



# The Education Freedom Scholarship Act and Private Schools in Tennessee

February 19, 2025

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## Key Takeaways

- Tennessee has five categories of private schools — each with different accreditation and approval standards and requirements for curriculum, testing, and teacher qualifications.
  - The Education Freedom Scholarship Act will give 20,000 students about \$7,300 per year for the costs and expenses of attending private school in the 2025-2026 school year.
  - Tennessee has 626 private schools in 76 counties and 95 school districts.
  - In 2021-2022, about 960,000 Tennessee children — or 85% of all school-aged kids — were enrolled in public schools, but reliable data on where the remaining 165,000 were enrolled aren't available.
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Tennessee's Education Freedom Scholarship Act will provide financial support to students attending private schools. This report explains the program, highlights key features, and provides context and data on Tennessee's private school landscape as of January 2024.

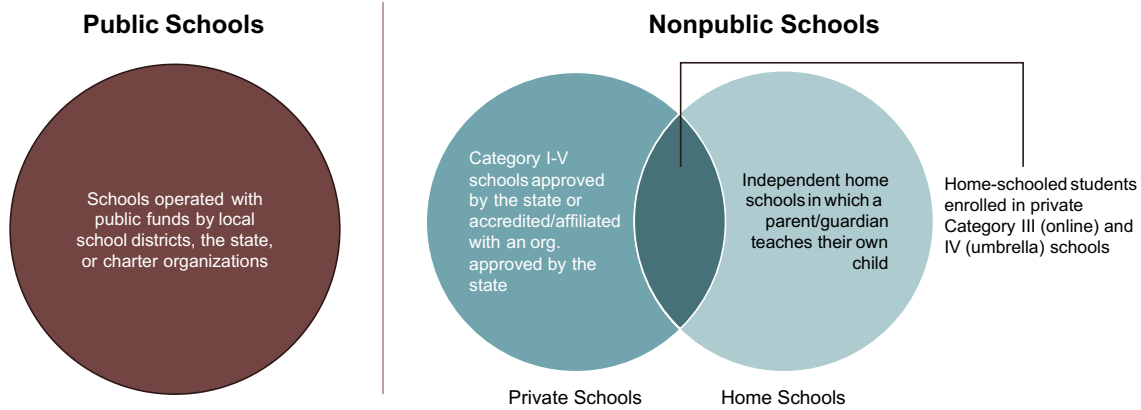
*Note: This report was originally published on February 2, 2024. It was updated on February 19, 2025 to reflect the enacted version of the Education Freedom Scholarship Act.*

## Private School Types in Tennessee

Tennessee defines and categorizes several different types of public and nonpublic schools to inform compliance with state law requiring all children ages 6-17 to attend school (Figure 1). Public schools operate with public dollars overseen by a local school district or the state (i.e., traditional public schools) and those operating under a charter agreement with a local district or the state (i.e., public charter schools). Nonpublic schools include private schools that are either directly approved by the state or accredited/affiliated with an organization approved by the state. Home schools also meet the definition of nonpublic schools. (1) (2) (3)

# Figure 1. Tennessee Defines and Categorizes School Types to Inform Compliance with the State’s Compulsory School Attendance Law

Schools in Categories in Tennessee



Sources: The Sycamore Institute’s analysis of information from the Tennessee Department of Education and Tennessee state law (1) (2) (3) (4) (5)

Tennessee has five categories of private schools—each with different requirements for accreditation, approval, curriculum, testing, and teacher qualifications. Table 1 provides a high-level overview of the requirements associated with each category. Category I, II, and III schools are subject to the most requirements. Category IV church-related schools have fewer, and Category V schools are often in the process of meeting the requirements of one of the other categories. (6) (7)

**Table 1. Tennessee Private School Categories and Requirements**

Private School Category	Examples of Requirements			
	Approval/ Accreditation	Curriculum	Testing	Teacher Qualifications
<b>Category I:</b> Dept. of Education Approved	Approved by the TN Dept. of Education	Must offer certain subjects and adopt high school graduation requirements that meet State Board minimums	Annual national standardized achievement test in 3rd-11th grade math and English	Tennessee educator license
<b>Category II:</b> Agency Accreditation	Accredited by 1 of 9 agencies approved by the State Board of Education	Must offer certain subjects and adopt high school graduation requirements that meet State Board minimums	Annual national standardized achievement test in 3rd-11th grade math and English	As defined by the school’s accrediting agency
<b>Category III:</b> Regional Accreditation	Accredited by 1 of 6 regional agencies approved by the State Board	Must offer certain subjects and adopt high school graduation requirements that meet State Board minimums	Annual national standardized achievement test in 3rd-11th grade math and English	As defined by the school’s accrediting agency
<b>Category IV:</b> Church-Related Schools	Member of 1 of 9 church/ private school organizations or approved by the State Board	None	None	As defined by the school’s member organization and home school parent-teachers
<b>Category V:</b> Registered for Operation	None	None	Annual national standardized achievement test in 3rd-11th grade math and English	Bachelor’s degree

