

SENATE BILL 1805

By Oliver

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 5; Title 6; Title 7; Title 68 and Title 71, relative
to child care.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 71-1-130, is amended by deleting subsections (a)-(c) and substituting:

(a) The department shall perform a cost estimation model of day care rates annually.

(b) In compliance with federal law and regulations and from the cost estimation model, the department shall annually determine an amount to be paid as reimbursement on behalf of low-income families, for the provision of child or infant care by a day care center, family day care home, or group day care home.

(c) The commissioner shall report to the governor and the general assembly, no later than October 1 of each year, the results of the cost estimation model and the annual rate that has been requested by the department in its budget.

SECTION 2. Tennessee Code Annotated, Section 71-1-130, is amended by deleting subsection (h) and substituting:

(h) For purposes of this section, "cost estimation model":

(1) Means a method of determining costs of day care that incorporates both data and a set of assumptions to estimate expected costs that would be incurred by child care providers under different cost scenarios;

(2) Accounts for factors that affect the cost of service delivery, including, but not limited to:

- (A) Staff salaries and benefits;
 - (B) Training and professional development;
 - (C) Curricula and supplies;
 - (D) Group size and ratios;
 - (E) Enrollment levels;
 - (F) Licensing requirements;
 - (G) Quality level;
 - (H) Facility size;
 - (I) Other factors; and
- (3) Considers variations in cost, including, but not limited to:
- (A) Provider type, including program model, tax status, licensing structure, and other factors as applicable;
 - (B) Levels of provider star-rated quality;
 - (C) Educator and administrator qualifications and compensation;
 - (D) Child age;
 - (E) Expanded access in childcare deserts;
 - (F) Expanded access in areas with lack of access in one or more child age ranges;
 - (G) Geographic location and local or regional economic conditions and economic mobility rating; and
 - (H) Fiscal and political viability.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.