



CHILD CARE & EARLY LEARNING

STATE CHILD CARE ASSISTANCE POLICIES: *TENNESSEE*

- **Income eligibility limit:** In 2016, a family of three in Tennessee could qualify for child care assistance with an annual income up to \$32,268 (160 percent of poverty, 58 percent of state median income).¹
- **Waiting list:** In February 2016, Tennessee was generally not providing child care assistance to any families or children unless they were families receiving or transitioning from Temporary Assistance for Needy Families (TANF), teen-parent families, children in foster care, or children receiving protective services.²
- **Parent copayments:** In 2016, a family of three with an income at 100 percent of poverty (\$20,160 a year) receiving child care assistance in Tennessee paid \$117 per month, or 7 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$30,240 a year) receiving child care assistance paid \$173 per month, or 7 percent of its income, in copayments.³
- **Reimbursement rates:** In 2016, Tennessee's reimbursement rates for child care providers serving families receiving child care assistance were below the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.
 - Tennessee's monthly reimbursement rate for center care for a four-year-old in the Top Tier Counties⁴ was \$515,⁵ which was \$152 (23 percent) below the 75th percentile of current market rates for this type of care.
 - Tennessee's monthly reimbursement rate for center care for a one-year-old in the Top Tier Counties was \$598,⁶ which was \$139 (19 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered reimbursement rates:** In 2016, Tennessee paid higher reimbursement rates for higher-quality care.
 - The reimbursement rate for center care for a four-year-old in the Top Tier Counties at the highest quality tier was 20 percent higher than the rate at the lowest quality tier.
 - The reimbursement rate for center care for a four-year-old in the Top Tier Counties at the highest quality tier was still below the 75th percentile of current market rates.
- **Eligibility for parents searching for a job:** In 2016, Tennessee allowed parents to continue receiving child care assistance for up to 30 days while searching for a job.⁷ However, the state did not allow parents to qualify for child care assistance while searching for a job.

Source: Karen Schulman and Helen Blank, *Red Light Green Light: State Child Care Assistance Policies 2016* (Washington, DC: National Women's Law Center, 2016). These data reflect policies as of February 2016, unless otherwise indicated.



- 1 The income limit for teen parents and families receiving assistance through Smart Steps—a program that serves parents who are working or pursuing postsecondary education and who are not receiving or transitioning from TANF—was \$47,172 when the program was launched in June 2016. As of October 2016, the income limit for teen parents and families receiving assistance through Smart Steps was increased to \$47,857 (85 percent of state median income), and the income limit for other families was increased to \$33,780 (60 percent of state median income), to adjust for the updated state median income estimate.
- 2 As of June 2016, Smart Steps provides child care assistance to families not receiving or transitioning from TANF. To be eligible, parents must be employed at least 30 hours per week, or be enrolled in and attending a postsecondary education program full time, or participate in a combination of employment and postsecondary education activities; must have a child between ages six weeks and five years; must live in a county that does not have a state-funded prekindergarten program or that has a waiting list for the prekindergarten program; and must have an income below 85 percent of state median income.
- 3 Families receiving TANF are exempt from copayments.
- 4 Top Tier Counties are those with the 20 highest average populations in 2007 and/or 20 highest per capita incomes in 2005-2007. These counties include: Anderson, Blount, Bradley, Cheatham, Coffee, Davidson, Fayette, Greene, Hamilton, Knox, Loudon, Madison, Maury, Montgomery, Putnam, Roane, Robertson, Rutherford, Sevier, Shelby, Sullivan, Sumner, Washington, and Williamson.
- 5 The state has higher rates for higher-quality care; this is the most common rate level (the level representing the greatest number of providers).
- 6 This is the most common rate level.
- 7 The state extended the amount of time parents receiving child care assistance can continue to receive it while searching for a job to 90 days as of September 2016.