Source: Tennessee State Board of Education (6) (7)

**Home-schooled children can fit into more than one category of nonpublic schools.** Independent home schools are those in which a parent or guardian is teaching their children. However, many home-schooled children may also be enrolled in Category III and IV private schools. Some Category III schools are accredited to provide online learning options, and Category IV includes many church-related umbrella schools, which offer various services to supplement home schooling. (4) (5)

## **Key Features of the Education Freedom Act**

**The Education Freedom Scholarship Act will provide Tennessee students about \$7,300 per year for the costs and expenses of attending private school beginning in the 2025-2026 school year.**

The program will begin with 20,000 scholarships—which some refer to as vouchers. Annual growth in the number of available scholarships will depend on the prior year’s demand and funding. Half of the first year’s slots would be for students eligible for the state’s existing Education Saving Account (ESA) program (see text box), those under 300% of eligibility for reduced-price lunch, and applicants with disabilities. The remaining half would be available for any student. Additional details include: (8) (9) (10)

### **Number of Scholarships**

- In the first year, 20,000 will be available for students attending Category I, II, or III private schools.
- If applications exceed 75% of available slots each year (i.e., more than 15,000 applicants in the 2025-2026 school year), the number the next year will increase by 5,000—subject to funding availability.

### **Scholarship Amount**

- Each scholarship account would total \$7,295 for the 2025-2026 school year. The amount would adjust automatically each year to equal the state portion of the base funding amount in the state’s school funding formula (i.e., the Tennessee Investment in Student Achievement—or TISA).

### **Covered Expenses**

- Scholarship funds can pay for tuition and fees, textbooks, curricula, instruction materials, uniforms, tutoring services, transportation expenses, computer hardware, technological devices, other technology fees, summer school fees and materials, fees for postsecondary courses, exams, entrance exams, or industry certifications, and educational therapy services.
- Tuition and fee payments are prioritized, and remaining funds can pay for other eligible expenses.
- Unspent funds will roll over each year in a student’s account and remain available for eligible expenses until the student graduates from a private school, enrolls in a public K-12 school, voluntarily withdraws from the scholarship program, or is disqualified.

### **Student Eligibility**

- Half of the first year’s scholarships would be for students eligible for the existing ESA program, those under 300% of eligibility for reduced-price lunch (i.e., about \$173,000 for a family of 4 in the 2024-2025 school year (11)), and students with disabilities. The remaining half would be available for any student.

- In subsequent years, students already receiving an Education Freedom Scholarship will have priority, followed by new applicants under 100% of eligibility for reduced-price lunch (i.e., about \$57,700 for a family of 4 in the 2024-2025 school year (11)), then 300% of eligibility for reduced-price lunch, public school students, incoming kindergarteners, and finally other applicants.
- Students receiving an Educational Freedom Scholarship cannot also receive funding under the ESA or Individualized Education Account programs.

**School Eligibility**

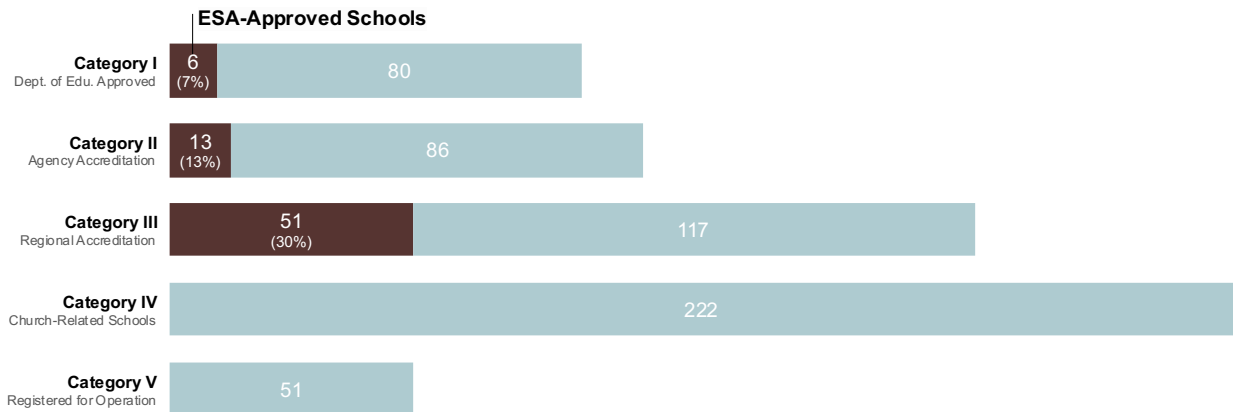
- Scholarships are limited to students enrolled only in Category I, II, and III private schools. The state’s existing ESA program is similarly limited to Category I, II, or III schools, but schools must apply to receive ESAs. As of January 2024, about 11% of the state’s private schools were approved to receive ESA funds (**Figure 2**). There is no similar application requirement for schools under the Education Freedom Scholarship Act.

