to Nashville 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.



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 this is the first time he is enrolling in a Tennessee public school.



Trejean attended public school in Knoxville last year and his family recently moved to Nashville. Trejean's new address assigns him to a Metro Nashville public school. As long as his family meets the income requirements, he will be eligible for an ESA.



Desiree is zoned to attend a Memphis-Shelby County school and was homeschooled 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.



Thomas is zoned to attend a Metro Nashville public school and attended a non-public school in Nashville last year for seventh grade but did not apply for an ESA. 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.



Lupe attends a pre-K program at a non-public school in Davidson County and is zoned to attend kindergarten in a Metro Nashville public school. As long as her family meets income requirements, she is eligible for an ESA.

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 [here](#).

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

Category I: Schools approved by the department.

Category II: Schools approved by an accrediting agency which has been approved by the Tennessee State Board of Education (SBE).

Category III: Schools that are regionally accredited as identified by the SBE.

In order to become a participating ESA school, a principal, head of school, or designee must apply to the ESA Program. Non-public schools that have been approved to participate are listed on the [ESA website](#). Parents are encouraged to check the list of [participating non-public schools](#) from the [ESA website](#) when considering where to apply or spend an ESA; not all eligible schools 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
- Enrolls in a Category IV or V school or a non-public school not approved under the rules of the State Board of Education
- Is no longer a resident of the local school district in which the student lived when the student began participating in the ESA Program (Account holders must reapply to the ESA Program **each year** and verify their home address and income. **This process is called renewal.**)
- Is suspended or terminated from the ESA Program
- Graduates or withdraws from high school (Certificates of attendance do not equal graduation from high school for the purpose of the ESA Program.) A student may continue in the program until he or she receives a high school diploma or receives a passing score on all subtests of the General Educational Development (GED) test or the High School Equivalency Test (HiSET).
- Reaches 22 years of age (The student may complete the school year in which he or she reaches the age of 22, as long as he or she will not be enrolled in the program past August 15 of the next school year.)
- Fails to verify that household income meets the program's requirements

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

Special Education Services

Student Enrolling in the ESA Program with an IEP or 504

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

- Non-public schools are not required to follow the IDEA. If a student had an IEP in public school, enrollment in the ESA Program means that the student will no longer be entitled to a free appropriate public education (FAPE) provided through an IEP. The student will instead be entitled to 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 required 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 develop an ISP and to determine which services will best support the student. For more information about equitable services, ISPs, and the consultation process, please see the following question and answer document from the United States Department of Education [here](#).
- Non-public schools are only required to follow Section 504 if the school receives federal funding. Some non-public schools may not receive any federal funding and are therefore not required to implement the 504 plan that a student had in place in public school.

While non-public schools are not required to continue services, the following section will outline the procedures following enrollment in the ESA Program.

Special Education Services

While a student participating in the ESA Program does not retain the right to receive special education and related services through an Individualized Education Program, the participating student does retain the right to continue special education eligibility through an IEP if they return to public school. **Enrollment in the ESA Program does not result in your student being automatically non-eligible. Eligibility decisions are made solely by the student’s IEP team.**

If a student has previously been found non-eligible by the local education agency (LEA) due *only* to enrollment in the ESA Program, the parent/legal guardian may request, in writing, an initial assessment to determine if the child is a student with an educational disability. If the student is found eligible by the IEP team, an Individualized Service Plan (ISP) should be developed if the team determines that such services are appropriate and required.

- o Students enrolled in non-public schools may request an eligibility evaluation from the LEA in which the non-public school is located.
- o Students enrolled in independent home schools may request an eligibility evaluation from the LEA in which the student resides.
- o Upon signing the ESA Account Holder Contract, the account holder has the right to withdraw the student from the ESA Program at any time, following the procedures in this handbook, and enroll the student in a public or non-public school, or a home school independent from the program. Prior to re-enrolling in public school, account holders must notify both the Tennessee Department of Education (the department) and the Local Education Agency (LEA) to provide information that the student intends to withdraw from the ESA Program.

Parent and Student Rights Waived in the ESA Program

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

- If my child has previously been determined eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA), I acknowledge that my child will remain eligible for special education and related services at the local education agency serving the area in which I reside but that my child will be marked as “inactive” as long as my student is enrolled in the ESA Program.
- If my child has previously been determined eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA), I acknowledge that my child will not be served through an individualized education program (IEP) and that my child will not be entitled to receive a free appropriate public education (FAPE) through either the local education agency serving the area in which I reside or through the non-public school in which my child enrolls. I acknowledge that any IEP that was in effect prior to my child’s enrollment in the ESA Program will no longer be effective.
- If my child has previously been determined eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA), I acknowledge that my child is entitled to an individual service plan (ISP) and that my child is entitled to equitable services through the local education agency serving the area in which the non-public school that my child enrolls is located.
- If my child has previously been served through a Section 504 plan, I acknowledge that the non-public school in which my child enrolls may not be required to implement that plan.

