

HOUSE BILL 137

By Hawk

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 9; Title 68 and Title 71, relative to funds from
the temporary assistance for needy families
program.

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

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

71-1-301. Short title.

This part is known and may be cited as the "Tennessee Opportunity Act".

71-1-302. Part definitions.

As used in this part:

- (1) "Advisory board" means the board created by § 71-1-306;
- (2) "Department" means the department of human services;
- (3) "Evidence-based practice" means a practice that has previously been
evaluated using a random assignment or quasi-experimental design and the
evaluation findings indicate some statistically significant positive impacts on
participant or system-wide outcomes;
- (4) "Evidence-informed practice" means a practice that draws on
available research and practice knowledge and offers a new or potentially
effective strategy for addressing widely-shared challenges to economic
advancement and that is supported by a strong logic model;
- (5) "Federal fiscal year" means October 1 through September 30;
- (6) "Home visiting services" includes routine screening for child
wellbeing, education to caregivers to prevent child maltreatment and abuse,

maternal depression screening, tobacco cessation resources and support, school readiness, adverse childhood experiences (ACES) mitigation, and other related support;

(7) "Local governmental entity" means a governing body, board, commission, committee, department, or law enforcement agency of a municipality, county, or other political subdivision of this state;

(8) "Nonprofit organization" means an entity that is exempt from federal income taxation pursuant to § 501(c) of the Internal Revenue Code (26 U.S.C. § 501(c)); and

(9) "Temporary assistance for needy families" or "TANF" means the state's federal annual block grant allocation known officially as a state family assistance grant.

71-1-303. Reserve of funds from the temporary assistance for needy families (TANF) program.

(a)

(1) The department shall, at the beginning of federal fiscal year 2022, establish a reserve of TANF funds in an amount roughly equal to, within ten million dollars (\$10,000,000) of, the federal fiscal year 2021 TANF block grant amount to this state.

(2) The department may use TANF reserve funds, within the TANF federal guidelines, to address any emergency that has been declared in the state or to address economic needs arising when the state unemployment rate reaches a level deemed concerning by the governor.

(3) In the quarter following the end of each federal fiscal year, the department shall replenish any funds used from the TANF reserve fund.

(b) The department shall annually disclose in the department's budget documents presented to and approved by the general assembly the reserve amount of TANF funds used and replenished pursuant to subsection (a), including any amount in the reserve over the amount required by subdivision (a)(1).

71-1-304. Proportional allotment of funds from the temporary assistance for needy families (TANF) program to counties.

(a) Beginning in federal fiscal year 2022, the department shall within each federal fiscal year spend or dedicate one hundred percent (100%) of all available TANF funds that are not allocated to the department's administrative overhead costs; that are not part of the reserve as described in § 71-1-303; and that are not used for the department's cash assistance program.

(b) In the quarter following the end of each federal fiscal year, beginning in the quarter following the end of federal fiscal year 2021, the department shall allocate unspent TANF funds, which are not otherwise excluded under subsection (a), in allotments to each county proportional to its percentage share of the total number of Tennessee children living in households with incomes at or below the federal poverty level as confirmed by the comptroller of the treasury. Except as provided in subsection (d) and § 71-1-305, the department shall annually allocate the full amount of the allotment to each county through new or existing programs and services that are evidence-based or evidence-informed and that provide services to families and individuals eligible for the TANF program living in households at or below two hundred percent (200%) of the federal poverty level.

(c) The department shall annually, in the first quarter following the federal fiscal year end, notify the public of the amount of funds available to be allocated to each county, and request and accept proposals from nonprofit organizations and local

governmental entities in each county for the provision of evidence-based and evidence-informed programs and services to individuals and families who are eligible to receive funds from the TANF program pursuant to subsection (b).

(d) If, in any year, the department is unable to spend or dedicate the full allotment to a county because of an absence of qualified providers in that county, then the department will place that county's allotment into the pool to be distributed to other counties and, working with nonprofit organizations and local governmental entities, shall develop a plan for appropriating a full allotment to that county in the subsequent year.

(e) If there are additional administrative overhead costs associated with administering this section, then the department shall use TANF funds to pay for those costs to the extent permitted by federal law.

71-1-305. Tennessee opportunity pilot program grants.

(a) In fiscal year 2022 the department shall dedicate three hundred million dollars (\$300,000,000) from the department's existing surplus reserve of TANF funds to support the planning, implementation, and evaluation of three-year Tennessee opportunity pilot programs in eight (8) communities with the goal of demonstrating the efficacy of well-implemented two-generation approaches to improving education, health, and economic outcomes for children and the adults in their lives. Communities may be cities, counties, or multi-county regions in this state. The department shall select the recipient communities, with approval from the advisory board, and ensure that the recipient communities represent a mix of urban, rural, and suburban populations in this state.

(b)

(1) By July 1, 2021, the department shall dedicate up to five million dollars (\$5,000,000) from the department's existing surplus reserve of TANF

funds for Tennessee opportunity act pilot planning grants. The department shall award the planning grants by October 1, 2021, in amounts up to five hundred thousand dollars (\$500,000) to cities, counties, or multi-county regions in this state that demonstrate commitment and capacity to create a compelling two-generation plan for increasing economic advancement and family wellbeing in the community using evidence-based practices and evidence-informed practices, including, but not limited to:

(A) Home visiting services;

(B) High quality child care programs and child care provider networks;

(C) Wrap-around services;

(D) After school and summer learning programs approved with curricula approved by the department of education;

(E) Workforce training and apprenticeship programs;

(F) Economic advancement supports, including transportation and housing;

(G) High quality data systems for accountability and continuous improvement; and

(H) Other evidence-based and evidence-informed solutions identified by the communities.

