



# Frequently Asked Questions for Participating Schools



Tennessee  
Education Savings  
Account Program

Tennessee Department of Education | 2020-21 School Year

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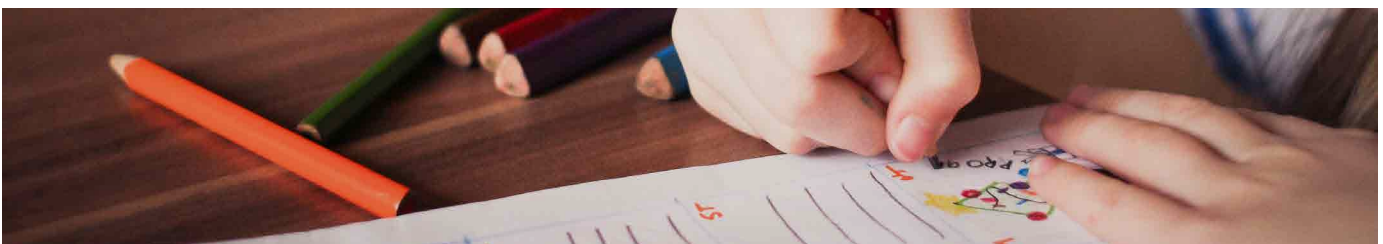
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# Introduction

In spring 2019, the Tennessee General Assembly passed and Governor Bill Lee signed [Public Chapter 506](#). This law creates the Tennessee Education Savings Account (ESA) program.

**The ESA program allows eligible students who are zoned to attend a Shelby County district school, a Metro Nashville public 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 private schools.**

The ESA program will begin in the 2020-21 school year. This document provides information for schools participating in the ESA program.

Further information can be found at [www.school.esa.tnedu.gov](http://www.school.esa.tnedu.gov).



# Overview of the ESA program

## What is the ESA program?

The ESA program allows eligible students who are zoned to attend a Shelby County district school, a Metro Nashville public school, or a school that was in the Achievement School District (ASD) to use state and local money toward education expenses, including tuition and/or fees at approved private schools.

## Which students are eligible for the ESA program?

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

Student Eligibility
<ul style="list-style-type: none"><li>• <b>Tennessee resident entering kindergarten through grade 12</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Meets <i>one</i> of the following requirements:</b><ul style="list-style-type: none"><li>◦ 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</li><li>◦ Eligible for the first time to enroll in a Tennessee public school</li></ul></li></ul>
<ul style="list-style-type: none"><li>• <b>Zoned to attend a Shelby County district school, a Metro Nashville public school, or a school that was in the Achievement School District (ASD) on May 24, 2019</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Member of a household with an annual income for the previous year that does not exceed twice the <u>federal income eligibility guidelines</u> for free lunch</b> (See abridged chart below.)</li></ul> <p><i><b>Note:</b> Students identified as “at-risk” as defined in state law [T.C.A. § 49-3-307(a)(6)] will automatically meet the income requirements for eligibility. “At-risk” is defined as children who are homeless or from households that receive benefits under the Temporary Assistance for Needy Families (TANF) program.</i></p>

## Income Chart

Household Size	Twice the Federal Free Lunch Income Guidelines
2	\$43,966
3	\$55,458
4	\$66,950
5	\$78,442
6	\$89,934
7	\$101,426

More information regarding student income eligibility is available online at [www.familymembers.esa.tnedu.gov/eligibility](http://www.familymembers.esa.tnedu.gov/eligibility).



## What amount is available for each ESA?

The amount each participating school will receive per participating student is approximately \$7,000.

## How can ESA funds be used?

Funds in an ESA may only be used for **educational purposes**. This includes:

- **Tuition or fees at a participating school**
- **Required school uniforms at a participating school**
- **Required textbooks at a participating school**
- **Tuition and fees for approved summer education programs and specialized after-school education programs**
- **Tutoring services provided by an individual who meets department requirements**
- **Textbooks required by an eligible postsecondary institution**
- **Transportation to and from a participating school or education provider by a taxi or bus service**
- **Fees for early postsecondary opportunity courses, exams, or exams related to college admission**
- **Educational therapies or services for participating students provided by a department-approved therapist**
- **Computer hardware, technological devices, or other department-approved technology fees**  
*(This is applicable only if the technology is used for educational needs, is purchased at or below fair market value, and is purchased through a participating school, private school, or provider.)*

Funds are used for educational purposes such as



Textbooks



Uniforms



Tuition



Tutors

# School Eligibility

## What schools are eligible to participate in the ESA program?

Category I, II, or III private schools may apply to the department to become a participating school.