**Testing Requirements**

- Each year, students in grades 3-11 with an Educational Freedom Scholarship must take the Tennessee Comprehensive Assessment Program (TCAP) or a nationally standardized achievement test.
- Schools must submit scores to the Tennessee Comptroller’s Office of Research and Education Accountability (OREA), and OREA must submit an annual report of the results to the House and Senate Education Committees.

**Figure 2. About 11% of Tennessee’s Private Schools Are Approved to Receive Education Savings Account (ESA) Dollars**

# of Private Schools in Tennessee by Category and ESA Eligibility (Jan 2024)



Notes: Because schools can belong to more than one category, each school was assigned to its lowest approved category (e.g., a Category I, II, and IV school was assigned Category I).

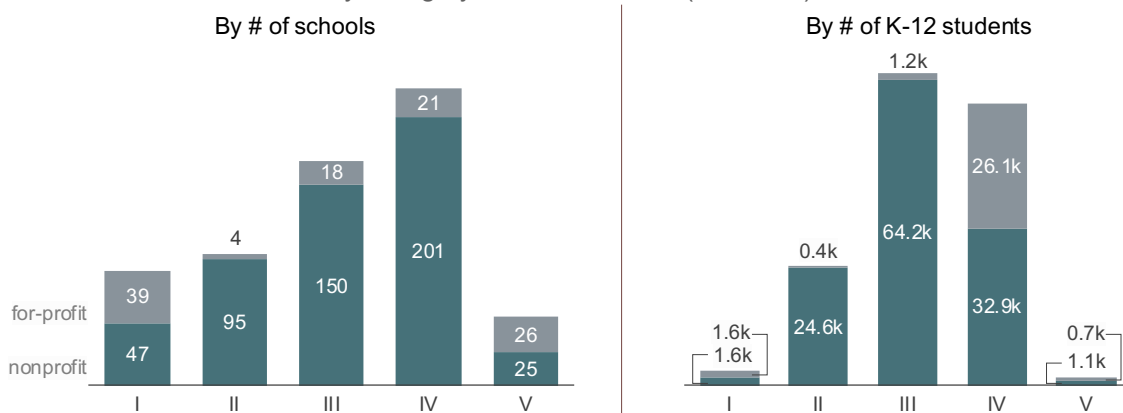
Sources: The Sycamore Institute’s analysis of information from the Tennessee Department of Education (12)

## Education Savings Accounts

The Education Savings Account (ESA) program is separate from Education Freedom Scholarships. It was enacted in 2019 and first became available to students in the 2022-2023 school year. Tennessee also has a similar Individualized Education Account (IEA) program for students with disabilities. ESA eligibility is restricted to students whose family income meets certain guidelines and are zoned for one of four districts that meet specific school performance criteria. Family incomes are capped at twice the eligibility level for the free lunch program—which is about \$82,000 for a family of 4 for the 2024-2025 school year. (11) ESA school district criteria translate to only three local education agencies—the Metro Nashville-Davidson County, Memphis-Shelby County School, and Hamilton County Districts. Students must also be previously enrolled or newly eligible to enroll in a Tennessee public school. (13) In the 2024-2025 school year, eligible students in Davidson and Shelby Counties were eligible to receive up to \$9,070 and those in Hamilton up to \$8,944. (14)

### Figure 3. Tennessee Has 626 Private Schools with Over 154,000 K-12 Students

Private Schools in Tennessee by Category and Profit Status (Jan 2024)



Notes: Because schools can belong to more than one category, each school was assigned to its lowest approved category (e.g., a Category I, II, and IV school was assigned Category I). Student counts include students that may reside outside Tennessee (e.g., enrolled in virtual/satellite options, boarding schools, commuters from neighboring states).