Students Reaching the Age of Majority

Unless there has been a previous legal determination that a non-minor student is incompetent to make educational decisions, all educational rights transfer to the student upon reaching the age of majority (18 years old). This includes the right to determine whether the student will continue to waive individual rights under the Individuals with Disabilities Education Act (IDEA) and continue to participate in the ESA Program or exercise the right to cancel the ESA funds and withdraw from the ESA Program. **Any student who turns 18 years old during the ESA contract year must take action to continue using the ESA.**

A student who is emancipated according to the court may also act as his or her own account holder. A valid, signed Power of Attorney or Conservatorship must be provided to ESA.Questions@tn.gov. Once provided, the ESA Program Team will not be able to discuss the emancipated student's account with the parent. An emancipated student who wishes to be their own account holder should contact the ESA Program Team.

Upon the student's reaching the age of majority or upon emancipation, the student or parent must complete one of the options listed below to continue participation in the ESA Program during the current year or to renew an ESA for the following school year:

- The student, acting as the ESA account holder, must sign and submit a notarized Power of Attorney document that conforms with Tenn. Code Ann. § 34-6-101 *et seq.*, and states that the attorney-in-fact (the parent applicant) has the authority to make both:
 - 1) educational decisions regarding placement and participation of the student in the ESA Program; **and**
 - 2) banking and financial decisions and transactions as limited to management, control, and access of the ESA funds; **OR**
 - 3) The parent applicant must provide the department with documentation showing that he or she has been appointed as conservator of the student. The documentation must explicitly state that the conservator has the ability to make educational and financial decisions for the student. In the event custody changes involving a student are determined by court, the ESA account holder should notify the ESA Program Team.

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
- 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.

Account Holder

The funds received through the ESA Program constitute as 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 funding pre-approval process, complying with Tennessee Comprehensive Assessment Program (TCAP) requirements, and other aspects of participation in the program as determined by the department.

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 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 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 State Board of Education Rule [0520-01-16-.04\(7\)](#). The amount of an ESA may change from year to year as the amount is reviewed and determined annually according to local and state funding formulas. The department anticipates releasing these numbers in mid-summer annually. For the 2023-24 school year, students zoned to attend a school in the Memphis-Shelby County School District and the Metro Nashville School District received \$9,069.80; students zoned to attend a school in the Hamilton County School District received \$8,943.67.

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

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

A list of participating schools is available on the [ESA website](#). These are allowable use of ESA funds for students attending participating 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 uniforms at a non-participating school.*)
- Tuition and fees for approved educational summer education programs and specialized after-school education 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 TN teacher license and an agency must have accreditation through one of the groups listed in [SBE 0520-01-16-.05\(1\)\(c\)\(2\).](#)*)
- Tuition and fees at an eligible postsecondary institution (*An eligible postsecondary institution must be operated by the Board of Trustees of the University of Tennessee; the Board of Regents of the state university and community college system; or 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; or 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., 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.*)
- ESA management fees provided by a non-profit financial management organization approved by the department, not to exceed 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 non-participating schools:

- Tuition and fees for approved educational summer education programs and specialized after-school education 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 TN teacher license and an agency must have accreditation through one of the groups listed in [SBE 0520-01-16-.05\(1\)\(c\)\(2\).](#)*)
- Educational therapies or services for participating students provided by a department-approved licensed therapist
- Transportation to and from a participating school or education provider (*Fees are paid only to a commercial fee-for-service provider e.g., bus; this does not include private transportation by a parent, family member, or participating student.*)
- Tuition and fees at an eligible postsecondary institution (*An eligible postsecondary institution must be operated by the Board of Trustees of the University of Tennessee; the Board of Regents of the state university and community college system; or 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; or 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.*)
- ESA management fees provided by a non-profit financial management organization approved by the department, not to exceed 2% of the ESA funding in a fiscal year

Unallowed Use of ESA Funds

The expenses listed below 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
- supply fees (i.e., those which include consumable items/materials);
- field trips; or
- personal transportation.

Computer Hardware/Technological Device Restrictions

- 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.
- If ESA funds were used to purchase computer hardware or a technological device, account holders **may not purchase more than two devices per student in the same year or purchase the same or similar item with ESA funds until two calendar years have passed since the date the item was purchased.** For example, if the account holder purchased a laptop with ESA funds in the 2023-24 school year, the account holder will not be able to use ESA funds to purchase another laptop until the 2025-26 school year. The department reserves the right to make exceptions to this procedure for reasons including, but not limited to, if the account holder provides sufficient documentation to prove that the original item purchased was stolen or was damaged to the point it could not be used.
- If an account holder provides the documentation with a request for a replacement of a technological device within the two-year period, the department will review the request and may make a determination of replacement value based on an established depreciation model.

