



State of Tennessee

PUBLIC CHAPTER NO. 515

HOUSE BILL NO. 142

By Representatives Lamberth, Gant, Terry, Smith, Sherrell, Hawk, Mr. Speaker Sexton, Love, Dixie, Cooper, Hardaway, Moon, Towns, Crawford, White, Parkinson, Moody, Carr, Mannis, Littleton, Alexander, Thompson, Cepicky, Lynn, Eldridge, Hurt, Hodges, Camper, Gillespie, Chism, Jernigan, McKenziep

Substituted for: Senate Bill No. 751

By Senators Johnson, Watson, Massey, White, Akbari, Crowe, Campbell, Stevens, Walley, Yarbrow, Briggs, Gilmore, Jackson

AN ACT to amend Tennessee Code Annotated, Section 71-1-105; Section 71-3-104; Section 71-3-105; Section 71-3-120; Title 71, Chapter 5, Part 12 and Section 71-5-314, relative to public assistance.

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

SECTION 1. Tennessee Code Annotated, Section 71-1-105(a)(16), is amended by deleting the subdivision and substituting:

(16)

(A) Conduct investigations, including, but not limited to, investigation into the existence of:

(i) Trafficking in, or fraud involving, the food assistance program administered by the department pursuant to chapter 5, part 3 of this title;

(ii) Fraud, abuse, theft, misappropriation, or misuse of property, funds, or services by a person or entity in a program administered by the department; and

(iii) Misconduct by an employee, contractor, or agent of the department concerning or related to the operation of a department program or laws, regulations, or policies governing the department's operations; and

(B)

(i) Except as provided in subdivisions (a)(16)(B)(ii) and (iii), records and information obtained pursuant to an investigation conducted pursuant to this subdivision (a)(16), including the identities of witnesses or individuals with information relevant to the investigations, are confidential and not open for inspection by members of the public under title 10, chapter 7; however, operational records of a state agency, including the department, which are not investigative records or not otherwise protected under state or federal law or other legal authority, must remain open for inspection by members of the public;

(ii) The records and information to which this subdivision (a)(16)(B) applies cease to be confidential under subdivision (a)(16)(B)(i) upon closure of the investigation by the department and final adjudication of any administrative appeal of an action taken based upon the results of the investigation or the conclusion of all court proceedings in a criminal prosecution related to the investigation as evidenced by an order of the court, including the opportunity for direct appeal having been exhausted, whichever occurs later;

(iii) This subdivision (a)(16)(B) does not prevent the department from sharing information or records with the district attorney general or law enforcement personnel for the purpose of cooperating with a law enforcement investigation or with the comptroller of the treasury or the comptroller's designee for the purpose of audit. Information or records that the department shares with the district attorney general or law enforcement remain confidential under subdivision (a)(16)(B)(i), except to the extent that a court orders otherwise, the information or records are used as evidence in a criminal prosecution, or the Tennessee rules of criminal procedure require disclosure. Information or records that the department shares with the comptroller or comptroller's designee for the purpose of audit remain confidential under subdivision (a)(16)(B)(i) and under § 10-7-504(a)(22)(A) as an audit working paper; and

(iv) A knowing violation of this subdivision (a)(16)(B) is a Class B misdemeanor.

SECTION 2. Tennessee Code Annotated, Section 71-3-120(d), is amended by deleting the language "or both;" and substituting the language "or both, unless the offense is committed by means of a willfully false impersonation, assumption of a false identity, or presentation of a false identification, in which case the fine is not less than two thousand five hundred dollars (\$2,500) nor more than ten thousand dollars (\$10,000);".

SECTION 3. Tennessee Code Annotated, Section 71-5-314(d), is amended by deleting the language "or both;" and substituting the language "or both, unless the offense is committed by means of a willfully false impersonation, assumption of a false identity, or presentation of a false identification, in which case the fine is not less than two thousand five hundred dollars (\$2,500) nor more than ten thousand dollars (\$10,000);".

SECTION 4. Tennessee Code Annotated, Title 71, Chapter 5, Part 12, is amended by deleting the part and substituting:

71-5-1201. Families first community advisory board.

(a)

(1) There is created a families first community advisory board to:

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

(B) Review and approve the selection of the Tennessee opportunity pilot program recipients of planning grants and implementation grants;

(C) Submit a final report to the general assembly no later than December 31, 2025. The final report must be approved by a majority vote of the advisory board's total membership and must include, at a minimum:

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

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

(iii) Suggested legislation to support the recommendations described in subdivision (a)(1)(C)(ii);

(D) Provide input regarding the effectiveness of existing families first and two-generation program policies and grant programs; and

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(E) Make recommendations regarding the development of new or revised policies to enhance the families first and two-generation programs.

(2) An advisory board member appointed in accordance with subdivision (b)(6) or (b)(7) shall not vote on matters regarding the review and approval of Tennessee opportunity pilot program recipients of planning grants and implementation grants under subdivision (a)(1)(B), or any other matter involving the review and approval of recipients of monetary awards or grants.