Sources: The Sycamore Institute's analysis of information from the Tennessee Department of Education (12)

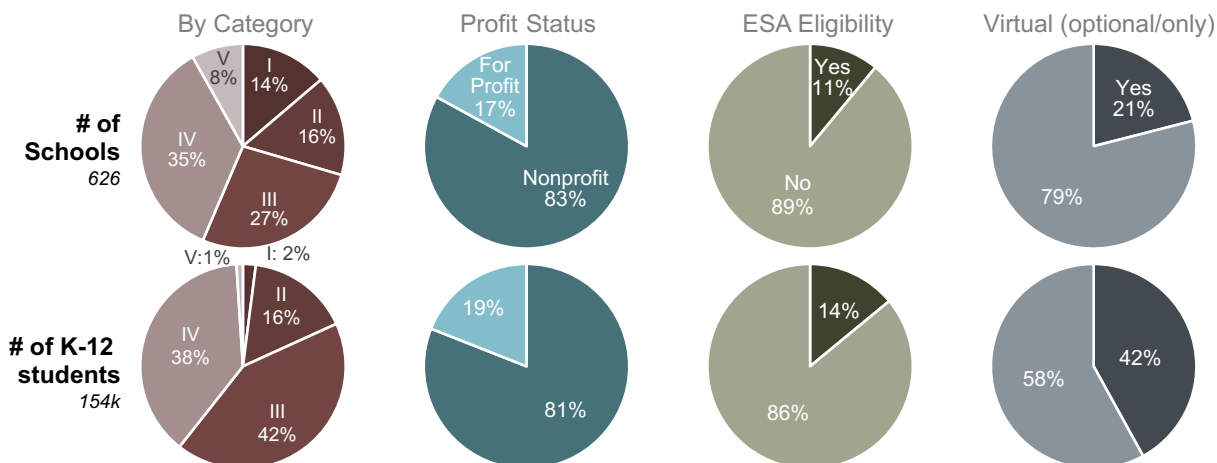
### Tennessee's Private School Landscape

Tennessee had 626 private schools in 76 counties (and 95 school districts) with over 154,000 K-12 students as of January 2024. These counts include an uncertain number of out-of-state students enrolled in virtual/satellite options, attending boarding schools, or commuting from other states. The rest of this report provides additional information on home and private schooling in Tennessee. **Figures 3 and 4** provide statewide information on the number of private schools and students at those schools. Explore this information at the school district level using the **Dashboard**. Because schools can belong to multiple categories, we assigned each school to the lowest category to which it belongs (e.g., if a school belonged to Categories I, III, and IV, it was categorized as Category I). (12) (15)

The state comptroller's office also offers two dashboards with more specific details on each private school and its enrollment. They are available [here](#).

## Figure 4. Tennessee's Private School Landscape

Private Schools in Tennessee (Jan 2024)



Notes: Because schools can belong to more than one category, each school was assigned to its lowest approved category (e.g., a Category I, II, and IV school was assigned Category I). Student counts include students that may reside outside Tennessee (e.g., enrolled in virtual/satellite options, boarding schools, commuters from neighboring states).

Sources: The Sycamore Institute's analysis of information from the Tennessee Department of Education (12)

**Use the interactive dashboard at [SycamoreTN.org](https://SycamoreTN.org) to explore private schools in each school district.**

## Private and Home School Enrollment in Tennessee

In 2021-2022, about 960,000 Tennessee children — or 85% of all school-age kids — were enrolled in public schools, but reliable data on where the remaining 165,000 were enrolled aren't available. (16) (17) (18) Here is what we do and don't know about nonpublic school enrollment:

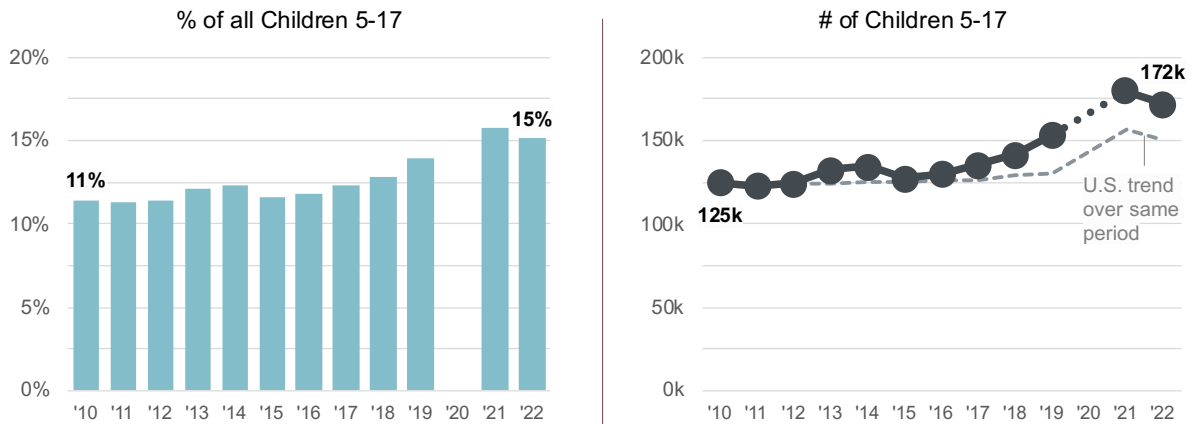
- The Tennessee private school data above includes counts of children from out-of-state and do not include children attending only independent home schools.
- In 2022, private or home schools enrolled as many as 172,000 Tennessee kids (or about 16%), according to Census Bureau estimates. That number exceeds other estimates and isn't broken down by school category. (19)
- A study by the Urban Institute estimated that about 98,500 (or 9%) were enrolled in private schools in the Fall of 2021, and another 13,600 (or 1%) were in home schools. This study, however, could not account for almost 89,000 children (or 5%), and there is no information on how children who are primarily home-schooled but also enrolled in virtual/umbrella options were categorized. (18)

**Although they may be imprecise, Census estimates provide a general picture of trends and geographic differences in nonpublic school enrollment in Tennessee.** For example, the number and percentage of private and home school students in Tennessee have increased steadily since 2015 —

with significant increases during the pandemic and a slight dip in 2022 (Figure 5). Across the state, these estimated proportions varied from a low of 1% in Clay County to a high of 38% in Pickett County for the 2018-2022 period (Figure 6). (20)

### Figure 5. The Number of Private & Home School Students in Tennessee Grew by Nearly 40% Since 2010

Private and Home School Enrollment Among Children Ages 5-17 in Tennessee (2010-2022)

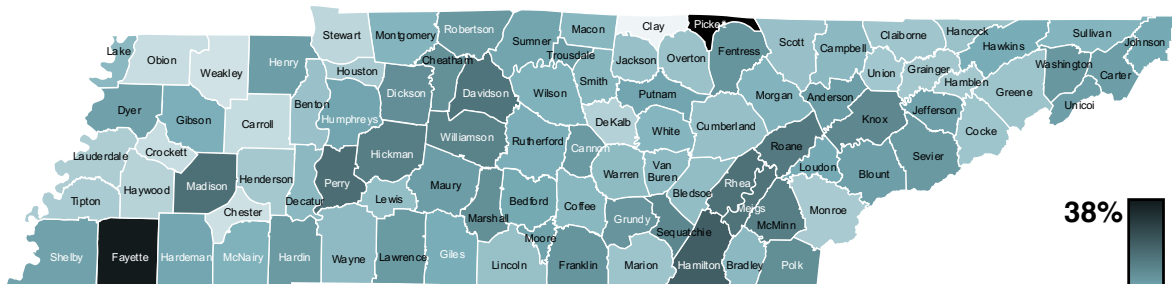


Note: Due to pandemic-related disruptions, detailed estimates are unavailable for 2020.

Source: U.S. Census Bureau's American Community Survey 1-Year Estimates (20)

### Figure 6. The Share of Tennessee Children Enrolled in Private or Home School Varies Significantly by County

% of Tennessee Children Ages 5-17 Enrolled in Private or Home Schools (2018-2022)

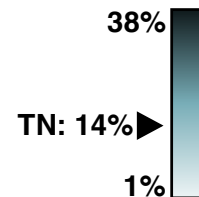


**Highest 5 Counties:**

1. Pickett	38%
2. Fayette	34%
3. Hamilton	23%
4. Perry	21%
5. Madison	21%

**Lowest 5 Counties**

91. Obion	4%
92. Crockett	4%
93. Chester	4%
94. Weakley	3%
95. Clay	1%



Source: U.S. Census Bureau's American Community Survey 5-Year Estimates (20)

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