Fraud, Waste or Abuse Reporting

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

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

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

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

Funds are used for educational purposes such as



Textbooks



Tuition



Uniforms



Tutors

Application and Admission

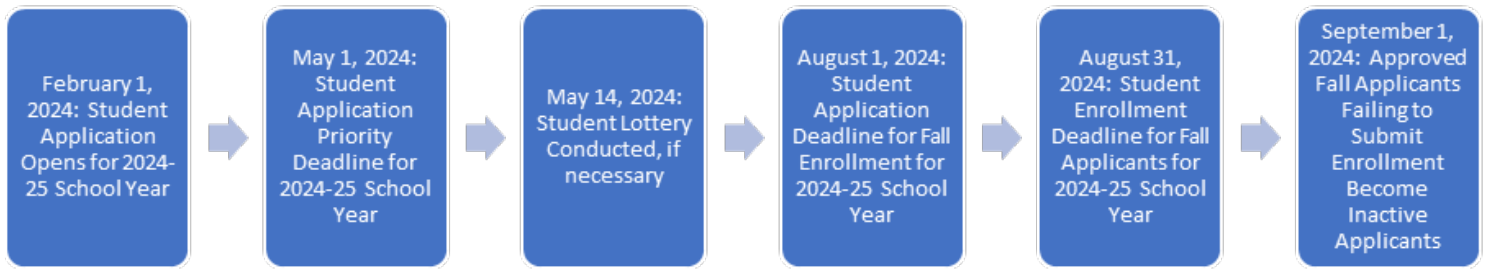
Student Application Windows

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

- **Window 1 (fall enrollment):** Annually, the fall application window will open the first week of February and close on the first week of May each year. For the 2024-25 school year, the application will open on February 1, 2024, and close on August 1, 2024, with a priority deadline of May 1, 2024. All families who submit applications and are approved during this time can enroll ESA students beginning in Fall 2024.
- **Window 2 (winter enrollment):** Annually, the winter application window will open on August 2, and close on January 2 each year. All families who submit applications and are approved during this time can enroll ESA students beginning in January 2025. Families approved to participate mid-year will receive ESA funds prorated based on the enrollment period.

Family Application Calendar	
Date	Event
February 1, 2024	2024-25 Family Application Opens
May 1, 2024	2024-25 Family Application Priority Deadline
May 15, 2024	2024-25 Family Application Lottery (if needed)
August 1, 2024	2024-25 Family Application Window Closes for Fall
August 2, 2024	2024-25 Family Application Window Opens for Winter
August 2, 2024	2024-25 Family Application Window Opens for Fall, Extenuating Circumstances
August 31, 2024	2024-25 Student Enrollment Due for Fall Enrollment
September 1, 2024	2024-25 Approved Fall Applicants Missing Enrollment Move to Inactive Applicant
January 2, 2025	2024-25 Family Application Closes
January 3, 2025	2024-25 Family Application Window Opens for Winter, Extenuating Circumstances
January 31, 2025	2024-25 Student Enrollment Due for Winter Enrollment
February 1, 2025	2024-25 Approved Winter Applicants Missing Enrollment Move to Inactive Applicant
February 1, 2025	2025-26 Family Application Opens

Student Application Flowchart



How to Apply

To apply for an ESA, the parent of an eligible student *(or an eligible student who has reached the age of 18)* must submit an application found online at tn.gov/education/esa. Applications can be submitted online or on paper.

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

Proof of Income

All applicants must show that the student is a member of a household with an annual income for the previous year that is not more than twice the [federal income eligibility guidelines for free lunch](#).*

Income verification must be established through **one** of the following:

- | |
|---|
| <ul style="list-style-type: none">• A federal income tax return from the previous year (2023); a W-2 is not sufficient as it may not be reflective of your total income, nor does it include household size. |
| <ul style="list-style-type: none">• Temporary Assistance for Needy Families (TANF) Families First most recent benefits statement or letter of eligibility |
| <ul style="list-style-type: none">• Supplemental Nutrition Assistance Program (SNAP) most recent benefit statement or letter of eligibility indicating the student as a recipient |
| <ul style="list-style-type: none">• TennCare benefits that are currently active for the child on the application, including a card or verification letter |

Proof of Address

All applicants must show proof of residential address as part of the application. Applicants can do this by uploading **two** of the following:

