

# Tennessee Child Care Task Force

July 1, 2022

## Interim Progress Report

This project is funded through a contract with the Tennessee Department of Human Services and Public Consulting Group LLC.

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## EXECUTIVE SUMMARY

### Purpose and Structure

As statutorily mandated through Public Chapter 474 of the Acts of the 112<sup>th</sup> Tennessee General Assembly, the State of Tennessee convened a Tennessee Child Care Task Force (CCTF) to develop a strategic action plan for increasing the availability of high quality, affordable, and accessible child care in this state and to identify resources across state government departments that could be streamlined, coordinated, and more effectively utilized to address child care challenges. Through a competitive bid process, the Tennessee Department of Human Services (TDHS) contracted with Public Consulting Group LLC (PCG) to serve as a consultant to the CCTF, providing subject matter and research expertise to support the CCTF in meeting its statutory requirements. The first major deliverable of the CCTF is the submission of an interim status report to the General Assembly reporting its progress and findings by July 1, 2022.

This interim status report has been divided into three overall sections:

1. An overview of the methodology and design that informed the development of this report, including the process for surveying CCTF members and interview protocol for CCTF members and identified stakeholders. PCG will engage with out-of-state stakeholders identified by the CCTF during its April 2022 meeting throughout the summer of 2022.
2. An “as-is”, current state analysis of child care in Tennessee, informed by extensive interviews with CCTF members and identified stakeholders and state and federal data concerning child care in Tennessee. This section includes an overview of the three main pillars of child care in Tennessee, as identified by Public Chapter 474 and further defined by the CCTF: “access, affordability, and quality.” This section also includes an overview of Tennessee’s child care governance structure and recent reform and modernization efforts undertaken by the state.
3. Appendices containing data and other references gathered throughout the first few months of this engagement between PCG and the CCTF.

### Major Findings Related to the Current State of Child Care in Tennessee

Child care is both early education and a critical workforce support.

- ***Child care settings either advance or impede children's learning.***
  - *Child care must be safe, healthy, and educationally rich.* While it is well understood that health and safety are critical child care priorities, CCTF members agree that child care must also be “educationally rich.” That is, not only must child care providers ensure the health and safety of children, they must also facilitate a child’s learning and development by ensuring that teachers are sufficiently trained in child development and employ developmentally appropriate learning practices.
  - *Teacher and child interactions are critical for programs' success.* In its revision of the statewide Quality Rating and Improvement System (QRIS), TDHS places further

emphasis on teacher and child interactions, or responsive caregiving, as a major indicator of quality, going on beyond basic environmental indicators.

- ***Child care is critical to workforce participation and productivity within Tennessee's economy.***
  - In a 2019 survey of 2,330 parents of children under the age of 5, more than a third of respondents reported that they had pay/hours reduced, had to quit a job, were fired or demoted, turned down a new job offer or promotion, or turned down education or training due to challenges with child care.<sup>i</sup>
  - In 2019, the annual economic losses in Tennessee due to insufficient child care totaled \$1.34 billion.<sup>ii</sup>

Tennessee's current child care market does not meet the needs of many families.

- **Access: Child care is hard to find.**
  - Child care demand significantly outpaces supply. Roughly half (48%) of Tennessee families live in a "child care desert" – a census tract with more than 50 children under age 5 that contains either no licensed/regulated child care providers or so few options that there are more than three times as many children as licensed child care slots.<sup>iii</sup> Two-thirds (65%) of Tennessee parents of children under age 5 report difficulty accessing suitable care.<sup>iv</sup>
  - Many child care programs do not fit working parents' schedules. Many preschool programs, including Early Head Start, Head Start, and others, only offer programming for four to six hours per day, which does not accommodate working parents' schedules (that is, an eight-hour workday). This forces parents to rely on additional programs and/or extended family to assist in filling gaps for children's care, which may not always be economically or practically feasible.
  - Tennessee families would benefit from improved and expanded tools that help find available child care. Tennessee has an existing "child care finder" tool that includes information about licensed providers across the state. However, many communities are using technology strategically to create more dynamic tools that assist providers in marketing available capacity so that parents can locate available child care placements. Upgrading to the latest technologies that optimize the use of automation could help Tennessee parents, policymakers, employers, and providers gain a better understanding of child care supply and demand and help drive solutions.
- **Affordability: When families can find child care, it is often unaffordable.**
  - In 2021, the average annual price of center-based full time child care was more than \$11,501.87 for infants and \$9,742.50 for 4-year-olds.<sup>v</sup>
  - Tennessee families would benefit from greater awareness of child care payment assistance resources. Significant federal funding resources flow through TDHS to help parents pay for child care via Families First, Tennessee's Temporary Assistance for Needy Families (TANF) program, and Smart Steps, Tennessee's child care payment assistance program for families with incomes up to 85% of state median income (approximately \$65,652 for a family of 2 parents and 2 children).<sup>vi</sup> Often referred to as

- the “child care certificate program” or “child care vouchers,” this support can help subsidize the high cost of child care for families. Unfortunately, public awareness of these resources, particularly the Smart Steps program, appears to be relatively low.
- ***Quality: Quality in child care is primarily dependent on teaching quality, though quality standards and monitoring systems are also essential.***
    - *A qualified child care workforce is essential.* As in the K-12 education system, quality in early learning and care settings comes down to the teacher, and especially for young children, in the quality and developmentally appropriate practice of the teaching. Tennessee child care providers, like providers across the nation, are struggling to adequately compensate and retain a qualified child care workforce. Tennessee has a strong system of early childhood secondary and postsecondary education programs throughout the state (see Appendix 5 of this report for a list of institutions); however, these programs have low enrollment, likely due to the profession’s low wages and lack of career progression.
    - *Updates to TDHS’ Quality Rating Improvement System (QRIS) will better capture measures of quality and effectiveness.* Tennessee’s QRIS is undergoing a major overhaul that will build on the strengths of the current QRIS system that was established in 2001.
    - *Differences between the TDHS and TDOE child care systems lead to inefficiencies.* TDHS and TDOE have two separate sets of standards and monitoring systems, often causing confusion for both parents and providers and resulting in duplication of effort.
  - ***Market Mismatch: Several market factors give insight into why the current child care system is not meeting families’ needs.***
    - *Child care is expensive because providers must pay competitive wages to attract and retain a qualified workforce.* When providers try to hold costs down, they do so through low compensation for teachers, which in turn yields unqualified staff and high turnover. With the economic stressors caused by the COVID-19 pandemic and the availability of other more compelling compensation opportunities prompted by a tight labor market, many teachers are leaving the profession for jobs in other industries, driving child care workforce costs higher and rendering the cost of care even more unaffordable for many parents.
    - *Families face liquidity constraints.* Parents typically need to pay for child care at the point in their financial lives when they can least afford to do so – that is, when they are young adults early in their careers with little work experience and entry level wages.

Tennessee’s child care market supply and demand data is limited, but available data points to a disparity between supply and demand.

- ***Demand:*** There is no mechanism in Tennessee to accurately measure demand or to understand a) what type of care is needed, or b) precisely where care is needed. However, a good general indicator of child care demand can be inferred from the understanding that 302,000 (65%)<sup>vii</sup> Tennessee children under the age of 6 have all available parents in the workforce, according to U.S. Census Bureau.

- **Supply:** While there is no mechanism in Tennessee that provides a complete understanding of child care supply, TDHS does have information on the approximately 4000 *regulated* child care providers. However, it is important to note that there is much unregulated child care that we know little to nothing about; U.S. Census Bureau statistics indicate that in 2018 (latest data available) there were 12,423 individuals<sup>viii</sup> who filed federal taxes as a nonemployer<sup>ix</sup> child day care services provider.
- **Mismatch between demand and supply:** Mapping of the 4,000 regulated child care providers from TDHS and TDOE indicates a mismatch of providers to households with all available parents in the workforce, resulting in many child care desert areas across the state.

Low pay, demanding work, and alternative labor market opportunities have driven child-care workers out of the industry.

- **Effects of COVID-19 and inflation.** Substantial research has demonstrated that COVID-19 has deepened the child care crisis nationwide, with significant numbers of teachers leaving the profession due to low pay and stress and many child care providers closing their doors permanently because of high operational costs that make it difficult for business owners to support themselves financially. Inflation has compounded these challenges, further incentivizing teachers to leave the profession for better compensated career opportunities elsewhere within today’s tight labor market.
- **History of low compensation.** While COVID-19 and inflation are contributing challenges to the child care sector, it is important to recognize that child care workers have typically earned between \$11 - \$13.86/hour<sup>x</sup> – wages well below the income threshold needed to sustain a family without safety net assistance.

**Important Resources and Funding Sources**

The table below is a compilation of important resources available to families, child care programs, and educators related to child care in Tennessee. These resources are described in further detail throughout this report. Please note that the vast majority of TDHS’ child care funding comes from the federal Child Care and Development Fund (CCDF) for child care related expenditures.

