State Child Care Assistance Policies: Tennessee

December 2013

• **Income eligibility limit:** In 2013, a family of three in Tennessee could qualify for child care assistance with an annual income up to $31,692 (162 percent of poverty, 60 percent of state median income).

• **Waiting list:** Tennessee had frozen intake—turned away families without adding their names to a waiting list—for child care assistance as of February 2013.¹

• **Parent copayments:** In 2013, a family of three with an income at 100 percent of poverty ($19,530 a year) receiving child care assistance in Tennessee paid $113 per month, or 7 percent of its income, in copayments. A family of three with an income at 150 percent of poverty ($29,295 a year) receiving child care assistance paid $173 per month, or 7 percent of its income, in copayments.

• **Reimbursement rates:** In 2013, Tennessee’s reimbursement 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.
  
  - Tennessee’s monthly reimbursement rate for center care for a four-year-old in Top Tier Counties² was $515,³ which was $91 (15 percent) below the 75th percentile of current market rates for this type of care.
  
  - Tennessee’s monthly reimbursement rate for center care for a one-year-old in Top Tier Counties was $598,⁴ which was $117 (16 percent) below the 75th percentile of current market rates for this type of care.

• **Tiered reimbursement rates:** In 2013, Tennessee paid higher reimbursement rates for higher-quality care.
  
  - The reimbursement rate for center care for a four-year-old in Top Tier Counties at the highest quality tier was 20 percent higher than the rate at the lowest quality tier.
  
  - The reimbursement rate for center care for a four-year-old in 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 2013, Tennessee allowed parents to qualify for or continue receiving child care assistance for up to 30 calendar days while searching for a job.


¹ Families receiving Temporary Assistance for Needy Families (TANF), families transitioning from TANF, teen parents in high school, and children in foster care are served and not subject to the freeze.

² Top Tier Counties are those with the 20 highest average populations in 2007 and/or 20 highest per capita incomes in 2005-2007. These counties include: Anderson, Blount, Bradley, Cheatham, Coffee, Davidson, Fayette, Greene, Hamilton, Knox, Loudon, Macon, Maury, Montgomery, Putnam, Roane, Robertson, Rutherford, Sevier, Shelby, Sullivan, Sumner, Washington, and Williamson.

³ The state has higher rates for higher-quality care; this is the most common rate level (the level representing the greatest number of providers).

⁴ This is the most common rate level.