(b) The advisory board is composed of no more than twenty-one (21) members as follows:

(1) The commissioner of human services, who shall serve 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) Two (2) members of the senate to be appointed by the speaker of the senate;

(7) Two (2) members of the house of representatives to be appointed by the speaker of the house of representatives;

(8) Three (3) representatives from businesses or business groups in this state, two (2) of whom are 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;

(9) Three (3) 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 two (2) of whom are to be appointed by the speaker of the house of representatives; and

(10) No more than six (6) members to be appointed by the commissioner of human services. A member appointed under this subdivision (b)(10) must be a representative of local government, a faith-based organization, a Workforce Innovation and Opportunity Act (29 U.S.C. § 3101 et seq.) partner, or a current or former recipient of families first or two-generation program assistance.

(c) Members of the families first community 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) Vacancies among the members of the families first community 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 strive to ensure that members appointed to the families first community advisory board reflect the racial, sex, geographic, urban, rural, and economic diversity of the state.

(f) The commissioner of human services must call the first meeting of the families first community advisory board no later than September 1, 2021, at which time the

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members shall elect a vice chair from among the members appointed pursuant to subdivisions (b)(6)-(10).

(g) A majority of the members of the advisory board constitutes a quorum for the purpose of meeting and conducting business. The families first community advisory board shall meet at least monthly until all implementation grant awards are made, and at least quarterly thereafter. The chair may call special meetings whenever necessary for the transaction of business. The chair shall notify each member of the families first community 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 families first community advisory board may petition the chair to call a special meeting, in which case the chair must call a special meeting.

(h) The families first community advisory board may conduct regular or special meetings by conference call or video conference in accordance with the requirements of § 8-44-108.

(i) The families first community advisory board shall retain a highly capable research and evaluation partner or partners to evaluate each pilot program; regularly gather and present the research and data to pilot program leaders and families first community advisory board members to aid continuous improvement throughout each pilot program; and produce regular reports and the final report described in subdivision (a)(3).

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

71-5-1202. Families first community grants program.

(a) The department shall begin accepting grant applications from eligible nonprofit organizations and other qualified entities, distributed proportionally across the three (3) grand divisions of the state to the extent possible, for programs to provide services to families and individuals eligible for the TANF program and in furtherance of the four (4) purposes of the TANF program.

(b) The department must award community grants in amounts not to exceed fifty million dollars (\$50,000,000), subject to appropriations in the general appropriations act, using funds from the department's existing surplus reserve of TANF funds.

(c) The department is authorized to select community intermediaries and external compliance partners to assist in outreach and marketing, evaluation of grant proposals, administration of the grant program funding, and monitoring to ensure compliance with applicable state and federal requirements; provided, that the costs of these activities do not exceed the amount of federal TANF funds available for those purposes.

71-5-1203. Tennessee opportunity pilot program grants.

(a) In fiscal year 2022, the department shall dedicate one hundred eighty-two million dollars (\$182,000,000), subject to appropriations in the general appropriations act, 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 six (6) communities and one (1) pilot program to be administered by the department 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 those children's lives.

(b)

(1) By July 1, 2021, the department shall dedicate up to five million dollars (\$5,000,000), subject to appropriations in the general appropriations act, from the funds dedicated in subsection (a) for Tennessee opportunity pilot planning grants. The department shall award no more than fifty (50) planning grants. The following entities may apply for a planning grant:

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(A) A political subdivision of this state;

(B) A nonprofit corporation, created pursuant to title 48;

(C) A development district, created pursuant to the Development District Act of 1965, compiled in title 13, chapter 14; and

(D) A human resource agency, created pursuant to the Human Resource Agency Act of 1973, compiled in title 13, chapter 26.

(2) The department shall award the planning grants no earlier than October 1, 2021, in amounts up to five hundred thousand dollars (\$500,000), subject to appropriations in the general appropriations act, to applicants that demonstrate commitment and capacity to create a compelling two-generation plan for increasing economic advancement and family well-being in the community. An application must include a detailed description of how the applicant intends to utilize 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 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 community.

(3) The department shall define and determine the grant application guidelines, award levels, and selection criteria.

(4) The department shall select the planning grant recipient communities and ensure that the recipient communities represent a mix of urban, rural, and suburban populations in this state.

(c) By May 1, 2022, and subject to subsection (d), the department shall award a three-year implementation grant up to twenty-five million dollars (\$25,000,000), subject to appropriations in the general appropriations act, to each of six (6) implementation grantees selected from the planning grant recipients that submitted the most compelling and qualified Tennessee opportunity pilot program plans pursuant to subdivision (b)(1). The department shall distribute an implementation grant to each selected implementation grantee in an amount of twenty-five million dollars (\$25,000,000), subject to appropriations in the general appropriations act, over three (3) years with no single recipient receiving more than twenty-five million dollars (\$25,000,000) over the course of the pilot.

(d) The department shall select the implementation grantees and ensure that there are two (2) implementation grantees from each grand division and that there is a mix of urban, rural, and suburban populations in this state.

(e) No earlier than October 1, 2021, the department shall select and fund a research partner or partners that will support the research and evaluation of the

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Tennessee opportunity pilot programs. Selected partners shall utilize scientific approaches to research and evaluation, such as randomized controlled trials.