Issued within the **LAST 90 DAYS**

- **Utility Bills or Connection Notices**
Home or Mobile Phone, Water, Gas, Electric, Internet, Cable, Waste Collection
- **Installment Loan Statement**
Automobile, Mortgage, Personal, Student, Bank
- **Insurance Bill or Policy**
Homeowner's or Renter's insurance, Automobile insurance, Life insurance, Health insurance
- **Affidavit of Residence**
Landlord affidavit of residence (signed and notarized), Employer verification of resident address on company letterhead (signed), Employer verification of resident address without letterhead (signed and notarized)
Note: any affidavit of residence or verification without letterhead must be notarized
- **Fiscal Documentation**
Bank Statement, Employment Check Stub, W-2
- **Agency Documentation**
Social Security, Disability, TANF (Temporary Assistance for Needy Families), SNAP (Supplemental Nutrition Assistance Program), Public Assistance / Government Benefits
- **Court Documentation**

Issued within the **LAST 365 DAYS**

- **Vehicle Registration or Title**
Current Tennessee Vehicle Registration, Certificate of Vehicle Title
 - **Rental or Mortgage Contract**
Deed of Sale for Property, Mortgage Contract, Rental or Lease Agreement (signed by landlord and resident)
Note: any handwritten contracts or agreements must be notarized
 - **Tennessee Voter Registration Card**
 - **Tax Documentation**
2023 IRS Tax Return (Form 1040), Real Estate Tax Receipt, Personal Property Tax Receipt
- (NON-EXPIRED)
- **Tennessee Identification Cards**
Driver License, Identification License or Card, Handgun Carry Permit



tn.gov/education/esa

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Note: Students identified as “economically disadvantaged” as defined in federal law [42 U.S.C. § 1759(b)(5)] will automatically meet the income requirements for eligibility. “Economically disadvantaged” includes, but is not limited to, children who are experiencing homelessness, children who are recipients of direct certification, or children from households that receive benefits under the Temporary Assistance for Needy Families (TANF) program, Food Stamps, or TennCare.

Other Information for the Application

- If the child attended any school outside of Tennessee in 2023-24, include the child’s 2022-23 transcript with the application.
- If the child is a foster child, include supporting documentation such as a placement contract and a letter from the Department of Children’s Services granting permission for the child to participate in the ESA Program and attend non-public school.
- Any child in custody of the Department of Children Services (DCS) must provide permission for the child to participate in the ESA Program.
- Any additional documentation for unique circumstances, please email ESA.Applications@tn.gov or leave a message at 615-741-9360 for guidance with unique circumstances.

Submitting the Application

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 smart phone or computer.
- **In person:** Applications can be printed from the [ESA website](#) 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 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

Pending Applicant	Application has been received by the department and is currently under review without a finalized decision.
Incomplete Applicant	Application has missing documentation that was not submitted within 10 business days and therefore has not received a final determination.
Approved Applicant	Application that has been approved and has begun the onboarding process.
Inactive Applicant	Applicant did not file enrollment by deadline and therefore, has transitioned from approved applicant to inactive applicant.
Declined Applicant	Applicant has declined the Education Savings Account upon approval.
Denied Applicant	Application has been denied due to being ineligible for the ESA Program and does not elect to appeal the department’s decision.
Appealing Applicant	Application was denied, and the applicant has filed for an appeal that is currently being reviewed.
Account Holder	Applicant has completed all onboarding requirements including submission of FERPA, handbook acknowledgement, school enrollment, and signed contract and is now an account holder.
Withdrawn Account Holder	Previous account holder that has withdrawn from ESA Program.
Removed Account Holder	Previous account holder that has been removed from the ESA Program.

Application Status Flowchart



Enrollment Lottery

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 below 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**
- 4. All other eligible students**

Enrollment Priority

1



Students with
participating
siblings

2



Students zoned
to attend a
Priority school

3



Students eligible
for direct
certification status

4



All other
eligible
students

Participating Family Responsibilities

Enrollment in a Participating ESA School

Once an application has been approved, if the parent (or student who has reached the age of 18) intends on utilizing the ESA for tuition and other approved expenses, an eligible student must apply to and be accepted at a participating non-public school. **Be aware that participating schools may not accept ESA students for all grades the school serves.** Parents (or students who have reached the age of 18) must then share proof of enrollment with the department in the ESA e-Wallet portal before an ESA is established. Once verified, the family will receive a prompt to sign the ESA contract and will be able to move forward in the process of expending funds.

Enrollment in a Non-Participating ESA School

Students may use ESA funds at a non-participating Category I, II, or III non-public school for certain uses as outlined on pages 13-14 of this handbook. Once an ESA application has been approved, if the parent (or student who has reached the age of 18) intends on utilizing the ESA funds at a non-participating school, the account holder must send the following documents:

- Send a copy of the signed school contract as an attachment to ESA.Questions@tn.gov.
 - Note: Students in grades 3-11 must take the Tennessee Comprehensive Assessment Program (TCAP) assessment in the spring. More information will follow during the school year. High school students must submit English and math course titles to the department.
- Complete the Family Educational Rights and Privacy Act (FERPA) waiver and email it to ESA.Questions@tn.gov.