(2) The department shall define and determine the grant application guidelines, award levels, and selection criteria, with approval from the advisory board.

(3) The department shall select the planning grant recipient communities with approval from the advisory board, and ensure that the recipient communities

represent a mix of urban, rural, and suburban populations in this state and have the support of any county mayor representing the applicant community, with counties allowed participation in only one (1) application.

(c) By October 1, 2021, the department shall select and fund a research partner or partners that will support the research and evaluation of the Tennessee opportunity pilot programs.

(d) By October 1, 2021, the department shall retain one (1) or more experts, approved by the advisory board, who possess demonstrated expertise in the TANF program and the range of best practices used by states for TANF funds, to advise the department and the advisory board in decision-making about the Tennessee opportunity pilot program grants.

(e) By May 1, 2022, the department shall award a three-year implementation grant up to thirty million dollars (\$30,000,000) to each of eight (8) selected communities that submitted the most compelling and qualified Tennessee opportunity pilot program plans pursuant to subsection (b). The department shall distribute an implementation grant to each selected community in an amount of up to ten million dollars (\$10,000,000) per year for three (3) years.

(f) The department shall select the recipient communities, with approval from the advisory board, and ensure that the recipient communities represent a mix of urban, rural, and suburban populations in this state, and that the implementation grant applications have the support of the county mayor representing the applicant community, with counties allowed participation in only one (1) application.

71-1-306. Advisory board.

(a) There is created an advisory board to:

(1) Approve the hire by the department of a research partner or partners to assist in the research and evaluation of the Tennessee opportunity pilot program created by this part;

(2) Approve the Tennessee opportunity pilot program recipients of planning grants and implementation grants;

(3) Approve the hire of a TANF expert to advise grant applicants, the department, and the advisory board members regarding the range and types of services that would be eligible for funding as part of the Tennessee opportunity pilot program; and

(4) Submit a final report of the advisory board's findings and recommendations to the general assembly no later than December 31, 2025, at which time the advisory board will cease to exist. The final report, agreed upon by a majority vote of the advisory board's total membership, must include, at a minimum:

(A) Findings from the Tennessee opportunity pilots and the services provided through each pilot;

(B) Recommendations for future TANF program spending in this state; and

(C) Legislation needed to support the recommendations described in subdivision (a)(4)(B).

(b) The advisory board is composed of thirteen (13) members as follows:

(1) The commissioner of human services, who also serves as chair and convener;

(2) The commissioner of labor and workforce development, or the commissioner's designee;

(3) The commissioner of economic and community development, or the commissioner's designee;

(4) The commissioner of education, or the commissioner's designee;

(5) The commissioner of health, or the commissioner's designee;

(6) One (1) member of the senate to be appointed by the speaker of the senate;

(7) One (1) member of the house of representatives to be appointed by the speaker of the house of representatives;

(8) Two (2) representatives from businesses or business groups in this state, one (1) of whom is to be appointed by the speaker of the senate and one (1) of whom is to be appointed by the speaker of the house of representatives; and

(9) Two (2) representatives from nonprofits in this state with expertise about services that support economic advancement for low income Tennesseans, one (1) of whom is to be appointed by the speaker of the senate and one (1) of whom is to be appointed by the speaker of the house of representatives.

(c) Members of the advisory board serve without compensation for their services but may be reimbursed for travel expenses in accordance with the comprehensive travel regulations promulgated by the commissioner of finance and administration and approved by the attorney general and reporter.

(d) Members of the advisory board remain members until the advisory board reports its final findings and recommendations to the general assembly. Vacancies among the members of the advisory board must be filled in the same manner as in the original selection of members.

(e) The speaker of the senate and the speaker of the house of representatives shall confer in making appointments to ensure that members of the advisory board are inclusive and reflect the racial, gender, geographic, urban, rural, and economic diversity of this state.

(f) The commissioner of human services, or the commissioner's designee, shall call the first meeting of the advisory board no later than July 1, 2021, at which time the members shall elect a vice chair from among the non-government members.

(g) A majority of the members of the advisory board constitute a quorum for the purpose of meeting and conducting business. The advisory board shall meet at least monthly until all implementation grant awards are made, and at least quarterly thereafter. Meetings may be held virtually. The chair may call special meetings whenever necessary for the transaction of business. The chair shall notify each member of the advisory board of any special meeting at least five (5) days before the time fixed for the special meeting. A majority of the members of the advisory board may petition the chair to call a special meeting, in which case the chair shall call a special meeting.

(h) The advisory board shall enlist a highly capable research and evaluation partner or partners, at the sole expense of the department, to evaluate each pilot program; gather and present the research and data regularly to pilot program leaders and advisory board members to aid continuous improvement throughout each pilot program; and produce regular reports, the final report, and the advisory board's recommendations back to the general assembly at the conclusion of the pilot program period.

(i) The chair of the advisory board may call on appropriate state agencies for reasonable assistance in the work of the advisory board.

71-1-307. Report to general assembly.

The department shall compile a report by January 31, 2022, and each January 31 thereafter, on the manner in which the funds described in this part were spent; how much of the funds remain in a reserve; how much of the funds were spent on administrative overhead costs and a detailed accounting of those costs; the allotments made to the counties pursuant to this part; the number of individuals and families served by county pursuant to this part; and efforts made and planned by the department to identify qualified providers in counties where a full allotment was not appropriated in the prior year. The department shall make a presentation to the appropriate committees of the house of representatives, as determined by the speaker of the house of representatives, and the senate, as determined by the speaker of the senate, by January 31, 2022, and each January 31 thereafter, on the contents of the report.

SECTION 2. The headings to sections in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

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