



Legislative Updates Impacting the Education Savings Account Program

2023-24

Tennessee Department of Education | May 2023



Legislative Changes

In the 2023 legislative session, Tennessee’s 113th General Assembly passed the following laws impacting the Education Savings Account (ESA) Program:

<p>Chapter 171 of the Public Acts of 2023</p> <p>HB0559 / SB0638</p>	<p>Changes the eligibility requirements for an ESA student to include those who attended a Tennessee public school for the entire 2019-20, 2020-21, or 2021-22 school year or who was eligible to enroll in a Tennessee school for the first time in the 2019-20, 2020-21, or 2021-22 school year. Income and residency requirements have not changed.</p>
<p>HB0433 / SB0012</p>	<p>Expands the eligibility criteria for an ESA to include students zoned to attend a school in an LEA with at least five schools, instead of 10, identified as being in the bottom 10% of schools in 2017 and identified as Priority schools in the 2015, 2018, and 2021 Priority school cycles. This expands the ESA to students who are zoned to attend a school in Hamilton County Schools.</p>

Frequently Asked Questions: HB0559 / SB068

What does HB0559/SB0638 (also known as Chapter 171 of the Public Acts of 2023) change about the ESA Program?

Chapter 171 of the Public Acts of 2023 changes the eligibility requirements for an ESA student with regard to the prior year's status. While a child must still meet current income **and** residency requirements to be eligible, this change in the law expands the eligibility requirements based on where a child was enrolled in school previously.

Prior to this law, a child must have either attended a Tennessee school for the entire year prior to the ESA application or be eligible to enroll in a Tennessee school for the first time in the upcoming school year. Now, a child who entered a non-public school for the first time in 2019, 2020, or 2021 is eligible.

When do the changes go into effect?

These changes are effective immediately once the bill was signed by Governor Bill Lee on April 17, 2023. These changes will be applicable for students and families for the 2023-24 school year.

Where can I find the exact language of the legislation?

The legislation is posted online [here](#).

How do I determine if this change impacts my eligibility or the eligibility of someone I know?

All students must meet the current [income eligibility requirements](#) and the residency requirements. In the following circumstances, a child is now eligible for the ESA:

- A child who is *currently* in first grade, second grade, or third grade and has never been enrolled in a Tennessee public school and intends to apply and use the ESA for the 2023-24 school year,
- A child who attended a Tennessee public school (in person or virtual) for the any of the following complete school years, regardless of current school enrollment:
 - The entire 2019-20 school year
 - The entire 2020-21 school year
 - The entire 2021-22 school year
- A child who moved to Tennessee and was eligible to attend a Tennessee school for the first time in the following school years: 2019-20, 2020-21, or 2021-22 and has been enrolled in a public, private, charter, or homeschool since moving to Tennessee.

If I am now eligible but was not before, how do I apply?

Applications for the ESA Program are available on the [ESA website](#), or you can [click here](#) to download an application.

Applications should be submitted with the Application Addendum in order to verify information for the 2019-20, 2020-21, and 2021-22 school years. Students who moved to Tennessee from another state during these three years should include a transcript from the out-of-state school.

All applications can be mailed to the Tennessee Department of Education, dropped off in person at the department offices, or dropped off at any remaining ESA events locally. See the list of events [here](#). The department's address is below:

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

If I am now eligible but was not before, when do I need to apply?

Applications for students in the Memphis and Nashville areas should be received by the May 17, 2023, priority deadline. Applications received after this deadline will be reviewed in order of receipt and issued a decision. For any application received after May 17, e-wallet account creation and funding disbursement may be delayed. Students who intend to use the ESA funding at the start of the school year should apply before the priority deadline to ensure access to funds in the first quarter.

Do students who are now eligible and become approved count toward the maximum amount allowed per year?

Yes, each child approved is included in the maximum number of students who can receive an ESA. The maximum number of approved students for 2023-24 is 5,000. If the number of approved students exceeds 5,000, the ESA Program will hold a lottery as outlined in [T.C.A. § 49-6-2604\(e\)](#).

I previously applied for the 2023-24 school year and was denied because of ineligibility due to my prior year status. With this bill, I am now eligible. Do I need to re-apply?