After the ESA Team receives these documents, the account holder will receive a link to complete the funding pre-approval form online.

Additionally, each family will be responsible for working with the ESA Program Team 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

Note: ESA funds cannot be used for tuition payments at non-participating schools.

FERPA Waiver

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

ESA Account Holder Contract

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 every 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 the *ESA Family 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 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 years of age or older.

Contracts with Schools

Any contract a family signs with a 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, payment schedule, etc. 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 pay for the entire cost of tuition. Account holders are responsible for ensuring the account is paid in full. Any tuition or fees charged by a participating school or eligible postsecondary institution that exceed the ESA amount 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.

Application Assurances

When a parent (or student who has reached the age of 18) submits an application to participate in the ESA Program, the 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 math and English language arts each year of enrollment in the program.
- **Not enroll the participating student in 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).** Participation in the program also makes the student's IEP invalid, and the student will not be entitled to a free appropriate public education (FAPE) from the public school district. The availability of disability-related services will 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 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 18) for meeting the educational needs of the participating student. This means that, at a minimum, **the participating school must annually provide the account holder with a written explanation of the participating student's progress.**

Annual Testing

Participating schools must ensure that participating students in grades 3 through 11 are administered the Tennessee Comprehensive Assessment Program (TCAP) tests in math and English language arts each year the student is enrolled in the ESA Program. Each school must designate a testing coordinator, regardless of the grades in which ESA students are enrolled. The school's testing coordinator will be trained by department staff to administer the assessments.

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

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

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

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

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

Student Participation in the Individualized Education Account Program

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

Student Participation in Interscholastic Athletics

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

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

Account Holders must get pre-approval for *all* expenses:



Tuition & fees



Computer hardware



Tutoring services



Educational therapy



Summer education



After-school programs

Financial Accountability Pre-Approval

Account holders shall obtain pre-approval for all expenses. If pre-approval is not obtained, the expense shall be deemed an unapproved expenditure. An account holder may request pre-approval by completing and submitting the department's pre-approval form in accordance with procedures developed by the department, according to State Board of Education Rule [0520-01-16-.05\(2\)](#).

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 submitted to and received by the department 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 provide proof of enrollment in a Category I, II, or III non-public school. No funds shall be disbursed to an ESA account without proof of enrollment in a Category I, II, or III non-public school.

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.
- Expenses and receipts must be submitted in the e-Wallet platform prior to disbursement of ESA funds.
- All contracts entered are the responsibility of the private parties involved.
- Any tuition or fees charged by a participating school or postsecondary institution that exceed 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 in the e-Wallet payment system for all account holders. The portal link and more information can be found on the [ESA website](#).

Expenses and Documentation

Account holders are responsible for submitting expenses and expense documentation to the department through the e-Wallet portal. According to SBE Rule [0520-01-16-.04\(9\)](#), the account holder shall submit expense documentation and receipts for all ESA funds expended in accordance with the procedures set by the department. The account holder will initiate payments through the e-Wallet portal [here](#) for all allowable fees under the ESA and upload receipts or additional documentation required by the department. Account holders will submit a payment in the portal for school fees at least quarterly.

Unused Funds

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

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;
- **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 e-Wallet, and
- suspend the e-Wallet account.

If a student is removed from the ESA Program, the account holder must submit the final expense documentation to the department documenting all ESA fund expenditures in the e-Wallet portal prior to the last payment submitted, along with all supporting receipts and documentation, by the deadline stated in the removal notice.

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 returns to the LEA, or if funds were deposited into the account in error.

If there are not enough funds remaining in the ESA to cover the misspent funds, the 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 holder has repeatedly 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.

Mail the check and letter to:

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

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 e-Wallet 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 website](#) and must be submitted during the open enrollment period.

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 22 years old on or before Aug. 15, 2024, to remain enrolled in the ESA Program for the 2024-25 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 or Transfer

A student may withdraw from a participating school at any time. If a student chooses to withdraw, they must choose one of the following options to retain their Education Savings Account (ESA) for the year:

- enroll in a new ESA participating school or
- enroll in a non-participating Category I, II, or III non-public school.

If neither of the above options are met, the ESA account will be closed.

To withdraw a student from a participating school, parent(s)/guardian(s) should:

- notify the student's current school that you will be withdrawing the student from the school. Follow the school's instructions for how to withdraw your student, and
- complete the ESA Program's [Student Withdrawal Transfer Form](#) within 5 business days of the student's withdrawal from the non-public school.