Resource	Funding Source	Category
TDHS Child Care Locator: <a href="#">DHS Child Care Locator (tn.gov)</a>	TDHS (CCDF)	Access
Smart Steps Child Care Payment Assistance	TDHS (CCDF)	Affordability
Other TDHS Child Care Payment Assistance Programs	TDHS (TANF), Other TDHS Funding	Affordability
Tennessee’s Voluntary Preschool Program (VPK)	TDOE Voluntary Preschool Funding	Affordability
TDOE School-Administered Child Care Programs	TDOE, Lottery Education Afterschool Programs (LEAPs), and 21st Century Community Learning Center (21st CCLC) Programs	Access
Head Start/Early Head Start	Federal Head Start Funding	Affordability

Resource	Funding Source	Category
Early Childhood Special Education (IDEA Part B, Sec. 619)	State/Federal IDEA Part B Sec. 169 Funding	Access
Title I Pre-K	Title I Funding	Affordability
Business Partnerships (ex: Tyson Tykes/KinderCare)	TDHS (CCDF), TDECD (CDBG), Private Funding	Affordability
Child Care WAGE\$ Program	TDHS (CCDF)	Workforce
Tennessee Early Childhood Training Alliance (TECTA)	TDHS (CCDF)	Workforce
Early Childhood Education, Training, Certification, and Degree Programs (See Appendix A.5)	TDOE Secondary and Post-Secondary Education Funding, Tuition Fees	Workforce
Tennessee Professional Archive of Learning (TNPAL)	TDHS (CCDF)	Workforce
Shared Services Programs (e.g. Chambliss Center for Children, NEXT Memphis Program, Community Foundation of Middle Tennessee)	Private Funding (e.g. charitable donations, fees, etc.); TDHS (CCDF); Local Funding	Quality
Tennessee's Revised Quality Rating Improvement System (QRIS)	TDHS (CCDF)	Quality

### Implications

This Interim Progress Report is the initial deliverable due to the General Assembly from the CCTF. This document lays the foundation for future work by developing the collective “vision” of the CCTF members for child care in Tennessee; this collective vision will guide the CCTF’s final recommendations and implementation strategies for establishing a future state of child care. Recommendations for the future state of child care will be reviewed with stakeholder focus groups in East, Middle, and West Tennessee in the summer of 2022. All results will be compiled in a final report (with a corresponding implementation plan), due November 1 to the CCTF.

## GLOSSARY OF TERMS AND ACRONYMS

The following table includes terms and acronyms that are commonly used in this report.

**TABLE 1. GLOSSARY OF TERMS AND ACRONYMS**

<b>Term (Acronym):</b>	<b>Definition:</b>
Access	Access to early care and education means that families, with reasonable effort and affordability, can enroll their child in an arrangement that meets families' needs in terms of location, hours of operation, and availability for placement within a program. <sup>xi</sup>
Affordability	As a dimension of access, affordability reflects a broad definition of cost, including cost to parents, subsidies or financial assistance, and costs incurred by early childhood programs for providing services <sup>xii</sup> .  While there is no consistently accepted definition of "affordable child care," a commonly cited definition from the U.S. Department of Health and Human Services states child care that does not exceed 7% of a household's income is considered affordable. <sup>xiii</sup>
American Rescue Plan (ARP)	The American Rescue Plan (ARP), also called the American Rescue Plan Act (ARPA), provides critical and unprecedented support to children, families, and communities in response to the COVID-19 pandemic and resulting economic downturn <sup>xiv</sup> and provided \$39 billion in emergency funding to stabilize the existing child care sector. <sup>xv</sup>
Child Care	The provision of supervision and protection, and meeting, at a minimum, the basic needs of a child for a minimum of three (3) hours per day and less than twenty-four (24) hours a day. <sup>xvi</sup>  Within the CCTF, there are varying opinions on the true definition of child care, particularly regarding the age groups served. Some members believe child care is primarily focused on children birth to five years of age; some believe the age range goes up to 12 years of age.
Child Care and Development Block Grant (CCDBG)	The federal law that authorizes the Child Care and Development Fund (CCDF) program <sup>xvii</sup> .
Child Care and Development Fund (CCDF)	A program administered by states, territories, and tribes that outlines how federal funds are used to provide low-income families with financial assistance to access child care. <sup>xviii</sup>
Child Care Certificate Program	Also called the subsidized child care program; TDHS provides financial assistance with child care costs for families meeting income guideline criteria through several child care assistance programs, <sup>xix</sup> including Families First participants, parents transitioning off Families First, parents working or enrolled in post-secondary education programs, teen parents, and children in foster care.
Child Care Workforce	Any individual who is a nonparental caregiver, in center- and/or home-based child care, preschool classrooms, and informal arrangements with family, friends or neighbors. <sup>xx</sup>
Community Development Block Grant (CDBG)	The Community Development Block Grant (CDBG) is a federal program that provides annual grants on a formula basis to states, cities, and counties to develop viable communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. <sup>xxi</sup>



Term (Acronym):	Definition:
Coronavirus disease (COVID-19)	Coronavirus disease (COVID-19) is an infectious disease caused by the SARS-CoV-2 virus. <sup>xxii</sup> COVID-19 is caused by a virus called SARS-CoV-2. It is part of the coronavirus family, which include common viruses that cause a variety of diseases from head or chest colds to more severe (but more rare) diseases like severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome (MERS). <sup>xxiii</sup>
Early Childhood	The first period in child development, beginning at birth. Although developmental periods do not rigidly correspond to chronological age, early childhood is generally defined as including all children from birth through age 8. <sup>xxiv</sup>
Quality	<p>In general terms, quality is “a degree of excellence.”<sup>xxv</sup> In the context of child care, a program is considered higher quality if it implements practices that “exceed minimum licensing standards.”<sup>xxvi</sup></p> <p>While there is no nationally adopted definition for quality in the context of child care, for the purpose of this report, quality refers to the status of a program that implements intentional practices, in addition to the minimum licensing standards, that enhance the overall experience for the children, families, and staff. Criteria that are referenced to measure quality in Tennessee include:</p> <ul style="list-style-type: none"> <li>• Supervision Practices/Facilities/Equipment</li> <li>• Record Keeping</li> <li>• Healthy Weight and Disease Prevention</li> <li>• Organizational Structure/Qualifications</li> <li>• Early Learning Activities and Routines</li> <li>• Responsive Caregiving</li> <li>• Behavior Support and Guidance</li> <li>• Family Engagement and Interactions<sup>xxvii</sup></li> </ul>
Quality Rating and Improvement System (QRIS)	A QRIS is a systemic approach to assess, improve, and communicate the level of quality in early and school-age care and education programs. Similar to rating systems for restaurants and hotels, QRIS awards quality ratings to early and school-age care and education programs that meet a set of defined program standards. By participating in their state’s QRIS, early and school-age care providers embark on a path of continuous quality improvement. Even providers that have met the standards of the lowest QRIS levels have achieved a level of quality that is beyond the minimum requirements to operate. <sup>xxviii</sup>

## INTRODUCTION

The Tennessee Department of Human Services (TDHS) has placed a focus on the evaluation of the current child care system challenges. A Child Care Task Force (CCTF) was created through Public Chapter 474 of the Acts of the 112th Tennessee General Assembly. The 15 member CCTF appointed by the Tennessee General Assembly consists of five departmental commissioners and 10 appointments selected by Speaker of the House of Representatives Cameron Sexton and Lt. Governor and Speaker of the Senate Randy McNally.

The CCTF was created to engage an array of stakeholders statewide to develop innovative ideas to improve accessibility, affordability, and quality of child care for working families. Monthly CCTF meetings are held to identify challenges, successes, topics for further evaluation, to facilitate information sharing, and to guide the development of a strategic plan. TDHS contracted with Public Consulting Group LLC (PCG) to serve as a consultant to the CCTF, providing subject matter and research expertise to support the CCTF in meeting its statutory requirements.

### Goals

The goals of this Interim Progress Report, per PCG's contract with TDHS, are outlined in the following requirements:

- a. *No later than May 15, 2022, the Contractor shall deliver to the State an Interim Progress Report, in a form acceptable to the State, of its activities, findings and recommendations. The Contractor shall make a presentation regarding the Interim Progress Report to the Child Care Task Force at the request of the State.*
- b. *The Contractor shall include in the Interim Progress Report such elements of information as the State may request, including but not limited to the following:*
  - *Literature and statistics reviewed;*
  - *Names and titles of Child Care Leadership Staff who were consulted in other States; and*
  - *Other actions taken to support development of findings and recommendations.*
- c. *Upon the Contractor's delivery of the Interim Progress Report, the State shall review the report and indicate changes that are necessary in the State's sole discretion. The Contractor shall comply with any such requests for changes within a reasonable time.*

This Interim Progress Report has been divided into three overall sections:

1. An overview of the methodology and design that informed the development of this report, including the process for surveying CCTF members and interview protocol for CCTF members and identified stakeholders. PCG will engage with out-of-state stakeholders identified by the CCTF during the April 2022 meeting throughout the summer of 2022.
2. An "as-is", current state analysis of child care in Tennessee, informed by extensive interviews with CCTF members and identified stakeholders and state and federal data concerning child care in Tennessee. This section includes an overview of the three main pillars of child care in Tennessee, as identified by Public Chapter 474 and further defined by the CCTF: "access, affordability, and quality." This section also includes an overview

of Tennessee's child care governance structure and recent reform and modernization efforts undertaken by the state.

