



**NATIONAL  
WOMEN'S  
LAW CENTER**

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FEBRUARY 2020 | FACT SHEET

**CHILD CARE & EARLY LEARNING**

## State Child Care Assistance Policies: Tennessee

- **Income eligibility limit:** In 2019, a family of three in Tennessee could qualify for child care assistance with an annual income up to \$49,740 (233 percent of poverty, 85 percent of state median income).<sup>1</sup>
- **Waiting list:** Tennessee had no waiting list for child care assistance as of February 2019.
- **Parent copayments:** In 2019, a family of three with an income at 100 percent of poverty (\$21,330 a year) receiving child care assistance in Tennessee paid \$126 per month, or 7 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$31,995 a year) receiving child care assistance paid \$186 per month, or 7 percent of its income, in copayments.<sup>2</sup>
- **Payment rates:** In 2019, Tennessee's payment 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.<sup>3</sup>
  - Tennessee's monthly payment rate for center care for a four-year-old in the Top Tier Counties<sup>4</sup> was \$515,<sup>5</sup> which was \$227 (31 percent) below the 75th percentile of current market rates for this type of care.
  - Tennessee's monthly payment rate for center care for a one-year-old in the Top Tier Counties was \$684,<sup>6</sup> which was \$191 (22 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered payment rates:** In 2019, Tennessee had higher payment rates for higher-quality care.
  - The payment 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 payment 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 2019, Tennessee allowed parents already receiving child care assistance to continue receiving it for up to 90 days while searching for a job.<sup>7</sup> However, the state did not allow parents to initially qualify for and begin receiving child care assistance while searching for a job.

Source: Karen Schulman, Early Progress: State Child Care Assistance Policies 2019 (Washington, DC: National Women’s Law Center, 2019). These data reflect policies as of February 2019, unless otherwise indicated.

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- 1 This income limit applies to teen parents and families receiving assistance through Smart Steps—a program launched in June 2016 that serves parents who are working or pursuing postsecondary education and who are not receiving or transitioning from Temporary Assistance for Needy Families (TANF). The income limit for other families was \$35,112 in February 2019. Families can continue receiving assistance for up to 90 days after their recertification if their income exceeds the limit for their category of assistance. As of October 2019, the income limit to qualify for assistance through Smart Steps was increased to \$52,272 (85 percent of state median income), and the income limit for assistance for other families was increased to \$36,900 (60 percent of state median income), to adjust for the updated state median income estimate.
- 2 Families receiving TANF and foster families are exempt from copayments.
- 3 This analysis reflects payment rates as of February 2019. The state increased payment rates as of April 2019.
- 4 Top Tier Counties are those with the 20 highest average populations in 2015 and/or 20 highest per capita incomes in 2014-2016. These counties include: Anderson, Blount, Bradley, Coffee, Davidson, Fayette, Greene, Hamilton, Knox, Loudon, Madison, Maury, Montgomery, Moore, Putnam, Roane, Robertson, Rutherford, Sevier, Shelby, Sullivan, Sumner, Tipton, Trousdale, Washington, Williamson, and Wilson.
- 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 Parents can continue receiving child care assistance while searching for a job for up to 90 days even if they reach the end of their eligibility period for child care assistance before the end of that 90-day period.