

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2689 - SB 2777

June 16, 2020

SUMMARY OF ORIGINAL BILL: Requires the Department of Human Services (DHS) to create a fund, with a beginning balance of no less than \$10,000,000, to provide unlicensed care providers in counties with populations of less than 50,000, according to the 2010 federal census or any subsequent federal census, with financial assistance to make facility upgrades needed for licensure.

Authorizes child care providers in counties with populations of less than 50,000 to provide care for between five and ten children without a license if the provider: (1) receives a signed waiver from a parent of each child stating that the parent is aware the care provider is not licensed; (2) certifies that each staff member has completed at least 10 hours of childcare training; and (3) meets the adult:child ratios required of licensed child care agencies. Requires DHS to create and make the waiver form available for free on the department's website.

Changes the allowed weekly attendance time for a child in a "Parent's Day Out" or similar program operated by a religious institution or organization from not more than six hours of each of two days, to not more than 12 hours in any block of time desired within a calendar week.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$10,101,900/FY20-21
\$93,900/FY21-22 and Subsequent Years

Other Fiscal Impact – The extent to which federal Child Care and Development Fund funding will be available, if at all, to fund the one-time \$10,000,000 appropriation for facility upgrades is unknown and cannot be determined with reasonable certainty.

SUMMARY OF AMENDMENTS (016883, 018762): Amendment 016883 deletes all language after the enacting clause. Changes the allowed weekly attendance time for a child in a "Parent's Day Out" or similar program operated by a religious institution or organization from not more than six hours of each of two days, to not more than 12 hours in any block of time desired within a calendar week.

Authorizes DHS to permit department-registered "family child care homes" or "group child care homes" as defined in Tenn. Code Ann. § 71-3-501, to provide care for children prior to licensure, for up to a total of 12 months within a period of 18 months during the licensure process. Requires a registered family or group home provider to meet the health and safety requirements

under the federal Child Care and Development Block Grant Act, and the Child Care Development Fund.

Amendment 018762 adds language to the bill as amended by amendment 016883 that requires DHS to establish the Child Care Providers for Frontline and Essential Workers Program, to: (1) provide emergency funding and resources to child care providers that stay open to provide child care services for frontline and essential workers during a pandemic or state-declared state of emergency; (2) provide paid leave and hazard pay for child care workers who risk their own health to remain open; (3) eliminate all fees for essential workers to access child care services during the COVID-19 crisis; (4) provide emergency funding to save the child care sector from collapse and to prevent unemployment; (5) provide necessary funding to train child care workers on health and safety procedures; (6) provide families with virtual learning opportunities and mental health support; (7) assist child care providers with completing applications for small business loans and finding lenders; and (8) protect and strengthen the infrastructure and quality of child care in this state. Requires DHS to utilize funds from the Child Care and Development Fund (CCDF) to fund the Program.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Other Fiscal Impact – The extent to which federal Child Care and Development Fund funding will be available, if at all, to fund the Child Care Providers for Frontline and Essential Workers Program is unknown and cannot be determined with reasonable certainty.

Assumptions for the bill as amended:

- This legislation does not create a new category of child care providers or alter the criteria for any existing category; therefore, it is assumed DHS can execute the vetting of applicants necessary to comply with the requirements of this legislation utilizing existing resources in the normal course of business.
- The time and resources needed to monitor the “Parent’s Day Out” or similar programs for compliance with the new attendance requirements will be absorbed within existing DHS resources.
- Due to a number of unknown factors, including the number of individuals who will seek assistance from the Child Care Providers for Frontline and Essential Workers Program, the amount of funds needed to fully fund the program, and the extent of dedicated CCDF funds that can be utilized to fund such program, an exact impact to federal expenditures cannot reasonably be quantified.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jpj