## What are Category I, II, and III schools?

**Category I:** Schools approved by the department.

**Category II:** Schools approved by a private school 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.

### Currently Approved Agencies for Accrediting Category II Schools

- Association of Christian Schools International (ACSI)
- Association of Classical & Christian Schools, Inc.
- Diocese of Nashville
- Christian Schools International Accreditation Services
- Mississippi Association of Independent Schools (MAIS)
- National Lutheran School Accreditation
- Southern Union Conference of the Seventh Day Adventist Church (SDA)
- Tennessee Association of Christian Schools (TACS)
- Tennessee Association of Non-Public Academic Schools (TANAS)

### Currently Approved Agencies for Accrediting Category III Schools

- Cognia (formerly AdvancED)
- Northwest Accreditation Commission (NWAC)
- National Association of Independent Schools (NAIS)
- New England Association of Schools and Colleges (NEASC)
- Middle States Association Commissions on Elementary and Secondary Schools (MSA CESS)
- Accrediting Commission for Schools Western Association of Schools and Colleges (ACS WASC)
- National Council for Private School Accreditation (NCPSA)
- The Southern Association of Colleges and Schools Commission on Colleges

# Application and Acceptance for Eligible Schools

## What is the application process for schools to participate in the program?

Schools must submit an application for approval to become a participating school in the ESA program.

At the time of application, schools must declare the **number of student seats in each grade level that will be available for students** using an ESA for tuition and other expenses. Understanding that schools and eligible students must be a good fit for one another, the approved school is not obligated to fill all seats it declares for annual capacity.

**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 or providing a cash balance sheet that reflects a cash balance equal to or greater than the value of all ESA accounts accepted by the school. The bond value should be equal to the number of seats declared times the approximate base amount of the ESA (\$7,000).

As part of the application process, the school must also submit links or uploads of the school's academic calendar, admission policy, tuition and fees schedule, and proof of financial viability.

Applications for private schools to participate in the ESA program must be completed and submitted by the principal of the school. The school principal interested in participating in the ESA program must apply online at [www.school.esa.tnedu.gov/application/](http://www.school.esa.tnedu.gov/application/).

## What is the application deadline?

The application deadline for the 2020-21 school year is **April 17, 2020**.

## How will schools know if their application has been approved or denied?

The department will review the submitted application and all supporting documentation and notify the designated contact via email as to whether or not the school is approved to participate in the ESA program.

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

If the department approves the school's application to participate in the ESA program, the department will include the school on the list of participating schools for that school year posted online at [www.school.esa.tnedu.gov/participating-schools/](http://www.school.esa.tnedu.gov/participating-schools/).

## How long will the application review process take?

The review process may take up to 14 business days.



At the time of application, schools must declare the **number of student seats in each grade level that will be available for students** using an ESA for tuition and other expenses.



## What are participating schools' responsibilities regarding student applications for ESAs?

Schools must submit an online form by May 30 that contains the name and grade of all eligible student applicants accepted to the school who intend to utilize an ESA.

## How many ESAs are available this year?

For the first school year (2020-21), there are 5,000 ESAs available.

## What happens if the department receives more student applications than the state has ESAs?

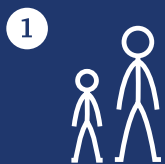
If the department receives more eligible applications than the maximum number of students who may participate in the program for that school year, there will be an **enrollment lottery**.

## What will the enrollment lottery process look like?

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 order below:

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



Students with participating siblings



Students zoned to attend a Priority School



Students eligible for direct certification status



All other eligible students

# School Responsibilities

## Which assessments must be given to participating students?

Participating schools must ensure that participating students in grades 3-11 are administered the TCAP tests in math and English language arts each year the student is enrolled in the ESA program.

## What academic obligations do participating schools have?

Participating schools are held academically 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. At a minimum, **the school must annually provide the account holder a written explanation of the participating student's progress.**

The participating school must also provide the participating student with an assessment report for 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, and middle initial*)
- **The participating student's score on the assessment**

## What guidelines do participating schools have to follow regarding employees?

Participating schools must administer criminal background checks for all school employees.

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

## Do participating schools provide special education services to participating students?

Participation in the ESA program has the same effect as parental refusal to consent to the receipt of services under the Individuals with Disabilities Education Act (IDEA) at 20 U.S.C. §1414. Schools are not required to provide special education services. However, schools must adhere to all ADA rules and regulations.

