



Family Handbook

A Guide to the Education Savings Account Program



Tennessee
**Education Savings
Account Program**

Tennessee Department of Education | 2020-21 School Year

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Education Savings Account Program Overview

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 students who are zoned to attend a Shelby County district school, a Metro Nashville public school, or a school 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 guide provides information to families participating in the ESA program.

A list of frequently asked questions document for families is available online at <https://familymembers.esa.tnedu.gov/faq/>. Further information for participating families about the **responsibilities of participating schools** is also available. Visit www.esa.tnedu.gov/handbooks-and-forms/ to locate the School Handbook.

Important Dates



Application opens for schools: **Early 2020**

Application opens for students: **Spring 2020**

Students receive acceptance letters: **April 2020**

Students must upload the acceptance letter from a private school to the Tennessee Department of Education (TDOE) Facts Management Platform as soon as the acceptance letter from the private school is received, but **no later than May 30**.

Contact Information

The department can answer further questions regarding the Education Savings Account program. See below for specific contact information.



Email: **esa.questions@tn.gov**

Phone: **615-741-9360**

Student Eligibility and Funding

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

Student Eligibility
<ul style="list-style-type: none">• Tennessee resident entering kindergarten through grade 12
<ul style="list-style-type: none">• Meets <i>one</i> of the following requirements:<ul style="list-style-type: none">◦ Previously enrolled in and attended a Tennessee public school for one full school year immediately before the school year for which the student receives an ESA◦ Eligible for the first time to enroll in a Tennessee public school
<ul style="list-style-type: none">• 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
<ul style="list-style-type: none">• Member of a household with an annual income for the previous year that does not exceed twice the federal income eligibility guidelines for free lunch (<i>See abridged chart below.</i>) <i>Note: 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>

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/.

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. Her zoned school is a 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 private school in Shelby County and is zoned to attend a 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 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 Shelby County district school and was homeschooled last year. 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 private school in Nashville last year. 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 private 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

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

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

Terms of the ESA

A student **currently receiving an ESA 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 lived when the student began participating in the ESA program** (*Account holders must reapply to the ESA program each year and verify their home address and income.*)
- **Is suspended or terminated from the ESA program**
- **Graduates or withdraws from high school** (*Certificates of attendance do not equal graduation from high school for the purpose of the ESA program. 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 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 at https://stateoftennessee.formstack.com/forms/esa_student_voluntary_withdrawal_form.

ESA Use of Funds

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



Tuition



Uniforms



Tutors

Application and Admission

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 online at www.esa.tnedu.gov/handbooks-and-forms/.

The state will announce an open enrollment window each year. To be notified when applications are available, subscribe to the ESA news announcements at www.tn.gov/education/school-options/esa-program.html.

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:

- **A federal income tax return from the previous year (2018 or 2019)**
- **Temporary Assistance for Needy Families (TANF) letter of eligibility**

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:

- **Valid driver's license or state ID**
- **Property tax receipt, mortgage statement, or signed lease agreement**
- **Utility bill**
- **Voter registration card**
- **Affidavit from landlord or owner of current residence** (*Affidavit can be found at www.esa.tnedu.gov/handbooks-and-forms/.*)

* **Note:** Students identified "at-risk" as defined in T.C.A. § 49-3-307(a)(6) will automatically satisfy the income requirements for eligibility.

Other Information for the Application

- **Social Security Number for the parent or guardian completing the application.**

Note: If you do not have the State ID number, you can still complete the application, but it may take longer to process.

Internet Access

The last step is to find an internet connection. You can use your smartphone (*iPhone or Android*), tablet, or a computer. Public library branches provide internet access, even if you do not have a library card. The application can be found at www.familymembers.esa.tnedu.gov/apply-now.

ESA Application Process

1



Get your tax form, TANF letter (if applicable), two proofs of residency and social security number.

2



Visit us at www.esa.tnedu.gov to apply online once applications are open.

3



Print the email confirmation that the student has applied for an ESA to give to private school admission offices.

4



Research and visit participating private schools.

5



Apply to the participating private schools that might be a good fit for your student.

6



Once the student is accepted, upload the acceptance letter into your application account.

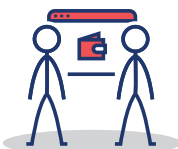
Letter must be uploaded by May 30.

7



Once your letter is uploaded, you will receive instructions for how to set up your virtual wallet.

8



Set up a virtual wallet for every student in the family who is awarded an ESA.

The virtual wallet must be set up by June 30.

9



Once per semester, upload the student's tuition bill into the virtual wallet.

10



In January, gather the documents from Step 1 and prepare to reapply for an ESA for the next school year.