3. Appendices containing data and other references gathered throughout the first few months of this engagement between PCG and the CCTF.

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## METHODOLOGY AND DESIGN

The CCTF and PCG conducted an “as-is” analysis of the current state of child care in Tennessee. First, PCG and the CCTF drafted an eleven-question survey to capture CCTF members’ thoughts around terminology, roles of businesses and government, quality, systems, and strategies in child care. PCG identified key findings from the CCTF and together with the CCTF decided to take a more in-depth approach with one-on-one, hour-long interviews with each CCTF member on the current state of child care.

### ***Secondary Analysis***

An initial secondary analysis of data was conducted using data obtained from publicly available national/state databases, such as the United States Census Bureau, Bureau of Labor Statistics and state-level data provided by TDHS and the Tennessee Department of Economic and Community Development (TDECD). The secondary analysis was conducted to provide insight on the general “as-is” state of the child care system. Using available economic indicators in addition to specific data around the availability of child care, PCG generated the heatmaps available within this report and other referenced statistics.

### ***Child Care Task Force Member Survey***

Between February and March of 2022, a survey available to all members of the CCTF was conducted to gather information on current beliefs of what child care is, who it serves, how it is supported, and how or if the government should be a funding source for child care. Data collection efforts were designed to better understand the current state of child care in Tennessee. Content for the “as-is” survey was co-created by the CCTF and PCG. The survey was comprised of eleven questions surrounding the CCTF’s opinions of the current state of child care in Tennessee. After receiving final approval, the surveys were built into an online data collection tool, Alchemer, which served as the primary portal for gathering completed surveys. Overall, seven responses to the survey were submitted between February 28 and March 8. See ***Appendix 1 Survey*** for the survey protocols and key findings.

### ***Child Care Task Force Interviews***

Based on the “as-is” survey information, the CCTF and PCG chose to conduct further study to gather specific information from each CCTF member and referred key stakeholders on the current state of child care. PCG coordinated a Doodle poll for each member to select a time for a one-hour, in-depth interview. Eighteen semi-structured interviews were conducted using a qualitative action research method. Using purposeful sampling, the target population included a variety of key participants from the CCTF and in-state stakeholders. Due to CCTF members and in-state stakeholders residing across the state of Tennessee all interviews were conducted virtually via Microsoft Teams (Teams) throughout the months of March and April. The interviews stayed structurally consistent, each interview had at least two PCG staff and one CCTF member, and the interview questions were asked verbally by the PCG interviewer. With participant consent, each interview was electronically recorded, and the interviewers took additional notes on observations made throughout the interview. Succeeding each interview, the Teams-generated transcript was verified by the PCG team to assure accuracy. The interview protocol can be found

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in **Appendix 2 Child Care Task Force Interview Protocol** and a summary of interview participants can be found in **Appendix 3 Interview Participant Summary and Quotes**.

### **Limitations**

There are some limitations to data collection as several metrics or research sources were not available. These include:

- State-level enrollment data for child care providers;
- Measurements of demand from families for both traditional and nontraditional hour child care;
- Equivalent measurements of quality for TDOE-certified programs compared to TDHS-licensed programs evaluated using the QRIS;
- Detailed information about certain historical programs and other offerings managed by the state, such as an expired child care tax credit for businesses;
- Statewide inventories of non-governmental supports for child care programs, such as organizations that support shared services models;
- Certain data points about population and economic indicators for specific age groups, since the U.S. Census and BLS report age group information differently than the manner in which age groups are typically divided in terms of child care;
- Lack of available national or state-level literature from sustainable child care models.

## “AS-IS” CURRENT STATE ANALYSIS

### Introduction

This interim report includes detailed information on the current “as-is” state of the Tennessee child care landscape across key intersecting aspects of access, affordability, and quality. These three pillars were identified by Public Chapter 474 and defined jointly by the CCTF during its initial convenings in order to drive discussion around the state of child care in Tennessee and the CCTF’s mission. Additionally, the U.S. Administration for Children and Families has focused on and defined these pillars as essential to understanding the landscape of child care and the system’s ability to support families and children. This “as-is” analysis is an effort to evaluate the current status of access, affordability, and quality with respect to child care across the state. The results are inclusive of factors such as COVID-19 pandemic recovery and recent policy and program redesigns in an effort to use the most current and relevant data and information possible to inform prospective policy decisions.

Quantitative data was obtained from publicly available national/state databases and qualitative data was obtained from key informant survey responses and interviews, further outlined in the preceding methods section.

### EXAMINING THE THREE PILLARS: ACCESS, AFFORDABILITY, AND QUALITY

The challenges and barriers faced by families when selecting child care are multidimensional and are often directly aligned to the three pillars of accessibility, affordability, and quality. Parents/caregivers are burdened with the task of finding and maintaining child care in a system with continuously rising costs, a consideration within the dimension of accessibility. Accessibility is a common barrier for families in both rural and urban areas for multiple reasons, including the disparity between the number of open child care placements (commonly referred to as “slots”) available as compared to demand, availability of transportation to locations with child care, and the availability of alternative workday care options. Quality is the final pillar and represents not only how safe and healthy a child care setting is, but also how well the setting is prepared to support children’s kindergarten readiness and learning outcomes in service of helping children achieve the developmental progress and outcomes needed to succeed in school and life. When considering the three pillars, one must understand that they work in tandem and cannot be disentangled from one another.

### DEFINING THE THREE PILLARS OF CHILD CARE

#### **Access**

Access to child care and education as defined by the Tennessee Department of Human Services (TDHS) and Tennessee Department of Education (TDOE) means that parents, with reasonable effort and affordability, can enroll their child in an arrangement that both supports children’s development and meets the parents’ needs.

## Data and Demographics of Child Care

### Current Understanding

In Table 2 below, the total number of regulated child care programs throughout Tennessee are listed by program type (e.g., center, family home, group home, etc.). In the Existing Governance subsection that follows, the distinctions between programs operated by these TDHS and TDOE are detailed further. In brief terms, TDHS-licensed programs are available to all families in the state, do not have specific eligibility requirements, and are privately operated. TDOE-approved programs include eligibility-based programs such as voluntary preschool (VPK) and early childhood special education (IDEA Part B. Sec 619) and may be operated by either the state, a school district, or a private organization (such as Boys & Girls Clubs). Additionally, TDOE can approve a number of other programs, such as private early childhood programs, as long as these programs have at least one certified kindergarten classroom.

**TABLE 2: TOTAL NUMBER OF PROGRAMS, BY REGULATORY AGENCY AND PROVIDER TYPE**

Regulatory Agency and Provider Type	Number of Programs
<b>TDOE Licensing</b>	<b>1857</b>
Center	1855
Group	2
<b>TDHS Licensing</b>	<b>2319</b>
Center	1752
Drop In	11
Exempt	5
Family	241
Group	310
<b>TOTAL</b>	<b>4176</b>

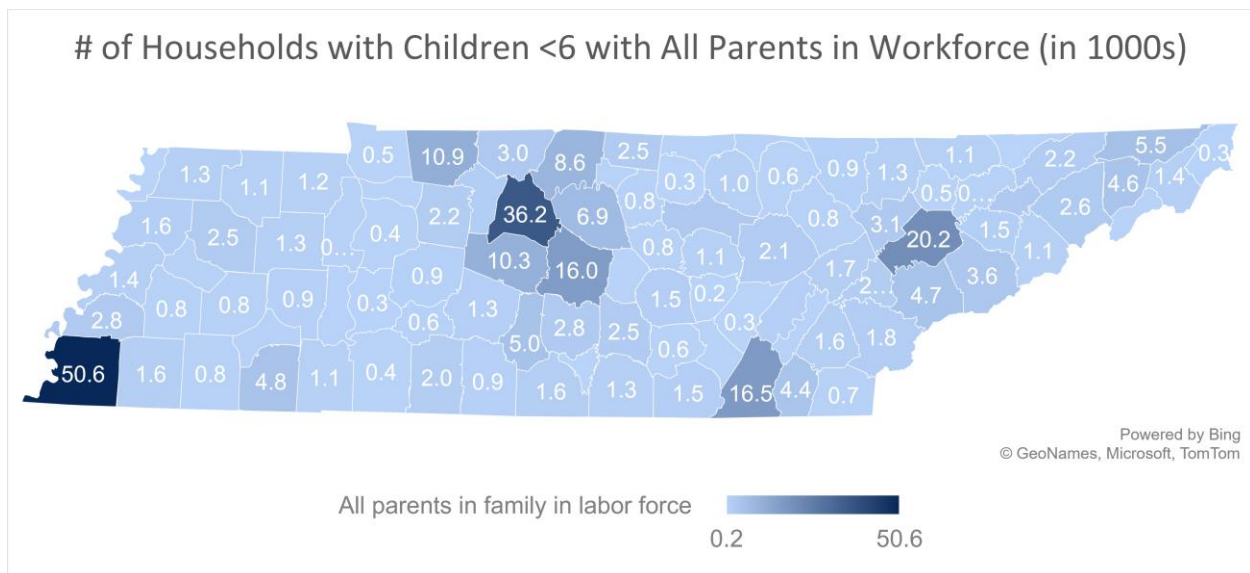
The approximately 4,000 child care programs (as of April 2022) regulated by either TDHS or TDOE equate to nearly 320,000 available child care slots in the state, as shown in Table 3 below.