## What are the accountability measures for participating schools?

Participating schools must ensure each participating student in grades 3-11 takes the state-required assessment. A participating student must show academic progress from various data sets, including, but not limited to, the state assessment or the school's annual assessments administered regularly to students in the private school.

## Do participating schools have to report graduation rates?

Yes. Participating schools must annually submit graduation and completion information of 12th grade participating students to the department using the Participating School 12th Grade Students' Graduation & Completion Form.

**The department will email participating schools a copy of the form in August.** The department must receive the completed form no later than the date the department notes via email. The participating school principal must complete the form.

On the form, participating schools must report all of their 12th grade students who participate in the ESA program as one of the following: "graduated," "completed," "withdrew from the school," "repeating 12th grade," or "other" with an explanation.

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

**Please note:** If a participating school does not have any participating students enrolled who are in the ESA program and who are graduating/completing high school, the school principal must email [esa.questions@tn.gov](mailto:esa.questions@tn.gov) by the deadline to report to the department that the participating school does not have any participating students who are graduating/completing.

## Can a family use an ESA to attend a private school outside of the county?

Yes. A participating student must be zoned to attend a Shelby County district school, a Metro Nashville public school, or a school that was in the Achievement School District (ASD) on May 24, 2019, but the ESA can be used to attend any participating private school in Tennessee.

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

Yes. An eligible student must be accepted by the school based on the school's entrance criteria.



## Can a participating school send tuition balances to collections and enforce other aspects of private contracts that account holders (or students over the age of 18) sign?

Contracts between the parent (*or student who has reached the age of 18*) and the participating school are not subject to state oversight.

## What if the participating school has seat capacity for some years but not others?

Any school accepting an ESA tuition payment must reapply each year, even if the school does not have new seats to offer that year. For example, a school may accept 10 students with ESAs for the kindergarten cohort. In order to continue to accept first grade tuition payments, the school must reapply as a participating school, even if the new seat capacity for that year is zero.

## Are meal programs an eligible expense?

Yes, as long as the school's meal program is offered to all students at the school.

## How will the participating school receive payment?

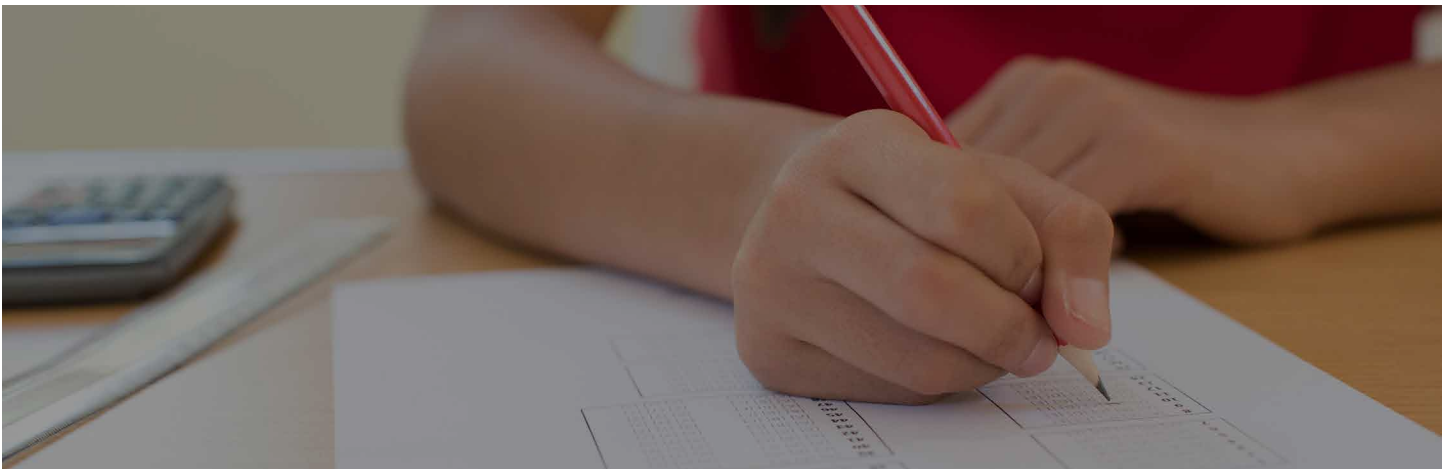
Participating schools should submit tuition bills to account holders no later than **August 1** and upon return from winter break. Accounts are funded once per semester. All payments are electronic and will be sent directly to the participating school's bank account.

## Can the participating school offer other financial aid to the participating student or charge the account holder tuition and fees above the value of the ESA?

