

Amendment No. 1 to HB1962

Terry

Signature of Sponsor

AMEND Senate Bill No. 1805*

House Bill No. 1962

by deleting all language after the enacting clause and substituting:

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 and market rate study of day care rates annually to determine an annual reimbursement rate.

(b) In compliance with federal law and regulations and from the cost estimation model or the market rate study, 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 market rate study, the annual rate that has been requested by the department in its budget, and an explanation of how the annual rate was chosen.

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

(h) As used in 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; and
- (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 January 1, 2025, the public welfare requiring it.