**TABLE 3: TOTAL CAPACITY, BY REGULATORY AGENCY AND PROVIDER TYPE**

Regulatory Agency and Provider Type	Total Cap	Avg.	Min.	Max.
<b>TDOE Licensing</b>	152,042	82	5	700
Center	152,010	82	5	700
Group	32	16	16	16
<b>TDHS Licensing</b>	167,337	72	3	576
Center	160,039	91	14	576
Drop-In	844	77	36	242
Exempt	1,025	205	125	250
Family	1,690	7	5	12
Group	3,739	12	3	15
<b>TOTAL</b>	<b>319,379</b>	<b>77</b>	<b>3</b>	<b>700</b>

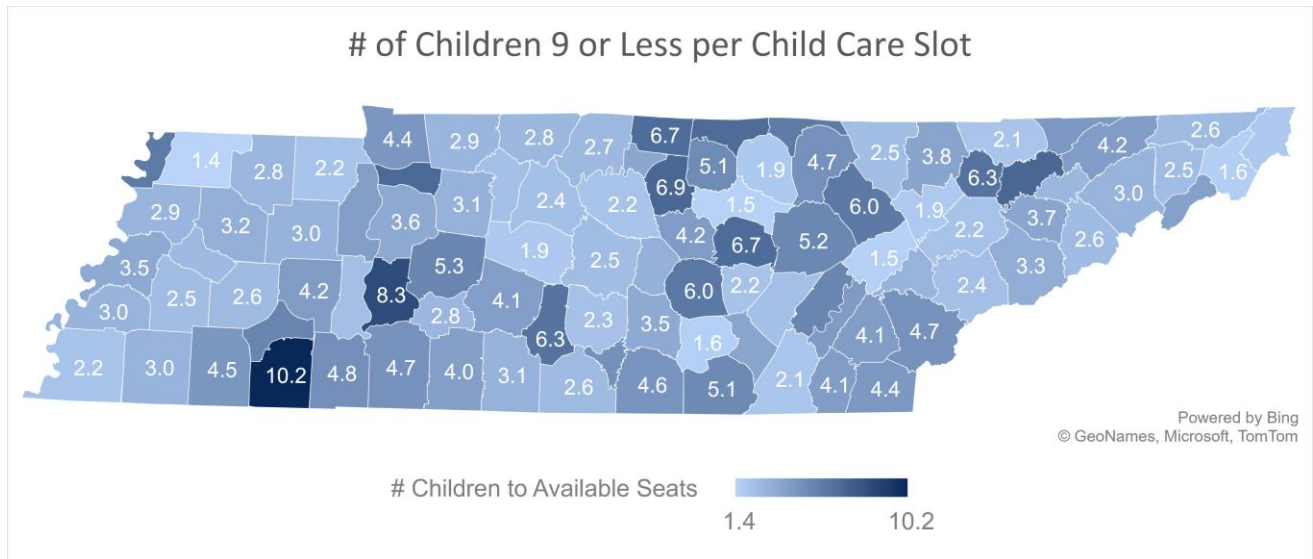
*Potential Need to Access Child Care*

One of the most likely indicators in determining the number of households that may need access to child care involves examining the number of households wherein all parents or caregivers may be participating in the workforce. Below is a heatmap of the number of families with a child under six years of age where all parents/caregivers in the household are in a given county’s labor force, according to the 2020 United States Census.<sup>xxix</sup> According to the United States Census Bureau, county labor force is defined as the sum of employed and unemployed individuals in an area. People who are **not** included in the labor force and thus not included in these calculations include “retired persons, students, those taking care of children or other family members, and others who are neither working nor seeking work.”<sup>xxx</sup>



As the graphic indicates, the largest number of these children are in the highest population centers in the state (i.e., in and around Shelby, Davidson, Knox, and Hamilton Counties). More evaluation on the number of infants and toddlers with all parents in the workforce throughout the state compared to available slots should be further investigated to better understand the child care landscape. Data for this visual comes from the most recent U.S. Census data,<sup>xxxi</sup> and are limited to the grouping of children birth to six years of age. These data were compared to the number of regulated providers from data provided by TDHS and TDOE.



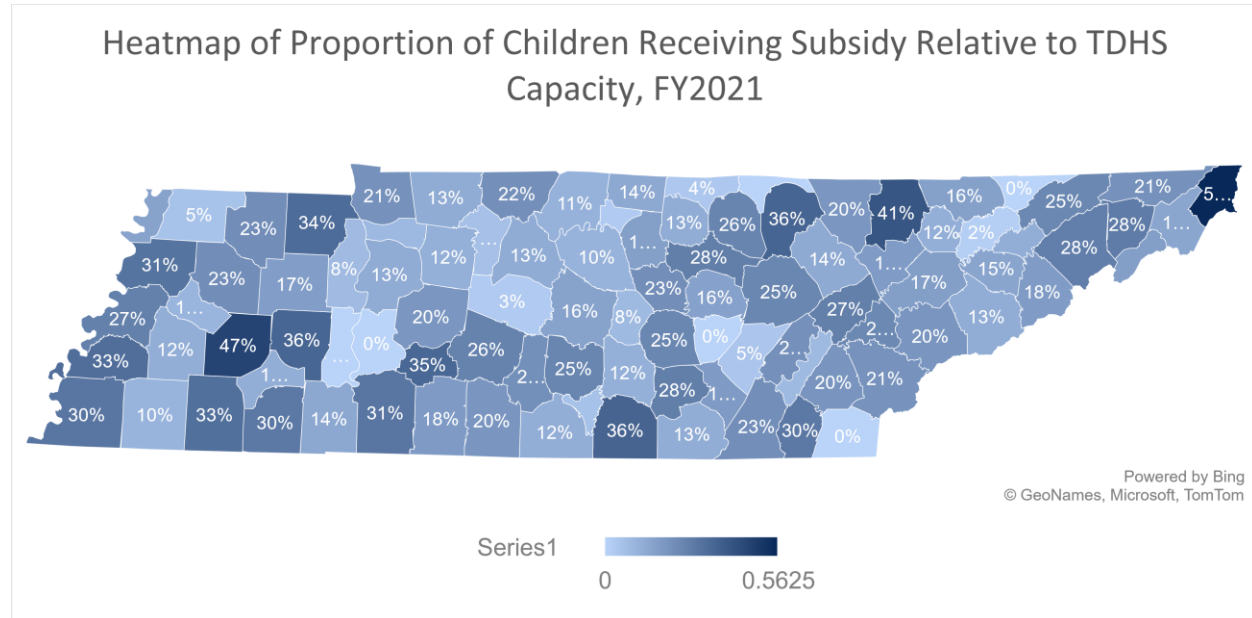


This graphic illustrates the total number of children nine years old or less<sup>xxxii</sup> compared to the total regulated capacity of child care providers by county (inclusive of TDHS-regulated and TDOE-certified programs). Though not all families have demand for child care due to alternative options for care (such as a parent staying home or care provided by other family members), a considerable number of these families seek care in some form or fashion. Overall in Tennessee, there are 3.8 children for every regulated child care slot in the state. There are several counties where this figure is much higher, such as 10.2 children-per-slot in McNairy County and 8.3 children-per-slot in Perry County, indicating that these areas are potentially **child care deserts**. Ideally, the state should focus on lowering this ratio in the counties where it is highest, primarily exurban and rural areas around Tennessee’s population centers. This map demonstrates that there are counties that do not have sufficient capacity based on the number of children residing there.

Child care deserts are defined in a study by the Center for American Progress as “any census tract with more than 50 children under age 5 that contains either no child care providers or so few options that there are more than three times as many children as licensed child care slots.”<sup>xxxiii</sup> In Tennessee, according to this study, “48% of all residents live in a child care desert. This includes child care providers, Head Start, family child care providers, and public and private preschools to gather a complete picture of access in the state. Child care supply is especially low among certain populations. Fifty-two percent of Hispanic/Latino families and 62% of rural families live in areas without enough licensed child care providers.”