Yes, the participating school can offer financial aid if the school's tuition is above the value of the ESA.

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

No. The application and enrollment procedures and processes of the participating school are not subject to state oversight.



### **Is it possible a participating student may not qualify for an ESA on consecutive years?**

Yes. A participating student must reapply every year. Approvals are subject to income and residency verification.

### **Will my participating school receive a statewide rating in the accountability system?**

If the number of participating students taking the state exam in the participating school allow for the state to calculate a Tennessee Value-Added Assessment System (TVAAS) rating, the rating will be reported with all other schools each year.

### **How frequently must the participating school fingerprint employees?**

Each employee must have a Tennessee Bureau of Investigation (TBI) fingerprint screening every five years.

### **If the participating student leaves the participating school, how long does the participating school have to return the remaining prorated tuition balance?**

The school will have ten business days to return the remaining prorated balance.

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

Tuition insurance can be required only if the participating school's current policies and protocols require it of other parents as well.



# Student Withdrawal and Participating School Suspension

## How long is a student's ESA term?

A student remains eligible for the ESA program until the student:

- **Enrolls in a public school**
- **Enrolls in a Category IV or V private school or a private school not approved under the rules of the State Board of Education (SBE)**
- **Is no longer a resident of the local school district in which the student resided when the student began participating in the program** (*Account holders must reapply to the ESA program each year and verify their home address and income.*)
- **Is suspended or terminated from the ESA program**
- **Graduates or withdraws from high school** Certificates of attendance do not equal graduation from high school for the purpose of the ESA program. (*In other words, the 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 GED or 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 requirements**

**Note:** A participating student may voluntarily withdraw from the ESA program at any time. If a participating student withdraws, the participating school must notify the department within **five business days** of withdrawal notification via the online form at [www.stateoftennessee.formstack.com/forms/esa\\_student\\_voluntary\\_withdrawal\\_form](http://www.stateoftennessee.formstack.com/forms/esa_student_voluntary_withdrawal_form).

## What happens to ESA funds when a participating student withdraws from the ESA program?

The ESA will be closed and any remaining funds will be returned to the state treasurer to be placed in the state's Basic Education program (BEP) account.

If a participating student withdraws from a participating school and transfers to another non-approved nonpublic school or returns to a public school, the **participating school must refund to the department the tuition and fees on a prorated basis based on the number of days the participating student was enrolled in the participating school.**

## What are the participating school’s obligations if a participating student withdraws from the school?

Participating schools must notify the department of any participating student who withdraws from the school within **five business days** of notification of withdrawal via the online form at [www.stateoftennessee.formstack.com/forms/esa\\_student\\_voluntary\\_withdrawal\\_form](http://www.stateoftennessee.formstack.com/forms/esa_student_voluntary_withdrawal_form).

If a participating student withdraws from a participating school and transfers to another non-approved nonpublic school or returns to a public school, the participating school must refund to the department the tuition and fees on a prorated basis based on the number of days the participating student was enrolled in the participating school.

## Can a participating student return to a public school?

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

## Can a participating student transfer to another nonpublic school?

Yes, a participating student may transfer from one approved Category I, II, or III school to another approved Category I, II, or III school. The account holder must first email department staff at [esa.questions@tn.gov](mailto:esa.questions@tn.gov) before the student transfers to ensure all school tuition payments are reconciled and up to date.

## What are the monitoring procedures for participating schools?

Participating schools will be annually monitored for fiscal and program compliance.

## Do participating schools have to reapply for participation each year?

Yes. Participating schools must reapply and declare each year the number of seats available by grade level for eligible students using an ESA.

## Can the department suspend or terminate a participating school?

Yes. The department may suspend or terminate a participating school from the ESA program **if the department determines that the participating school has failed to comply with state law, rules, or department procedures for the ESA program or for nonpublic schools, including the requirements set forth in the *School Handbook* and *Family Handbook***. This includes, but is not limited to:

- Failure of participating students to make academic progress as demonstrated by performance measures on multiple data points, including from the TCAP tests or a nationally-normed assessment utilized by the school
- Probable cause that there is a threat to the safety of the students
- Fraudulent activity on the part of the participating school

## Can participating schools appeal a suspension or termination?

Yes. Participating schools may appeal the department’s decision to suspend or terminate an entity’s participation in the ESA program by following the two-step process required in the rules of the SBE Chapter 0520-01-16-.11.

More information about appeals is available in the *School Handbook*, which is available online at [www.esa.tnedu.gov/handbooks-and-forms/](http://www.esa.tnedu.gov/handbooks-and-forms/)



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