

SENATE BILL 2207

By Oliver

AN ACT to amend Tennessee Code Annotated, Title 4 and Title 71, relative to child care payment assistance.

WHEREAS, the prenatal to age three period is the most rapid and sensitive period of development, and it sets the foundation for long-term health and wellbeing; and

WHEREAS, according to the Prenatal-to-3 Policy Impact Center at Vanderbilt University, one of the twelve most effective evidence-based investments that states can make to foster equitable opportunities for infants and toddlers is to limit child care assistance copayments to seven percent of family income or less; and

WHEREAS, the federal government considers child care affordable for families if costs are seven percent or less of a family's income; and

WHEREAS, twenty-four states set all family copayments at or below seven percent of a family's income; and

WHEREAS, because Tennessee determines family copayments based on the number of children in care, families with more than one child pay copayments above seven percent of their income; and

WHEREAS, families are responsible for more than one-fourth of the price of care in eight states, including Tennessee, Georgia, Kentucky, Mississippi, and Texas; and

WHEREAS, this places a significant cost burden on Tennessee families receiving child care assistance; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 1, Part 1, is amended by adding the following as a new section:

(a) The department shall, to the extent permitted by federal law, eliminate co-payment requirements for persons who are receiving child care payment assistance through programs administered by the department and have a household income at or below one hundred fifty percent (150%) of the federal poverty level.

(b) The department shall, to the extent permitted by federal law, limit co-payment requirements such that they do not exceed seven percent (7%) of household income of persons who are receiving child care payment assistance through programs administered by the department and have a household income above one hundred fifty percent (150%) of the federal poverty level.

(c) The department may seek any federal waiver or other authorization the department deems necessary to implement this section.

(d) The department shall offset the annual loss in revenue resulting from elimination and limitation of co-payments required under this section with temporary assistance for needy families (TANF) program funds that were unused in the same fiscal year that such loss of revenue occurs.

(e) The department shall promulgate rules to effectuate this section. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. For the purposes of rulemaking, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect July 1, 2024, the public welfare requiring it.