Below is a heatmap demonstrating the total of child care slots utilized by children who received child care certificates (child care subsidy) FY 2021. The total number of child care slots used by children receiving certificate in FY 2021 was 33,410. However, it is critical to note that this number does not account for all children eligible to receive the child care certificate. This number is strictly the number of children and families that applied, were approved, and ultimately used the child care certificate. Therefore, when calculating the number of child care slots for families that are eligible for certificates, it is vital to consider the total number of children eligible, the total number of children who applied, and the total number of children approved but who did *not* use the certificate in addition to the total number of children that did use the certificate. Child care

certificate eligibility and use are critical indicators of demand that are often isolated within examinations of the child care crisis and should be further evaluated and incorporated into calculations of more broad child care demand. By identifying the number of children eligible for certificate and number of children approved for certificate, policymakers can better identify the need for subsidy increase or lowered costs for care through other funding sources across the state.



This map is visually similar to the previous map with exurban and rural areas having higher proportions of total capacity filled through child care subsidies, which is further reflected in the Center for American Progress’s analysis of child care deserts.

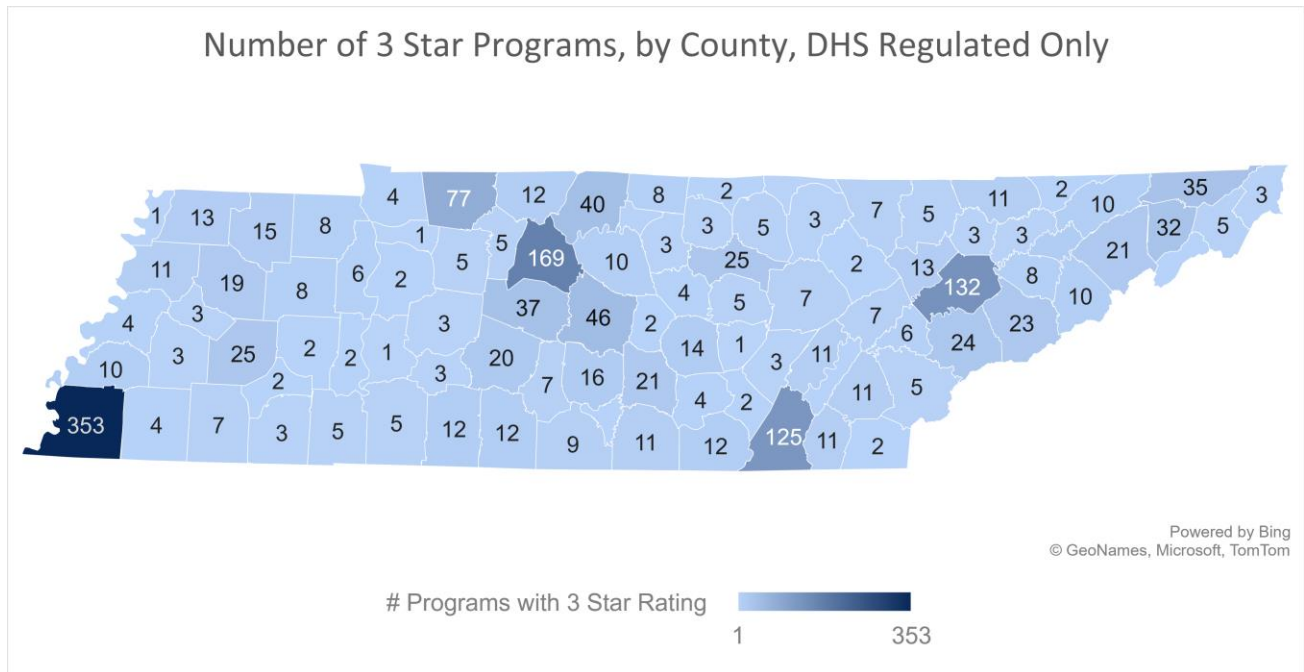
### Access to High Quality Care

All TDHS-licensed programs, with the exception of drop-in centers, receive an annual report card based on prescribed component areas. These components vary based on the type of licensed facility. In addition, a program may choose to participate in the Star Quality Program, which assigns a rating based on the scoring of the report card. Of the approximately 4,000 regulated child care providers in the state, about half (2,027) participate in the TDHS-operated QRIS system, with about three-quarters (1,686) of those having the highest quality rating (three stars).

TDOE-regulated programs operate under a different monitoring system that does not involve the state’s QRIS. For this reason, about half of regulated programs do not have a star. This is an opportunity for the CCTF to explore streamlining the state’s dual monitoring and licensing systems (currently administered separately by TDHS and TDOE). Many states, for example Ohio and Rhode Island,<sup>xxxiv</sup> have worked to design coordinated monitoring systems across agencies and funding streams and have required programs such as state Pre-K to participate in state quality initiatives including QRIS, and some states mandate that if a provider is contracted or approved by an outside entity, for example the National Association for the Education of Young Children (NAEYC) or a state funded Pre-K contractor, then that provider automatically receives an established rating as a result of meeting the outside entity’s established metrics. These efforts

work to align program quality expectations across the mixed delivery system and further promote cost efficiencies related to state personnel demands.

Below in an additional heatmap charting the number of 3-Star programs in each county. As the map demonstrates, there are five counties with only one 3-Star program (Houston, Lake, Perry, Pickett, and Van Buren). The state should consider mechanisms such as required ratings, incentivized ratings, etc. to ensure that quality programming is available to families in these counties.



### Access to Nontraditional Hour Care

Obtaining child care outside of normal business hours presents a challenge for many working families, both in Tennessee and nationwide. Nationally, 43%<sup>xxxv</sup> of children live with a parent who works outside of “normal” business hours.

Research indicates that “roughly one-third of all children younger than 6 (almost 5 million in total) have parents who work nontraditional-hour (NTH) schedules.”<sup>xxxvi</sup> This group of children includes as many as 40 to 50% of Black and Latino children whose families have historically faced barriers to good jobs and education.

The Tennessee economy runs on adults working jobs at hours throughout the day in industries that include but are not limited to healthcare, hospitality, transportation, and retail and merchandise. Despite this, of the approximately 4,000 regulated child care providers in the state, only 5% (844) of child care providers open their doors earlier than 6:30 AM and 11% (370) stay open after 6:00 PM. Weekend hours of operation are currently unknown on a statewide level, but this is also likely an even smaller number of programs.

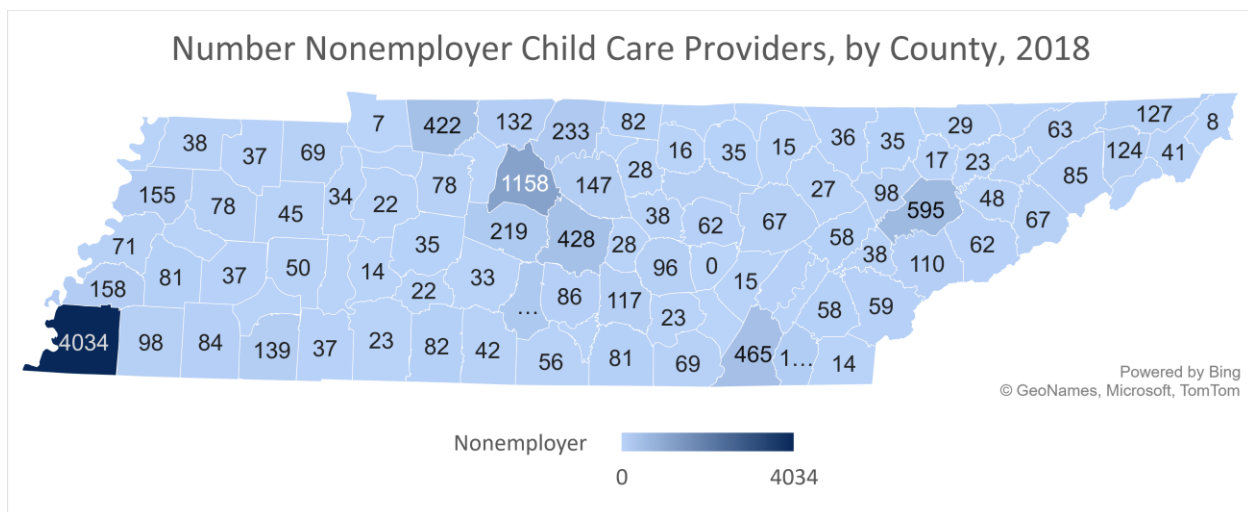
Below is a heatmap illustrating the number of regulated programs that have listed their hours as open **before** 6:30 AM.



nontraditional hour care. Another option involves building the capacity of family child care settings, which by their nature are often better equipped for providing nontraditional care.

