

TENNESSEE

Overall Market Rating: **Growth Possible**

Tennessee has two education savings account programs, but both have enrollment caps, which may limit opportunities for newly forming schools. Schools must navigate a state approval process that is manageable but can take several months. Third-party accreditation is not required.

The statewide **Education Freedom Scholarship**, which made its debut in 2025-26 and offers \$7,296 per student, is capped at 20,000 recipients. More than twice that number applied in the first year. When the state awards 75% or more of available scholarships, the cap will automatically rise by 5,000 pupils the following year. The **Education Savings Account** offers about \$9,800 but only to eligible students in three counties that are home to Chattanooga, Memphis and Nashville. There is a cap of 15,000 participants for 2025-26; fewer than 5,000 participated in 2024-25. Tennessee has about 1.1 million K-12 students, with about 10% enrolled in private schools.

Both program favor pupils from low-income households. The ESA program limits eligibility to students in households at or below 200% of the federal poverty level. Schools for economically disadvantaged students in the three target counties that secure approval in a timely manner can expect new students to be able to secure ESAs. The EFS program reserves half of scholarships for students with household income at or below 300% of the federal poverty level or with a learning disability. However, some legislators are pushing to remove that provision in the coming year. (There is a third ESA program for students with disabilities, but fewer than 1,000 pupils statewide participated last year.)

Recipients of the urban ESA must take the Tennessee state math and reading assessments each year. EFS recipients can either take the state exams or a nationally normed assessment of the school's choosing.

+ Best ✓ Fair - Inadequate	Program(s) Prioritize Low- Income HHS	Funding Is Adequate to Meet Demand (High or No Cap)	New Schools Eligible in First Year	Per-Pupil Amount Is Adequate	The Application Process Is Family-Friendly	There Is a Supportive Ecosystem for Private Schools
TENNESSEE	✓	—	✓	✓	✓	✓

K-12 Enrollment

TENNESSEE 2024-25			
Total PK-12	Public District	Public Charter	Private
1,159,069	925,827 (80%)	44,475 (4%)	188,767 (16%)

Choice Program Details

Education Freedom Scholarship

Eligibility	Amounts	Participation (2025-26)	Other
All students are eligible, but half of 20,000 available scholarships are reserved for students in households at or below 300% of the federal poverty level or with a state-recognized disability.	\$7,296 (2025-26)	20,000 students	Schools must administer state tests or an approved, nationally normed alternative assessment to EFS pupils. Accreditation is not required, but there is a state approval process that can take several months.

Education Savings Account

Eligibility	Amounts	Participation (2024-25)	Other
Students at or below 200% of FPL in Hamilton County (Chattanooga), Shelby County (Memphis), the Metropolitan Nashville Public School District or enrolled in an Achievement School District	\$9,788 (2024-25)	4,814 students	Schools must administer state tests to ESA recipients.

Individualized Education Account

Eligibility	Amounts	Participation (2025-26)	Other
Students with an IEP and an approved disability	\$12,800 average (2025-26)	981 students	The value cannot exceed the amount the student would receive from a district school. Students cannot stack an IEA with one of the other scholarships.

Sources: State of Tennessee, National Alliance for Public Charter Schools, EdChoice.org