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Comptroller Report Finds Tennessee ESA Program Growing, Highlights Opportunities for Improvement

The Tennessee Comptroller of the Treasury's Office of Research and Education Accountability (OREA) has released its first evaluation of the state's Education Savings Account (ESA) program, offering lawmakers and the public an in-depth look at participation, academic outcomes, program operations, and oversight following the program's first three years of implementation.

Created by the General Assembly in 2019, the ESA program provides eligible students, zoned within Memphis-Shelby County Schools, Metro Nashville Public Schools, and Hamilton County Schools, with public funds to attend approved non-public schools. Although the law initially anticipated an earlier start, court challenges delayed implementation until the 2022-23 school year. State law requires OREA to evaluate the program after its third year and annually thereafter.



OREA's evaluation found that student participation in the ESA program has increased each year, reaching 3,693 participating students in the 2024-25 school year. Despite this growth, participation remains below the program's current statutory capacity of 5,000 students. More than 98,000 students are potentially eligible for the program based on income and residency requirements, though only 7.2% applied during the 2024-25 application cycle.

In reviewing student academic outcomes, OREA found that ESA students' scores on the Tennessee Comprehensive Assessment Program (TCAP) have generally increased over time but, overall, remain below those of their public school peers and the statewide average. Analysis of Tennessee Value-Added Assessment System (TVAAS) data showed that ESA students, on average, demonstrated less academic growth than students in public schools taking the same assessments, though results varied by school and location.

The evaluation also examined which students are participating in the program. Most ESA students previously attended local public schools that were not identified as low-performing, and many came from schools receiving average or above-average letter grades. Participation varied by region, with the largest share of ESA students zoned to Memphis-Shelby County Schools.

Parent satisfaction with the ESA program remained high among those who responded to annual surveys conducted by the Tennessee Department of Education. However, OREA noted that survey response rates declined significantly after the program's first year, limiting the reliability of some feedback. Participating schools reported overall satisfaction with the program but raised concerns about the online application and payment platform, communication from the department, and the requirement that ESA students take TCAP in addition to schools' own assessments.

OREA also identified areas where program administration could be strengthened. While the Department of Education met most statutory requirements, the report notes opportunities to improve communication with families and schools, enhance data collection, increase outreach to eligible low-income families, and develop clearer processes for compliance monitoring and academic accountability.

The report includes recommendations for the Tennessee Department of Education and policy options for the General Assembly to consider, including changes that could improve participation, strengthen oversight, and clarify eligibility and reporting requirements.

To read the full report, Executive Summary, and Snapshot, please visit the Comptroller's website at: tncot.cc/orea.

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