(f) In the event the federal government deems planning grants to be administrative costs, the department must utilize its remaining fiscal capacity for administrative costs to provide the grants. The remainder of funds dedicated for planning grants must be reallocated across the six (6) pilot program grantees with approval of the advisory board.

71-5-1204. Unexpended and reserve of funds from the temporary assistance for needy families (TANF) program.

(a) The department shall, at the beginning of federal fiscal year 2022, ensure that a rainy-day fund in an amount not to exceed the TANF annual federal award of the existing reserve of federal TANF funds remain unobligated in order to address unforeseen future economic needs, including those resulting from an emergency that has been declared in the state or an economic downturn having statewide impact.

(b) The department shall seek to replenish funds used from the TANF rainy-day reserve fund in the following fiscal year or as soon as the funds are available.

(c) If the amendment to the existing TennCare II waiver authorizing the bureau of TennCare to create reasonable work and community engagement requirements for able-bodied working-age adult enrollees without dependent children under six (6) years of age as provided under § 71-5-158 is approved by the federal centers for medicare and medicaid services, then the department is authorized to set aside fifty-four million dollars (\$54,000,000), subject to appropriations in the general appropriations act, in TANF funds to address this expenditure.

(d)

(1) In the twelve-month period following the end of each federal fiscal year, the department must spend or obligate one hundred percent (100%) of unobligated TANF funds that are not allocated to the department's administrative overhead costs; that are not part of the reserve as described in subsection (a); that are not dedicated to the Tennessee opportunity pilot program pursuant to § 71-5-1203; that are not used for the department's cash assistance program; and that are not used on a program or service deemed necessary by the department.

(2) Expenditures described in subdivision (d)(1) must be made to eligible nonprofit organizations, other qualified entities, or other federally approved state program to provide services to families and individuals eligible for the TANF program and in furtherance of the four (4) purposes of the TANF program. These services must be distributed, to the extent possible, across this state's ninety-five (95) counties in proportion to each county's percentage share of Tennessee children living in households with incomes at or below the federal poverty level as confirmed by the comptroller of the treasury.

(e) Beginning in the quarter following the end of federal fiscal year 2021, the department shall notify the public of the amount of funds available to be allocated statewide and request and accept proposals from eligible nonprofit organizations and other qualified entities to provide 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 (a).

SECTION 5. Tennessee Code Annotated, Section 71-3-104(a), is amended by designating the existing language as subdivision (1) and adding the following as a new subdivision (2):

(2)

(A) To the extent permitted by federal law and guidance, the department shall create a two-year pilot program establishing an optional alternative temporary assistance pathway offering enhanced educational support services or

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enhanced cash assistance for families with individuals who are actively pursuing a degree, professional certification, or other educational advancement.

(B) In addition to requirements established by the department by rule pursuant to this subdivision (a)(2), the eligibility requirements of subdivision (a)(1) and this part apply to families or individuals seeking assistance under this subdivision (a)(2).

(C) A family may elect that all enhanced temporary assistance for which the family qualifies under this subdivision (a)(2) be provided as enhanced support services, rather than enhanced cash assistance.

(D) Notwithstanding § 71-3-105(f)(2), the department shall establish by rule the maximum enhanced grant amounts for families participating in the alternative temporary assistance pathway under this subdivision (a)(2), which must not exceed an amount one hundred percent (100%) greater than the maximum grant amounts authorized under § 71-3-105(f)(2).

(E) The annual cost of the pilot program authorized under this subdivision (a)(2) must not exceed the amount of the state's annual federal temporary assistance for needy families block grant award.

(F) The pilot program established under this subdivision (a)(2) terminates two (2) years from the effective date of the first rule promulgated pursuant to this subdivision (a)(2) regarding the program.

SECTION 6. Tennessee Code Annotated, Section 71-3-105(f)(2), is amended by deleting the subdivision and substituting:

(A) Notwithstanding subdivision (f)(2)(B), the maximum grants for the temporary assistance program, expressed as a percentage of the standard of need, may be raised if approved as a line item in the annual appropriations act or by rule.

(B) The maximum standard grant for the temporary assistance program for all assistance group sizes is no less than twenty-five percent (25%) of the standard of need for the applicable assistance group size.

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

SECTION 7. Tennessee Code Annotated, Section 71-3-105(f), is amended by adding the following as a new subdivision:

(3) The department of human services shall conduct a study or engage with a research partner to study the impact and effectiveness of the increase in the maximum standard grant and lifetime maximum benefit timeframe authorized under this act.

SECTION 8. The commissioner of human services is authorized to promulgate rules to effectuate the purposes of this act. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 9. The annual cost of any program or expenditure authorized under this act must not cause the department to exceed the amount of the annual federal temporary assistance for needy families block grant award available for use on administrative costs.

SECTION 10. 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 11. For purposes of rulemaking, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect July 1, 2021, the public welfare requiring it.

HOUSE BILL NO. 142

PASSED: May 4, 2021



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 25th day of May 2021



BILL LEE, GOVERNOR