

EDUCATION SAVINGS ACCOUNTS



TENNESSEE FEDERATION
for Children

FREQUENTLY ASKED QUESTIONS

WHAT IS AN EDUCATION SAVINGS ACCOUNT?

Education Savings Accounts enable parents to customize their child's education, directing funding to the schools, courses, programs and services of their choice. ESAs create a personal approach to education, where the ultimate goal is maximizing each child's natural learning abilities.

HOW ARE ESAs DIFFERENT FROM VOUCHERS?

Vouchers can only be used for private school tuition. Education Savings Accounts can be used for a variety of learning solutions – tuition, extracurricular tutoring, textbooks, and online learning, among others -- that help students harness information and take advantage of a child's ability to learn on his or her own schedule.

WHO IS ELIGIBLE?

Students who:

- Currently attend public school in Shelby County (Memphis) or Davidson County (Nashville), and
- 200% of Free Lunch eligibility (\$66,950 for a 4 person household)

HOW ARE THEY FUNDED?

Students will generate funds through the state's BEP formula and those funds will be used to fund the student's ESA. The average amount of an ESA will be \$7,300.

WHEN WILL THEY START?

Students will be able to access ESAs no later than the 2021-2022 school year. This additional time allows the Tennessee Department of Education to prepare to implement the program.

HOW MANY STUDENTS?

Enrollment for the first year is capped at 5,000 students. The cap will increase by 2,500 per year with a maximum of 15,000. Further increases to the cap must be approved by the legislature.

EDUCATION SAVINGS ACCOUNTS



TENNESSEE FEDERATION
for Children

HOW DOES THIS AFFECT PUBLIC SCHOOLS?

At the same time that students are given more options, public school districts will also be given new resources to support improving their schools.

To support the ESA program, Governor Lee is proposing a three-year school improvement grant program that will send additional funds to school districts to fill in any gap in funding when a student leaves a district for the ESA program.

WHAT IS THE SCHOOL IMPROVEMENT GRANT FUND?

Tennessee's ESA legislation includes a \$125 million school improvement grant fund for public school districts with failing schools.

Dollars for the grant fund shall be distributed in two ways:

1. For the first three years of the ESA program only, funds will be distributed in an amount equal to the amount allocated to a student entering the ESA program from a local school district. This provides districts with needed funding to support improving their schools, while also giving them time to adapt their system to the ESA program.
2. In the fourth year of the ESA program and after, \$25 million in recurring funds will remain available for distribution to support school improvements in our lowest performing Priority Schools across the state, not only in counties that have ESAs.

Tennessee's ESA program will provide our students with much needed choice opportunities, while also adding new resources to improve our worst-performing schools.