*“Family, Friend, and Neighbor” Child Care Providers*

According to the U.S. Bureau of Statistics, there were 12,423 individuals who filed federal taxes as a nonemployer<sup>xxxviii</sup> child day care services provider in 2018. Many of these providers are likely known to TDHS as a family home child care provider; however, there could be approximately 10,000 individuals providing child care in Tennessee who are not monitored by any regulatory agency in the state and offering what is called “kith and kin” or “family, friend, and neighbor” care. A number of these providers are likely operating lawfully, as providers can operate without authorization from a state agency so long as they are caring for four or less non-related children. The CCTF should further investigate strategies to bring these providers into the regulatory network. The heatmap below illustrates the distribution of these nonemployer providers across the state.<sup>xxxix</sup>



Other national programs exist to provide financial support and technical assistance to nonregulated providers in order to support their transition to becoming licensed. An important consideration related to system capacity when providers become licensed is that they are often able to obtain a license that allows them to lawfully care for more children with the help of an assistant, thereby increasing the number of available slots across the system. Initiatives aimed at organizing these family care systems include those such as [All Our Kin](#), [Kith and Kin](#), and other professional development offerings such as those sponsored by the [Administration for Children and Families](#). Tennessee may want to further consider designing initiatives aimed at supporting unregulated providers to become licensed and increasing the total number of quality family child care providers.



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## Additional Questions and Considerations

### *Enrollments Versus Total Capacity*

Real-time utilization of child care is potentially the best indicator to understand where the greatest need for additional child care slots is located. Utilization in this use is defined by the number of enrollments in comparison to the total capacity of a given program. At this time, it is not feasible to determine an accurate picture of enrollments versus capacity at a statewide level in Tennessee, as program-level enrollment data is not readily available beyond the number of children receiving child care certificates. However, TDHS will soon be able to better examine this with the help of its ongoing system modernization initiative, which will include a new provider-level data system that will allow providers to log enrollments for all children rather than only children receiving certificates. The state could also ask providers to track and report waitlist data in order to measure need beyond current utilization, facilitating a better understanding of demand.

### *Access for Children with Special Needs*

Families looking for care to support children with special needs can connect with the Tennessee Department of Health (TDOH)'s Welcome Baby universal outreach program and other resources to learn about supports the state can provide to help children thrive from birth through adulthood. While TDOH offers supports such as home visiting and maternal and child health resources (Title V services), it can also connect families to other programs such as IDEA Part C Early Intervention<sup>xi</sup> (managed by the Tennessee Department of Intellectual & Developmental Disabilities [TDIDD]) and IDEA Part B Sec. 619 services<sup>xii</sup> (managed by TDOE). The Tennessee Early Intervention System (TEIS) served over 20,000 children during FY 2021 and is on track to serve a similar number in FY 2022.<sup>xiii</sup> An additional 13,000 children receive individualized special education services each year through IDEA 619 Preschool.<sup>xiii</sup>

Further research and analysis should be taken into consideration by the CCTF on the accessibility of child care for children with both medical and behavioral special needs as little statewide data currently exist relative to the accessibility of child care for this specific population.

## Child Care Search

### *Finding Child Care*

Resources available to assist families in finding child care, including Child Care Resource & Referral (CCR&R) Agencies. CCR&Rs are local agencies designed to assist parents in selecting child care by providing referrals to local child care providers, information about state licensing requirements, and information on funding assistance. TDHS also offers a comprehensive child care locator tool: [DHS Child Care Locator](#). This tool provides an online search function for child care programs regulated by both TDHS and TDOE. Families are able to search for all types of child care based on providers' proximity to specific street addresses, Star rating, age groups served, acceptance of child care certificate assistance, and numerous other variables. Individual programs' monitoring and compliance history is also available through the tool. Through TDHS's recent systems modernization efforts, further consideration should be given to adding information about open slots at individual programs to this site.

An additional suggestion for the CCTF to consider is the further exploration of data analytics from the state’s existing child care search pages to better understand utilization and potentially inform future marketing campaigns. Further analysis can be done to understand whether parents in Tennessee are aware of the array of resources that are currently available to them in securing child care. This can be done via a parent survey (such as the survey in development by Tennesseans for Quality Early Education) and/or through CCTF focus groups in the later portions of this project’s scope of work.

Opportunities related to technology use and accessibility to promote awareness and affordability have also been discussed with stakeholders. Specifically, CCTF members have cited the [Wonderschool](#) platform as a strong example of a tool linking parents with providers. The Wonderschool platform also has experience working with governments to provide access to and management of data relating to child care.



### **Affordability**

A dimension of access, affordability has been defined broadly in terms of cost, including cost to parents, availability of subsidies or financial assistance to families, and costs incurred by early childhood programs for the provision of services<sup>xiv</sup>. While there is no consistently accepted definition of “affordable child care,” a commonly cited definition from the U.S. Department of Health and Human Services states that child care which does not exceed 7% of a household’s income is considered affordable.<sup>xiv</sup> Because low-income families disproportionately spend more of their income on child care compared to higher income families, the 7% benchmark was recommended in order to achieve parity in child care cost burden. In Tennessee, the Smart Steps child care subsidy program is available to families with incomes less than the 85<sup>th</sup> percentile of the state median income and provides for a 15% differential rate for families in child care deserts and economically depressed communities. There are also differentials for care provided during nontraditional hours and care for children with special needs.

Through subsidies provided by federal, state, and local funds (depending on the program), the state offers financial assistance to families that meet income eligibility requirements to help those families afford to secure and maintain child care. Table 4 below lists some of these programs, their scope, and how families may be determined eligible.

**TABLE 4: TENNESSEE’S CHILD CARE ECONOMIC SUPPORTS**

Program	Admin By	Scope & Eligibility Requirements
Smart Steps Child Care Payment Assistance	TDHS	<p>Provides child care payment assistance to working families and those pursuing post-secondary educational goals. Eligibility is based on certain work and/or education requirements in addition to income requirements.</p> <p>One of the largest programs on this list and the state’s primary child care subsidy program, Smart Steps is available to parents who work and/or are in school no less than 30 hours per week, have gross income below the 85<sup>th</sup> percentile of the state median income (the maximum federally allowed by CCDBG), and have a child between six weeks through five years of age.</p>

Program	Admin By	Scope & Eligibility Requirements
At-Risk Child Only (ARCO) Child Care Payment Assistance	TDHS	Serves guardians in Families First (TANF) child-only cases that are working and/or in school. Child-only guardians are typically grandparents, aunts, or uncles that have care and control of a relative child. Caregivers must engage in thirty (30) hours of paid work per week, including self-employment and/or education and training hours, to receive ARCO.
Transitional Child Care Payment Assistance	TDHS	Transitional Child Care (TCC) (also referred to as Transitional Families First, or TFF) is available for qualifying families for eighteen (18) months following the closure of Families First cash assistance. To be eligible, the parent or guardian must have income less than 60% of the state median income and meet a thirty (30) hour per week work and/or education/training requirement.
Teen Parent Assistance for Child Care Program	TDHS	The Teen Parent Assistance for Child Care Program serves individuals who are enrolled in and attending middle or high school. Assistance is available for all eligible teen-parents living at home with their parent(s)/guardian(s) and teen parents who are emancipated and living independently.
Department of Children's Services (DCS) Child Care	TDHS	TDHS provides the Certificate for children in certain categories of foster care and a Child Care Professional payment processes as a service for the Tennessee Department of Children's Services (TDCS).
SNAP E&T Referrals for Child Care Payment Assistance	TDHS	Parents/guardians must be enrolled in the Supplemental Nutrition Assistance Program Employment & Training Program (SNAP E&T).
RESEA Referral Child Care Payment Assistance	TDHS	Parents/Guardians must be enrolled in the Reemployment Services and Eligibility Assessment Program (RESEA) offered through the Tennessee Department of Labor and Workforce Development (TDLWD).
Tennessee's Voluntary Preschool Program (VPK)	TDOE	Children who meet free or reduced price lunch income guidelines and who are four years old by Aug. 15 receive first priority for enrollment. If space is available after enrolling children who qualify for free or reduced lunch, the program may enroll children who have disabilities, are English Language Learners, are in state custody, or who are at risk as defined by U.S.C. § 1400 et sec., regardless of income. If space is still available after the first 20 days of the new school year, the school district can submit a request to the Office of Early Learning to enroll all other children at that time.
Head Start/Early Head Start	TDHS/ TDOE	Head Start (HS)/Early Head Start (EHS) is a federal program for preschool children from low-income families according to poverty guidelines published by the federal government.



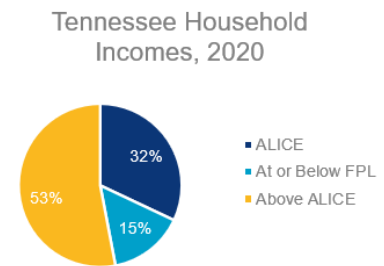
Program	Admin By	Scope & Eligibility Requirements
		Children who attend Head Start participate in a variety of age-appropriate educational activities, receive medical and dental care, have healthy meals and snacks, and enjoy playing indoors and outdoors in a safe setting. A minimum of 10% of enrollment opportunities are offered to children with disabilities. Children in state custody or are homeless are given enrollment priority.
Early Childhood Special Education (IDEA Part B. Sec. 619)	TDOE	Children who are determined to have disabilities under the federal Individuals with Disabilities Education Act (IDEA) are eligible for services from birth through age 21. Preschool children, generally children aged three through five, are eligible to receive a free appropriate public education on their third birthday. Services for children with disabilities are individually determined based on the needs of each child.
Title I Pre-K	TDOE	Title I pre-K programs generally serve Title I designated schools and can serve any preschooler in the specific school zone, regardless of income. Check with local school systems for entrance requirements.