Families who have previously been denied for the 2023-24 school year but are now eligible should complete the appeal form ([online here](#)) **and** submit the PC 171 Application Addendum with the appeal. These can be mailed, dropped off in person, or emailed to ESA.Questions@tn.gov.

Families who previously applied for the 2022-23 school year, were denied, but are now eligible should complete the application for new ESA families ([online here](#)) and submit the PC 171 Application Addendum.

If I am now eligible, can I receive funding from the 2022-23 school year that I missed?

Funding cannot be applied retroactively. Any now-eligible student will need to apply for the 2023-24 school year.

Sample Student Scenarios to Demonstrate Eligibility

- Johannes moved to Nashville from Birmingham in 2019. His parents immediately enrolled him in his local Catholic school for his fifth-grade year. He has been in this school since the move and is entering ninth grade this fall for the 2023-24 school year.
 - Johannes is now eligible for the ESA as long as his parents' income and residency meet the requirements.
- Mary Elizabeth has been enrolled in a private school since pre-K. She is entering fourth grade this fall and is zoned to attend a Memphis-Shelby County School.
 - As long as Mary Elizabeth's parents' income meets the requirement, Mary Elizabeth is eligible for an ESA.
- Robert is entering first grade this fall for the 2023-24 school year. He attended a private school for kindergarten and did not apply for the ESA his kindergarten year.
 - Unfortunately, Chapter 171 of the Public Acts of 2023 does not affect Robert's eligibility. He is not eligible for the ESA program for the 2023-24 school year because he entered a nonpublic school for the first time in 2022, which is beyond the 2019, 2020, or 2021 school years.
- Because Sophia had a hard time learning from home in Spring 2020 with her public school, her mother enrolled her in a private school for the 2020-21 school year. She is entering sixth grade this fall for the 2023-24 school year.
 - As long as Sophia's family meets the income and residency requirements, she is eligible for an ESA.

Frequently Asked Questions: HB0433 / SB0012

What does HB0433/SB0012 change about the ESA Program?

This bill expands the geographic availability of the program. Previously, only students zoned to attend a Memphis-Shelby County school, a Metro Nashville public school, or a school in the Achievement School District as of May 24, 2019, were eligible for the ESA. This bill expands eligibility to students zoned to attend a school in Hamilton County Schools.

When do the changes go into effect?

These changes are immediate and go into effect upon the Governor's signature, which occurred on May 5, 2023. Interested families can apply now for the 2023-24 school year.

Where can I find the exact language of the bill?

The bill is posted online [here](#).

How do I determine if this change impacts my eligibility or the eligibility of someone I know?

If you are currently zoned to Hamilton County Schools, your student may now be eligible for the ESA Program. All students must meet the current requirements to be admitted into the program, including [income eligibility](#) and residency requirements. To prove residency, an applicant must submit two proofs of residency from the list of approved documents. The address on these documents should be an address zoned to attend a Hamilton County school, and the parent(s) name should be on the document.

If I am now eligible but was not before, when do I need to apply?

Applications should be received **by the June 17, 2023, priority deadline for Hamilton County**. Applications received after this deadline will be reviewed in order of receipt and issued a decision. For any application received after June 17, e-wallet account creation and funding disbursement may be delayed. Students who intend to use the ESA funding at the start of the school year should apply before the priority deadline to ensure access to funds in the first quarter.

If I am now eligible, can I receive funding from the 2022-23 school year that I missed?

Funding cannot be applied retroactively. Any now-eligible student will need to apply for the 2023-24 school year.

How do I apply?

Applications for the ESA Program are available on the [ESA website](#), or you can [click here](#) to download an application. All applications should be mailed to the department at the address provided on the application.

School Year 2021-2022

Was your child enrolled in school for the 2021-22 year? Yes No

If yes, where was your child enrolled in school in 2021-2022? Include school name, city, and state.

School Name

Location

If yes, what grade was your child in for the 2021-22 school year? _____

If you moved to Tennessee and your child first attended a Tennessee school during the school years 2019-20, 2020-21, or 2021-22, **include documentation of the move** with your addendum. A preferred document is the child's transcript from an out-of-state school.

Please include any additional information that relates to your child's prior school year status from 2019 until 2022 with this application addendum.

Parent Signature

Date