Transfer to Another Participating ESA School

Enroll the student in a new ESA-participating school. You can review the current list posted on the [ESA website](#).

- The remainder of the ESA funds can be used at the participating school the student is transferring to after revision of the Funds Pre-Approval Form.
- The account holder must send a copy of the school contract to ESA.Questions@tn.gov.

Transfer to an ESA Eligible Non-Participating Private School

Enroll the participating student in a non-participating Category I, II or III non-public school.

- If the account holder selects this option, the fees for tuition, uniforms, and textbooks are no longer allowable use of funds for the ESA account.
- The account holder must send a copy of the school contract and the revised [Funds Pre-Approval Form](#) to ESA.Questions@tn.gov.

Transfer to a non-ESA Eligible Private School Program or to a Public School

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.

Notes on Eligibility

If an account holder should voluntarily or involuntarily withdraw the student from their Category I, II, or III non-public school, they must enroll in another Category I, II, or III non-public school to maintain their ESA account. If an account holder should enroll their student in a public school, independent home school, or Category IV or V non-public school, the student would then be ineligible to participate in the program, would forfeit the remainder of their ESA funds, and the student's ESA would be closed. The student would remain eligible to reapply for the ESA Program in the upcoming school year as a new applicant.

Notes on Compulsory School Attendance

If an account holder chooses to continue participating in the ESA Program by transferring to another non-public school, they must comply with the compulsory attendance laws as required by Tenn. Code Ann. § [49-6-3001\(c\)\(1\)](#). If the ESA Team has not confirmed enrollment in another eligible non-public school within 5 business days of the withdrawal date, the ESA Team will assume the student is enrolled in a public school or home school. The student would no longer be eligible for continued participation in the ESA Program and would need to reapply to the ESA Program for future participation.

Fiscal Responsibilities

When a student withdraws from a participating school during the course of the school year, the ESA funds for that school year will be reduced on a prorated daily basis, pursuant to State Board of Education (SBE) [Rule 0520-01-16-.04\(8\)](#). The Tennessee Department of Education shall prorate the full ESA amount paid to a school based on the days of enrollment at the school relative to the minimum number of days each school is open for instruction. Any expenses owed to the participating school which exceed the amount of the prorated ESA amount shall be the account holder's responsibility.

- Families must submit expense documentation within 10 business days of the withdrawal date to include all expenses covered through the ESA, regardless of future enrollment in a participating or non-participating ESA school.
- When the withdrawal/transfer form is submitted, an automatic email confirmation will be generated by the ESA Program and sent to the account holder email address provided on the student withdrawal form.
- Upon leaving the ESA Program, through return to a public school, independent home school, or Category IV or V non-public school, any funds remaining in the ESA account will be returned to the State Treasurer, pursuant to SBE Rule.
- If a student graduates from high school or reaches age 22 and has any remaining funds left in their ESA account, the student will then become a Legacy ESA student. Legacy students may use their remaining funds for eligible postsecondary education expenses. Legacy students are not given additional ESA funds. For more information on Legacy ESA students, contact ESA.Questions@tn.gov.

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. The [appeals form](#) and [appeals guidance](#) are available on the ESA website.

Step 1:

- Submit the appeal to the Tennessee Department of Education within 10 business days of receipt of the notice of revoked eligibility or frozen/withdrawn ESA funds. (Notice of 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.)
- The commissioner or the commissioner's designee will review the appeal. A decision will be issued within 45 calendar days. (The account holder will be notified of the commissioner's decision for the Step 1 appeal electronically.)
- To file a Step 1 appeal, complete the Step 1 appeal form posted online at www.tn.gov/education/esa/appeals and email it to ESA.Questions@tn.gov or mail to the department.

Step 2:

- If the account holder wants to appeal the commissioner's decision, the appeal must be filed with the commissioner by the account holder within 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 at [Appeals \(tn.gov\)](#) or email ESA.Questions@tn.gov.
- 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 high school or reaches the age of 22 and has money left in the ESA account, the student will become a **Legacy Student**. [This document has a complete explanation of the Legacy Student status. This document is also located in Appendix D.](#)

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.
- The Legacy Student is not enrolled in an eligible postsecondary institution for 12 back-to-back months.

