

HOUSE BILL 2112

By Powell

AN ACT to amend Tennessee Code Annotated, Title 49
and Title 71, relative to public benefits for child
care workers.

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

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 6, Part 23, is amended by adding the following as a new section:

(a) The purpose of this section is to create a two-year pilot project to invest in the self-sufficiency of employees of child care agencies.

(b) As used in this section, "child care agency" has the same meaning as defined in § 71-3-501.

(c) Notwithstanding another law to the contrary, an employee of a child care agency whose personal household income meets the income eligibility standards adopted under § 49-6-2303(2) on or after January 1, 2025, does not lose eligibility for the employee's children to receive free or reduced-price meals prior to January 1, 2027, based solely on an increase in the employee's personal or household income that is attributable to the employee receiving a wage increase from the employee's employing child care agency.

(d) The commissioner of education shall recommend and the state board of education shall adopt rules to implement and administer this section.

(e) The department of education is authorized to apply to the federal government for appropriate waivers that are necessary to implement this section.

(f) On or before January 15, 2027, the commissioner of education shall submit a report to the governor, the chair of the education committee of the senate, the chair of

the education committee of the house of representatives, and the legislative librarian regarding pilot project findings and recommendations.

SECTION 2. Tennessee Code Annotated, Title 71, Chapter 1, Part 1, is amended by adding the following as a new section:

(a) The purpose of this section is to create a two-year pilot project to invest in the self-sufficiency of employees of child care agencies.

(b) As used in this section, "child care agency" has the same meaning as defined in § 71-3-501.

(c) Notwithstanding another law to the contrary, an employee of a child care agency whose personal or household income meets the income eligibility standards adopted for a public benefit program that is administered by the department on or after January 1, 2025, does not lose eligibility to participate in the public benefit program prior to January 1, 2027, based solely on an increase in the employee's personal or household income that is attributable to the employee receiving a wage increase from the employee's employing child care agency.

(d) The department shall adopt rules to implement and administer this section.

(e) The department is authorized to apply to the federal government for appropriate waivers that are necessary to implement this section.

(f) On or before January 15, 2027, the commissioner shall submit a report to the governor, the chair of the health and welfare committee of the senate, the chair of the health committee of the house of representatives, and the legislative librarian regarding pilot project findings and recommendations.

SECTION 3.

(a) The Tennessee advisory commission on intergovernmental relations (TACIR) is directed to conduct a study on the following:

(1) The establishment and feasibility of a target compensation scale for employees of child care agencies, as defined in § 71-3-501; and

(2) The benefits cliff and whether public benefits program eligibility thresholds are in alignment with state program income eligibility requirements. For purposes of this subdivision (a)(2), "benefits cliff" means the loss of public benefits by employees of child care agencies whose incomes exceed public benefits eligibility thresholds following wage increases.

(b) All appropriate departments and agencies of this state shall provide assistance to TACIR in connection with the analysis required in subsection (a).

(c) TACIR shall submit a report disclosing the findings of the study and recommendations to the speaker of the senate, the speaker of the house of representatives, and the legislative librarian no later than January 1, 2025.

SECTION 4. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are severable.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.