Utilization of these programs is only one dimension of child care affordability in Tennessee, as many families secure child care with only their income(s) or with additional supports from their employer(s).

As an illustrative example, TDHS administered child care certificates for nearly 40,000 children in FY 2020 and 33,000 in FY 2021. With the onset of the COVID-19 pandemic in March and April 2020, the state was able to expand subsidy assistance to many more families through an essential/front line worker support initiative. As this program expanded, subsidy rolls swelled to include *an additional* 60,000 children, underlying the demand for child care payment assistance from families who were previously securing care (when available) without assistance, and who could now access help in paying for care. The basis for creating this temporary, time-limited category of care was to support essential workers in accessing care while their services were needed to respond to the pandemic and traditional care locations, such as public schools, were not available. Families who participated in the Pandemic/Essential Employee Child Care Payment Assistance Program did not have to meet income eligibility or work/education hour requirements in order to be enrolled in the temporary subsidy program.

The COVID-19 pandemic has brought into focus nationwide the systemic issues within the child care business model that directly affect the affordability of child care, and Tennessee is no exception. The nation’s child care sector is made up almost completely of small private businesses. These businesses have large overhead costs, largely a function of the staffing costs needed to maintain ratios, in addition to basic facilities costs. According to the U.S. Treasury, most child care business margins are only 1%. Treasury Secretary Janet Yellen was recently quoted as saying, “The free market works well in many different sectors, but child care is not one of them.”<sup>xvi</sup>

Part of the challenge with the child care business model is that families can only afford to pay so much for care. Placing children in care costs more in many instances than college tuition. Yet, according to the United Way of Tennessee’s 2020 ALICE (Asset Limited, Income Constrained, Employed) report,<sup>xlvii</sup> 47% of households in the state either live in poverty or are employed but “do not earn enough to afford basic necessities.” In the United Way’s calculated household survival budget for a family consisting of two adults, one infant, and one preschooler, child care specifically takes up 17% of the family’s household budget. This is well above the U.S. Department of Health and Human Services standard of 7% of income.



### *Implications of Lack of Care Options*

Public media has recently highlighted the implications of lack of care options for families. Post-pandemic, and with program closures, research has documented that families, often mothers and other female caregivers, leave their jobs to care for children as a result of a lack of child care. A report from Tennesseans for Quality Early Education states that “52,896 parents of children 5 and younger in Tennessee have had to quit a job, not take a job, or greatly change their job because of problems with child care.”<sup>xlviii</sup> More mothers would seek employment and increase their earnings if they had greater access to child care. According to the Center for American Progress, challenges have become a barrier to work, especially for mothers, who disproportionately take on unpaid caregiving responsibilities when their family cannot find or afford child care. In a 2018 survey conducted by the Center for American Progress, mothers were 40%<sup>xlix</sup> more likely than fathers to report that they had personally felt the negative impact of child care issues on their careers. Simply stated, businesses rely on workers and workers rely on child care; too often, parents, particularly mothers, leave the workforce due to a lack of care options.

### *Measuring Child Care Price Elasticity*

The CCTF should consider conducting further study into the economic price elasticity of child care in Tennessee. In the context of child care, price elasticity refers to the range within which families are willing to pay for child care rather than declining to purchase it. Child care price elasticity data will help stakeholders better understand the impact of future “shocks” to the child care system, such as with COVID-19 over the course of the past two years. As child care prices may be driven upward, this data will also help policymakers understand the point at which parents may decide to leave the workforce to care for their children. Answering this question could assist in projecting the impact of child care spending publicly and privately in the state in various economic situations. Nationally, research has found that the combination of high-cost child care and limited or stagnant financial assistance does drive working mothers out of the workforce. Some research has suggested that there has been a 13% decline in employment of mothers with children younger than five years of age.<sup>1</sup> However, this percentage was determined *before* the pandemic and should be further studied in the context of the past two years to understand what outcomes might be expected in the future.

### *Business Partnerships*

Public-private child care partnerships can be a hallmark of states’ child care infrastructure, and there are and have been a number of these types of relationships in Tennessee. A recent example

is the investment Tyson Foods has made at its new facility in Humboldt in West Tennessee.<sup>li</sup> Recognizing the relatively low number of available child care slots in the area to support over 1,000 new employees, Tyson will subsidize an adjacent child care facility operated by child care provider KinderCare to care for up to 100 children. This represents a partnership wherein private funds can subsidize the true cost of providing care. However, the complex nature of these partnerships means that they can be difficult to develop; the Tyson partnership, for example, took approximately three years and involved close collaboration with TDHS, TDECD, and Tyson and utilizes an array of braided public and private funding to support the program. Most importantly, it should be recognized that this work requires real partnership between the employer and the state to support the specific needs of an employer’s workforce, and that this approach is not “one size fits all.”

At this time, Tennessee has no employer tax credit for the provision or subsidization of child care. TDECD previously offered a child care tax credit for businesses in the state, though this is not currently available. The CCTF should explore a recommendation to consider legislation that would create a tax credit for companies that contribute funding, subsidize the cost of care for employees, and/or provide facilities/space to support child care. The Committee for Economic Development of the Conference Board (CED) maintains a list<sup>lii</sup> of all states that currently offer similar employer child care tax credits; below is a table that provides examples of tax credits from Arkansas, Georgia, and Virginia that Tennessee could replicate:

TABLE 5: EXAMPLE EMPLOYER CHILD CARE TAX CREDITS

State	Code Section	Employer Child Care Tax Credit Description
Arkansas	§ 26-51-507	<b>Employer-provided child care.</b> A business which qualifies for the exemption from the gross receipts tax under former § 26-52-401(29) shall be allowed an income tax credit of 3.9% of the annual salary of employees employed exclusively in providing child care services.
Arkansas	§ 26-51-508	<b>Employer-provided child care.</b> This tax incentive allows an income tax credit of 3.9% of the annual salary of personnel employed exclusively for providing child care services to the business's employees, or a \$5,000 income tax credit for the first tax year the business provides its employees with a child care facility. The credit is first available for use in the taxable year following the year the business makes payment of wages to childcare workers. Any unused credit may be carried forward two (2) years. To be eligible, the company must obtain a certification from the Arkansas Department of Education qualifying the facility as having an appropriate early childhood program.
Arkansas	§ 26-52-516	<b>Employer-sponsored child care.</b> A business which operates, or contracts for the operation of, a child care facility for the primary purpose of providing child care services to its employees may obtain a refund of the gross receipts tax paid on the purchase of construction materials and furnishings used in the initial construction and equipping of the child care facility after the facility is licensed pursuant to the Child Care Facility Licensing Act, § 20-78-201 et seq., and is certified as having an appropriate early childhood program pursuant to § 6-45-109.
Arkansas	§ 26-53-132	<b>Employer-sponsored child care.</b> A business which operates, or contracts for the operation of, a child care facility for the primary purpose of providing child care services to its employees may obtain a refund of the compensating use tax paid on the purchase of construction materials and furnishings used in the initial construction and equipping of the child care facility after the facility is licensed pursuant to the Child Care Facility Licensing Act, § 20-78-201 et seq.

State	Code Section	Employer Child Care Tax Credit Description
Georgia	§ 48-7-40.6	<b>Tax credits for employers providing child care.</b> Employer’s Credit for Purchasing Child Care Property. Employers who purchase qualified child care property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. Any unused credit may be carried forward for three years and the credit is limited to 50% of the employer’s Georgia income tax liability for the tax year. Recapture provisions apply if the property is transferred or committed to a use other than child care within 14 years after the property is placed in service. For more information, refer to O.C.G.A. §48-7-40.6.
Virginia	§ 58.1-439.4	<b>Day-care facility investment tax credit.</b> For taxable years beginning on and after January 1, 1997, any taxpayer shall be allowed a credit against the taxes imposed by § 58.1-320 or § 58.1-400 in an amount equal to twenty-five percent of all expenditures paid or incurred by such taxpayer in such taxable year for planning, site preparation, construction, renovation, or acquisition of facilities for the purpose of establishing a child day-care facility to be used primarily by the children of such taxpayer’s employees, and equipment installed for permanent use within or immediately adjacent to such facility, including kitchen appliances, to the extent that such equipment or appliances are necessary in the use of such facility for purposes of child day-care; however, the amount of credit allowed to any taxpayer under this section shall not exceed \$25,000. If two or more taxpayers share in the cost of establishing the child day-care facility for the children of their employees, each such taxpayer shall be allowed such credit in relation to the respective share paid or incurred by such taxpayer, of the total expenditures for the facility in such taxable year.

