



HOUSE BILL 2358

By Hawk

AN ACT to amend Tennessee Code Annotated, Title 71,
relative to temporary assistance.

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

SECTION 1. Tennessee Code Annotated, Section 71-5-1204(a), is amended by adding the language ", except as provided in § 71-5-1205," immediately after "remain unobligated".

SECTION 2. Tennessee Code Annotated, Title 71, Chapter 5, Part 12, is amended by adding the following as a new section:

71-5-1205.

(a) As used in this section:

(1) "Child care and development fund" or "CCDF" means the federal child care and development fund established in 45 CFR 98; and

(2) "Smart steps program" means the state child care assistance program administered by the department.

(b)

(1) The department shall annually transfer a portion of the TANF rainy-day fund, as described in § 71-5-1204, to the child care and development fund in an amount sufficient to fund participation in the smart steps program by a family who:

(A) Meets the eligibility requirements of the smart steps program;

(B) Elects to participate in the program; and

(C) Is unable to be served due to insufficient CCDF funds.

(2) Such funds must not be utilized to supplant any current use of the child care and development fund.

(c) The TANF rainy-day funds transferred, as described in subsection (a), must not exceed thirty percent (30%), as described in Title IV-A of the Social Security Act (42 U.S.C. § 604) or any other amount permitted by the federal government.

(d) The eligible limit, sliding scale fee schedule, and co-pay policies for the smart steps program that were in effect on September 30, 2025, must be utilized as a minimum standard for such program.

(e) The department shall annually publish on the department's website a report on the temporary assistance for needy families program's and the child care and development fund's balances and expenditures. The report must include:

- (1) Expenditures in the prior fiscal year by expense category;
- (2) Obligated balances by expense category; and
- (3) Any unobligated balance.

(f) The department is authorized to promulgate rules to effectuate this section. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

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

Amendment No. 2 to HB2358

Hicks G
Signature of Sponsor

AMEND Senate Bill No. 1921*

House Bill No. 2358

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, Part 12, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Child care and development fund" or "CCDF" means the federal child care and development fund established pursuant to 45 CFR 98;

(2) "Department" means the department of human services;

(3) "Smart steps program" means the state child care assistance program administered by the department; and

(4) "Temporary assistance for needy families program" or "TANF" means the federal temporary assistance for needy families program established pursuant to 45 CFR Part 260.

(b) The department shall annually publish on the department's website a report on the temporary assistance for needy families program's and the child care and development fund's balances and expenditures. The report must include:

(1) Expenditures in the prior fiscal year by expense category and funding source;

(2) Obligated balances by expense category and funding source;

(3) Any unobligated balance, including the balance of the TANF rainy-day reserve;

(4) A detailed accounting of all expenditures counted towards the fifteen-percent limitation on administrative expenditures established in 42 U.S.C. § 604(b); and

(5) The number of children served in the smart steps program during the prior fiscal year, disaggregated by funding source, including TANF funds, CCDF funds, and any other funding source utilized by the department.

(c) The department is authorized to promulgate rules to effectuate this section.

The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.