For more information about the ESA program, visit us online at www.esa.tnedu.gov.

Enrollment Lottery

There are 5,000 ESAs available for the 2020-21 school year.

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

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 private school. Parents (or students who have reached the age of 18) must then upload their acceptance letter to the application Facts Management platform to claim the ESA award.

Upon providing proof of acceptance in a private school, the parent (or student who has reached the age of 18) must then **register for the online payment management system.**

Signed Agreement

The parent (or student who has reached the age of 18) must sign an agreement to:

- **Provide an education for the participating student that meets the school attendance requirement in state law** [T.C.A. 49-6-3001(c)(1)] through enrollment in a state board-approved Category I, II, or III private 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 Individualized Education Program (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 service 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).*

Account holders must get pre-approval for all expenses:



Tuition & fees



Computer hardware



Tutoring services



Educational therapy



Summer education



After-school programs

Pre-approvals will be managed in the payment management online platform.

Financial Accountability

Account holders must get pre-approval for tuition and fees, computer hardware or other technological devices, tutoring services, educational therapy services, summer education programs, and specialized after-school education programs. Pre-approvals will be managed in the payment management online platform.

The Education Savings Account will be funded once per semester. Participating schools will provide the parent a tuition and fees invoice for payment up to two weeks before the account is funded.

All other expenses will be paid to service providers after a parent submits an invoice for payment, providing the service provider has registered for payment in the payment management system.

Unused Funds

Account holders are not required to spend the whole sum each year. Unused funds are transferred to the account holder's balance for the following year, after the family has met all eligibility requirements.

Misspent Funds

If the department determines that an ESA account holder has misspent funds, the department may remove the account holder from eligibility for an ESA. Otherwise, the department may notify the account holder that they are responsible for repaying the misspent amount.

The department is authorized to freeze or withdraw funding directly from the student's ESA for several reasons, including fraud; misuse of funds; failure to follow state laws, rules, procedures, or the signed agreement; the student returning to the local school district; funds being deposited into the account by mistake.

Appeals

Account holders may appeal the department's decision to remove the account holder from the ESA program or freeze or withdraw funding by following the two-step appeals process in accordance with SBE Chapter 0520-01-16-.11.

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.)*
- **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.esa.tnedu.gov/handbooks-and-forms/.**

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) (T.C.A. Title 4, Chapter 5).**
- **To file a UAPA appeal, complete the UAPA form posted online at www.esa.tnedu.gov/handbooks-and-forms/.**
- **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.**

Reapplying Each Year

Each year, participating students must reapply to participate in the ESA program through the Facts Management platform. **The parent/guardian must verify his or her address and income eligibility every year.**

Voluntary Withdrawal

A participating student may voluntarily withdraw from the ESA program at any time by completing the *ESA Account Holder Voluntary Withdrawal Form* located online at www.esa.tnedu.gov/handbooks-and-forms/. The form must be submitted within five days of the withdrawal.

If a participating student withdraws from the ESA program, or if the ESA is not renewed, the ESA will be closed and remaining funds will be returned to the state treasurer.

Transferring Schools

A participating student may transfer from one approved Category I, II, or III private school to another approved Category I, II, or III private school.

The account holder should first email department staff at esa.questions@tn.gov before the participating student transfers to ensure all school tuition payments are reconciled and up-to-date.

Return to Local District

A participating student can return to the local school district at any time if he or she is eligible to do so. At this point, the ESA will be terminated.

Within five school days of withdrawal, the account holder must submit the *ESA Account Holder Voluntary Withdrawal Form* located online and indicate that they will return to the local school district.

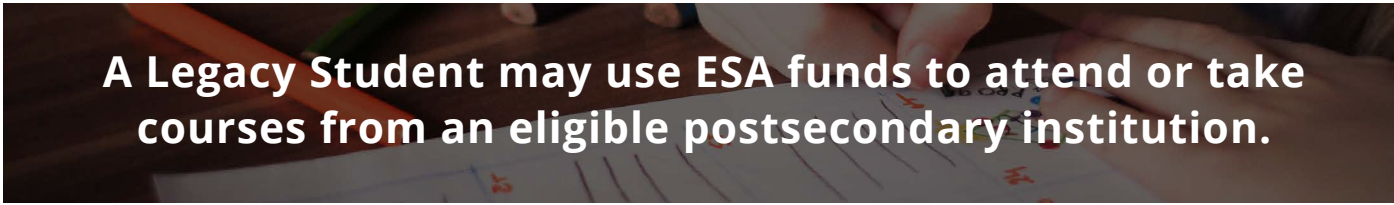
Legacy Students

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**.

A Legacy Student may use 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.



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