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

Appendix A: Frequently Asked Questions

Student Application

- ***I filed my taxes but don't have a copy of my 1040. What can I do?***
 - The ESA review team is required to consider the prior year's income as part of the income eligibility requirements. If taxes were filed, there are a few options to submit proof of income. One option is contacting the tax preparer to ask for a copy of the 1040. If taxes were filed through a third party, including an online service, the preparer should retain a copy of the 1040. A second option is accessing the IRS website and requesting an unredacted tax transcript to be mailed to your address. A family may send in a tax transcript along with copies of all social security number cards to verify the individuals listed as the household.
- ***I live in a house that is owned by a relative/friend/someone else. All utilities are in this person's name, not mine. What should I do to show residency on the application?***
 - For this situation, the relative or friend is acting in place of a landlord. The ESA applicant should download the Landlord Affidavit of Residence from the ESA [website](#). This affidavit must be completed, signed, and notarized within 30 days of the ESA application to be considered. For the second proof of residency, the family should submit a document in the landlord's name with the same address.
- ***I can't locate my 1040. Is an IRS Tax Transcript acceptable?***
 - A tax transcript with full, unredacted social security numbers can be submitted in addition to copies of social security cards for all persons on the tax transcript. The numbers and names must match in order to verify.
 - If a family filed taxes through a service, the parent(s) should reach out to the service for a copy of the 1040. Tax preparers have copies.
- ***What does the 1040 need to have?***
 - A 1040 should clearly list the parent(s) as listed on the ESA application. The ESA review team confirms that the child's name on the 1040 is the same name provided on the application. The 1040 will be used to determine household size and income. Household size includes the total number of people listed as adults and dependents (example: 1 parent and 2 dependents is a total of 3 for household size). This number is compared with income listed on line 9 to determine if the child lives in a household that meets the income eligibility guidelines. The chart for household size and income limits is available on the [website](#).
 - If a child's parents are divorced, the parent(s) should submit the 1040 that lists the child as a dependent. This is the 1040 that will be used to determine household size and income. If there is a court-mandated parenting plan that dictates which parent claims the child, even though the parent is not responsible for 50% or more time/resources for the child, the parent(s) should submit this alongside the application.
 - For households with more than one income earning adult: If the income earning persons in the household do not file taxes jointly, a 1040 for each income earning person should be included.
- ***My family recently moved to Tennessee from another country. What can I submit to show proof of residency?***
 - Documentation to support residency is the same regardless of the length of time a family has been in the United States; the law does not differentiate for refugee or immigrant status. A parent can submit the child's passport along with the transcript or report card from the school in which they attended in their country, if available.

Enrollment in Participating Schools

- **The school I am interested in sending my child to isn't on the list. What does that mean?**
 - For a student to use ESA funds for tuition, the school must be on the list of [participating non-public schools](#). Otherwise, a student can attend any Category I, II, or III non-public school and use the ESA on tutoring, therapy, summer educational programming, or commercial transportation. For questions about a particular school's category, email ESA.Questions@tn.gov. A finance pre-approval form must be completed for any use of funds, even if the school is not participating.
- **Can the school tell me how I spend the ESA?**
 - Account holders have the sole ability to determine the use of funds. A school may advise a family how to use ESA funds in conjunction with the school's financial aid, as the restrictions around each may limit the use of the funds. Ultimately, the family decides how to spend the funds for educational expenses.

Use of Funds

- **How much is an ESA? Can it pay for all school expenses?**

Each approved student, regardless of grade, location, or family size, will receive the same amount for the ESA. For the 2023-24 school year, that amount is \$9,069.80 for Memphis and Nashville and \$8,943.67 for Hamilton County. Account holders (parent/guardian if the child is under 18 years old) can decide how to spend this money between tuition, required books and technology, uniforms, and other allowable educational expenses. A few examples are below:

 - Cathy has enrolled at a school where annual tuition is \$12,000. She is approved for an ESA and has decided to use the entire ESA amount toward tuition. She will need to pay for the remaining \$2,847.45 of tuition from her own account or through the school's financial aid, if available. All other required expenses for the school will be her responsibility.
 - Mike has enrolled at a school where annual tuition is \$6,500. He is approved for an ESA and has decided to spend \$6,500 of the ESA toward tuition. With the remaining \$2,652.55 of the ESA, Mike has decided to spend \$500 for uniforms and \$1,000 for books and technology. The remaining \$1,152.55 will be unused and can be rolled over to next year's ESA account.
 - Michela has enrolled at a school where annual tuition is \$14,000. She has been approved for an ESA and has received financial aid from the school. The school's financial aid is \$4,500 toward tuition and \$500 toward the lunch program. She has decided to use \$8,000 of her ESA toward tuition and will pay the remainder out of pocket using the school's monthly payment plan. She wants to put the remaining \$1,152.55 toward tutoring services.
- **Can left over funds be used later for summer programs?**

Yes, summer programs are all allowable use of ESA funds and approved vendors can be selected in the e-Wallet portal.

Appendix B: FERPA Waiver



FERPA Release

The Family Educational Rights and Privacy Act (FERPA) of 1974 is a federal law that protects the privacy of student education records, as defined by 34 CFR Part 99. In order for a student to participate in the ESA Program, the account holder must sign a release to allow the Tennessee Department of Education (department) to disclose personally identifiable information contained in the student's education records to the individuals and agencies listed below. This form is provided as a means for account holders to give the department permission to discuss the student's education records with someone other than themselves. (Written consent will be kept permanently on file.)

