



School 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 eligible 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 for schools is available online at www.school.esa.tnedu.gov/faq. Further information for participating schools about the **responsibilities of participating account holders** is also available. Visit www.esa.tnedu.gov/handbooks-and-forms/ to locate the Family Handbook.

Important Dates



Application opens for schools: **Early 2020**

Application opens for students: **Spring 2020**

Students receive acceptance letters: **April and May 2020**

Students must upload acceptance letter from a private school to the department e-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**

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

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 <u>federal income eligibility guidelines</u> for free lunch (See abridged chart below) <p><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></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.tnedu.esa.gov/eligibility

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 notification using the online form found on www.stateofennessee.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 Acceptance for School Participation

School Application to Participate

Eligible 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 liability.


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/

Application Approval or Denial

The department will review the submitted application and all supporting documentation and notify the designated contact via email if the school is approved to participate in the ESA program.

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/.

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



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.

Appealing a School Application Denial

If the school's application is denied, the school principal or board chair may appeal the decision 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 school would like to appeal the commissioner's decision in Step 1, a Uniform Administrative Procedures Act (UAPA) form must be filed with the commissioner by the account holder within 30 calendar days and shall conform to the 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, the school principal or board chair will be notified by an administrative law judge, who will set the date and time of the school's hearing.**

Student Applications

Participating schools must submit an online form by May 30 that contains the name and grade of all eligible student applicants accepted to the school and who intend to utilize an ESA. The form can be found at www.stateofennessee.formstack.com/forms/accepted_student_list

Participating School Obligations and Responsibilities

Academic Accountability

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. This means that, at a minimum, **the participating school must annually provide the account holder a written explanation of the participating student's progress.**

Annual Testing

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.

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, and middle initial*)
- **The participating student's score on the assessment**



**Participating schools are held
academically accountable
to the ESA account holder.**

Special Education Services

Participation in the ESA program has the same effect as parental refusal to consent to the receipt of services under ADA 20 U.S.C. §1414. Participating schools are not obligated to provide special education services. However, participating schools must comply with all applicable ADA laws and regulations.

Non-discrimination Certification

Participating schools must certify that they will not discriminate against participating students or applicants on the basis of race, color, or national origin.

School Employees

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

Participating schools must maintain documentation that any employees providing services to participating students have undergone a fingerprint-based criminal history records check conducted by the Tennessee Bureau of Investigation (TBI) and forwarded by the TBI to the Federal Bureau of Investigation (FBI) for processing pursuant to the National Child Protection Act. All participating schools must maintain documentation that all employees working on school grounds when students are present and/or providing services to students have undergone a fingerprint-based criminal history records check conducted by the TBI and forwarded to the FBI.

Further instructions are available online at www.school.esa.tnedu.gov/school-responsibilities.

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.



Payment Management and Financial Obligations

- **Participating schools must register with the department's payment management vendor.**
- **Payments toward tuition from the ESA will be paid once per semester.**
- **Participating schools must submit invoices for payment to the account holder on August 1 and upon return from winter break.**
- **The payment management vendor may withhold a two percent processing fee from the participating school's tuition payment to process the electronic payment.**
- **The funds in an ESA may be used only for educational purposes.** Participating schools must submit one invoice for tuition each semester and detail any additional expenses outside of the participating student's regular tuition and fees.
- **Participating schools must provide account holders with a receipt for all qualifying expenses.**
- **No additional tuition or fees must be charged to participating students that are not also charged to non-participating students.**
- **Participating schools must not, in any manner, refund, rebate, or share funds from an ESA with a parent of a participating student or a participating student's sibling(s).**
- **All contracts entered into are the responsibility of the private parties involved.**

Notice of Student Withdrawal

Participating schools must notify the department of any participating student who withdraws from the school within **five business days** of notification of withdrawal using the online form found at 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.**

Annual Reviews

The department will conduct an annual review of each participating school for fiscal and program compliance.

Annual Graduation and Completion Rates

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 secondary school does not have any participating students enrolled who are in the ESA program and who are graduating/completing high school, the participating school principal must email 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.

Program Renewal

Participating schools must annually reapply to the department if they intend to continue participating in the program and declare the number of seats available by grade level for students using an ESA.



Schools must
annually reapply
to continue participating
in the program.

Program Suspension

The department may suspend or terminate a participating school from participating in the ESA program in future years 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 this handbook. This includes, but is not limited to, failure of participating students to make academic progress as demonstrated by performance measures from multiple data sets including but not limited to the TCAP tests or a nationally-normed assessment utilized by the school.

If the noncompliance is correctable within a reasonable amount of time and if the health, safety, or welfare of the participating students is not threatened, the department may issue a notice of noncompliance which provides the participating school a timeframe to provide evidence of compliance before the department takes action to suspend or revoke the participating school's participation in the ESA program.

- **If the department issues a notice of noncompliance:**
 - Participating school principals will be given a reasonable period from the date of the notice, as determined by the department, to demonstrate compliance.
 - The notice will state the reasons for the noncompliance, provide instructions on how to demonstrate compliance, and give a deadline for demonstrating compliance to the department.
- **If the department issues a notice of proposed action suspending or revoking a school's participation, the notice will state the reasons for the action and specify the participating school's right to appeal.**

The department may immediately suspend a participating school's participation in the ESA program if it is determined that there is probable cause to believe that there is:

- **A threat to the safety of the students**
- **Fraudulent activity on the part of the participating school**

If the department suspends or terminates a school's participation, the department will notify affected account holders of the decision. If a participating school is suspended or if a participating school withdraws from the ESA program, affected participating students remain eligible to participate in the ESA program.

Appealing Renewal and Suspension Decisions

Schools may appeal the department's decision to suspend or terminate a student's participation in the ESA program by following the two-step appeals process as required in the rules 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 school wants to appeal the commissioner's decision in Step 1, a Uniform Administrative Procedures Act (UAPA) form must be filed with the commissioner by the account holder within 30 calendar days and shall conform to the 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, schools will be notified by an administrative law judge, who will set the date and time of the school hearing.**



For more information, visit
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