I understand that the Family Educational Rights and Privacy Act of 1974 prohibits any further disclosure of this information without my specific written consent, or as otherwise permitted by such regulations. I understand that I have the right not to consent to disclosure of this information. I understand that this consent shall remain in effect until revoked by me, in writing, and delivered to the department, but that any such revocation shall not affect disclosures previously made by the department prior to the receipt of any such written revocation. If for any reason an account holder decides to cancel this release, the account holder must send an email withdrawing the consent, indicating the person(s) affected to: ESA.Questions@tn.gov.

Having read and understand this release, I hereby authorize the department to release information regarding the student's education records to the following:

- 1. Any participating non-public school and postsecondary institution that the student currently attends or has attended while enrolled in the ESA Program,*
- 2. 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*
- 3. The person(s) whose name(s) appear below.*

Account holders may also give written consent to the department to discuss the student's education records with someone other than the account holder by writing the person's name in the boxes below.

Student's Name	
Student's Date of Birth	
Disclose to: Full Name #1	
Disclose to: Full Name #2	
Signature of Account Holder	
Date	

Appendix C:

Finance Worksheet

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

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

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

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

See the next page for a complete chart to use.

Finance Worksheet

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

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

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

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

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

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

Appendix D

What is a Legacy Student?

According to [T.C.A. § 49-6-2602](#), a Tennessee Education Savings (ESA) Program **Legacy Student** is a participating student who:

- ✓ graduates from high school or exits the ESA Program by reaching twenty-two (22) years of age,
- ✓ has funds remaining in the student's education savings account, and
- ✓ has an open education savings account.

A Legacy Student may use his or her **remaining ESA funds** at an eligible postsecondary institution. Funds will not be added to the account after graduation from high school or reaching twenty-two (22) years old, whichever occurs first, but Legacy Students will have access to the remaining balance upon graduation, if the above conditions are met.

A Legacy Student must submit proof of enrollment to the Tennessee Department of Education (department) by the established enrollment deadline in order to access funds each semester. Eligible postsecondary institutions are operated by:

- the board of trustees of the University of Tennessee;
- the board of regents of the state university and community college system; or
- a local governing board of trustees of a state university in Tennessee; or
- a private postsecondary institution accredited by an accrediting organization approved by the state board of education.

ESA funds can be used for the following:

- tuition fees at an eligible postsecondary institution;
- textbooks required by an eligible postsecondary institution;
- tutoring services provided by a tutor or tutoring facility that meets the requirements established by the department and State Board of Education;
- computer hardware, technological devices, or other department-approved technology fees
- fees for early postsecondary opportunity courses and examinations required for college admission;
- fees for transportation to and from a participating school or educational provider paid to a fee-for-service transportation provider;
- tuition and fees for summer education programs and specialized after-school education programs, as approved by the department, which do not include after-school childcare;
- educational therapy services provided by therapists that meet the requirements established by the department and the state board; or
- ESA management fees provided by a private or non-profit financial management organization approved by the department, not to exceed 2% of the ESA funds in a fiscal year.

Fees do not include room and board, food, or consumable school supplies.

Pursuant to Tenn. Code Ann. § [49-6-2603\(h\)](#), a Legacy Student's ESA will be closed, and any remaining funds must be returned to the State Treasurer to be placed in the Tennessee Investment in Student Achievement formula (TISA) account of the education trust fund of 1992 under T.C.A. § 49-3-357 and T.C.A. § 49-3-358, after the first of the following events:

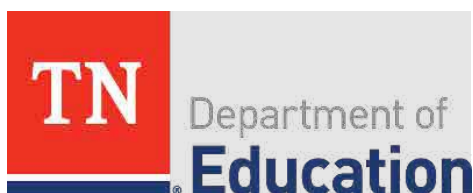
- Upon a Legacy Student's graduation from an eligible postsecondary institution.
- After four consecutive years elapse immediately after the Legacy Student enrolls in an eligible postsecondary institution.
- The Legacy Student is not enrolled in an eligible postsecondary institution for 12 back-to-back months.
- A participating student or Legacy Student exits the program and is not enrolled in an eligible postsecondary institution.
- After a participating or Legacy Student reaches 22 years of age and is not enrolled in an eligible postsecondary institution.

Please contact the ESA Team with additional questions at ESA.Questions@tn.gov, leave a message at 615-741-9360, or see the [ESA website](#) for guidance. A list of eligible postsecondary schools is provided below for your convenience.

Questions? Reach out to the ESA Team at any time:

Email: ESA.Questions@tn.gov

Phone: 615-741-9360



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