*On the Child Care Work Force and Pipeline*

Child care worker wages make up the large majority of expenses in child care programs; in Tennessee, these wages account for approximately 78% of total expenditures in a given child care program according to TDHS’ most recent cost of quality report.<sup>liii</sup> Because of this, wages for child care providers have the greatest impact on the cost of care that families pay; however, child care wages in Tennessee and nationally are typically well below a state’s median income. This, then, drives high turnover in child care programs, lessening the total number of children that programs are able to serve due staffing difficulties. This information that follows examines child care wages and various strategies the state has or could consider implementing to help boost worker wages without passing those costs to families via increased cost of enrollment.

*Child Care Worker Wage Data*

Low wages have plagued the recruitment of caregivers and educators into vacant and available positions within early care and education. In an industry based on staffing ratios, this shortage of child care workers leads to a reduction in the number of available slots for children. This is a national problem and is not unique to Tennessee. As mentioned above, the wage challenge directly impacts affordability. There are practical limits to what families can afford to pay for child care, and child care is a largely private market. With the largest portion of a program’s budget allocated to staffing, there are not many opportunities for cost savings for business owners.

According to the U.S. Bureau of Labor Statistics (BLS), child care workers in Tennessee typically make \$11.00 - \$13.86 per hour.<sup>liv</sup> The table below details the estimated wages for lead teachers (the primary educator in a classroom responsible for childrens’ developmental growth), assistant

teachers (teachers who support lead teachers’ lesson plans), and general child care workers or “floaters” (i.e., educators who move between classrooms and fill coverage needs as necessary).

**TABLE 6: BLS WAGE DATA FOR CHILD CARE PROFESSIONALS IN TENNESSEE**

BLS Occupation Code	BLS Occupation Title	Child Care Title	Median Hourly Wage	Mean Hourly Wage	Annual Mean Wage
25-2011	Preschool Teachers (except SPED)	Lead Teacher	\$13.86	\$15.75	\$32,680
25-9045	Teaching Assistants, Except Postsecondary	Asst. Teacher	N/A	N/A	\$26,530
39-9011	Childcare Workers	General Child Care / Floater	\$11.00	\$11.43	\$23,780

To make ends meet, the cost of providing child care is often subsidized by the wages of the very workers who provide the care.<sup>iv</sup> The wages of early educators represent roughly half of the wages of comparably educated peers across civilian labor force workers. Poor wages are seen at greater levels among Black and brown women, who are the most likely to provide child care.<sup>vi</sup> Further, poor wages are also subsidized by state public benefit programs, as a majority of early educators qualify for public assistance and require this support to survive. Additionally, many early educators do not receive essential employer benefits such as health insurance, life insurance, paid leave etc. through their employers. To support some of these costs, Tennessee may want to consider working with a vendor to provide elective fringe benefits for businesses that cannot afford them. For example, Orange County Florida offers a sponsored health insurance program for early educators.

*Child Care WAGE\$ Program*

There are a number of initiatives the state has taken to help boost wages, further education, and fortify the child care workforce. The state’s Child Care WAGE\$ Program,<sup>vii</sup> for example, is an education-based salary supplement program for child care instructional staff specifically – the staff who directly work with children. Over the course of nine levels of varying degrees of education and specific college credit hours, teachers can be eligible for a minimum \$600 annual supplement to their wages (Level 1) and up to a maximum \$7,800 annual supplement (Level 9). Annual supplements are paid in two six-month increments; to be eligible, teachers must work for a TDHS-licensed program for at least six months.



Since its inception two years ago, over 2,100 teachers have received wage supplements through the WAGE\$ program totaling over \$6.2 million and representing over 700 child care programs in Tennessee.

### *Tennessee Early Childhood Training Alliance (TECTA) & Child Care Education Programs*

“The Tennessee Early Childhood Training Alliance (TECTA) is a statewide system of professional development that connects Tennesseans with early childhood education (ECE) careers. Through advising and financial support for ECE degrees, training, certifications, advanced credentials, and continuing education, TECTA aims to meet prospective and current early childhood professionals exactly where they are in their careers whether they are just beginning or have been caring for children for many years. Scholarships are available for individuals obtaining academic hours, certificates, credentials, and degrees at Tennessee high schools, community colleges, and universities with accredited early childhood education programs.”<sup>lviii</sup>



The TECTA initiative aims to support educators along a professional pathway so that they can earn credentials and become more qualified as professionals and, eventually, earn higher wages. Tennessee also maintains a strong continuum of early education pathways for certification, training, and ECE degrees. High school students are able to begin studying early education coursework (Levels I and II) during their secondary education, and there are a number of postsecondary institutions offering coursework and education in ECE. For a list of these programs, please see [Appendix A.5](#). TDHS is currently further supporting the state’s educator recruitment pipeline by exploring an apprenticeship model. Nationally, apprenticeship models have been gaining attention as the field looks to rebuild its workforce post pandemic,<sup>lix</sup> with the Administration for Children and Families hosting a national webinar on the topic.<sup>lx</sup>

### *Tennessee Professional Archive of Learning (TNPAL)*

“Tennessee Professional Archive of Learning (TNPAL) is the official system of record, or registry, for qualifications, training, and professional development for child care providers licensed by the Tennessee Department of Human Services (TDHS) effective January 01, 2022. This free resource is designed to better support professional development and empower early childhood professionals who work in TDHS-licensed child care agencies by collecting and preserving completed trainings, accomplishments, credentials, education, certifications, and awards. TNPAL also directly supports verification of these records by directors and TDHS for compliance and regulatory purposes.”<sup>lxi</sup>

## **Quality**

Quality is “a degree of excellence,”<sup>lxii</sup> and within the context of child care, a program is considered higher quality if they implement practices that “exceed minimum licensing standards.”<sup>lxiii</sup>

While there is no nationally adopted definition for quality in the context of child care, for the purpose of this report, quality refers to the status of a program that implements intentional practices, in addition to the minimum licensing standards, that enhance the overall experience for the children, families, and staff.

Similarly, there is no uniform definition of quality early care and education within the State of Tennessee. TDHS has defined quality according to a standardized set of metrics, discussed further below, whereas TDOE has its own definition. The CCTF is working to determine an appropriate definition that best reflects the goals of the TDHS’s new QRIS, programs served by

TDOE with input from parents. The CCTF has agreed in general terms that quality begins with safe, affordable, healthy, and educationally rich child care programming.

### *Shared Services in Tennessee*

“Shared services” is an administrative or materials cost savings structure where program functions, such as program administration, purchasing, staffing (including substitute pool) and other operational functions such as human resources or benefits are managed by a larger entity or program to include and extend the benefits of cost sharing for these services across multiple programs. These types of programs directly contribute to improving program quality for those who participate.

The Chambliss Center for Children, located in Chattanooga, provides care in their center for about 300 children while helping with management services for six offsite centers and 13 micro centers in the public school system. Due to the wide variety of services they offer, Chambliss Center is able to access funding resources from multiple funding streams (CCDF, Head Start/Early Head Start, City of Chattanooga) and offer a reduced administrative overhead for the participating programs.

Another major shared services program in Tennessee is the NEXT Memphis Program. The NEXT Memphis program is an initiative of Porter-Leath that supports child care directors by allowing them the bandwidth to be in classrooms to help coach staff and lead the drive to improve and maintain quality. The NEXT Memphis program also offers technical assistance for support of onsite program quality. Similarly, in Nashville, the Community Foundation of Middle Tennessee provides administrative resources for programs and assists with connecting programs to facilitate bulk purchasing of supplies and materials.

Shared services networks are critical to help reduce overhead costs for programs, as well as to allow programs to share resources and supports. For example, a family child care substitute pool allows care providers to take time away when they are ill or need to attend to personal matters and would otherwise have to close their program for the day. Shared services networks can also allow for bulk purchasing agreements which keep programmatic costs down for essential items such as supplies. The state could consider directly funding additional shared services programs such as the program operated by the Community Foundation of Middle Tennessee. The three locally developed models named here could inform broader expansion of shared services networks so that supports through an affiliated network are available state wide.

Using a different approach, the Early Embrace of Raphah Institute in Nashville works to achieve the goal of holistic well-being of young children, their families, and their communities by supporting healing and restorative early childhood learning. This program places a special focus on Metro Nashville’s affordable housing communities by helping communities heal through early learning. They provide family empowerment programs as well as supports for home-based childcare providers. Early Embrace also works to advance equity in education by increasing low-income families’ access to high-quality early learning. They have many various programs such as Healing Circle, Family Playgroup, and Home-Based Childcare Support Group. Early Embrace focuses on empowering Black early educators to foster culturally sustaining pedagogy while actively working to eliminate opportunity gaps for Black children.<sup>lxiv</sup>

### *Quality Rating Improvement System (QRIS)*

A QRIS is defined by the U.S. ACF as an approach to assess, improve, and communicate the level of quality in early and school-age care and education programs. Assessing the quality of programs is important, as, according to Child Care Aware, “research continues to indicate that children who attend high-quality child care programs have positive long-term outcomes in later childhood and beyond. The long-term benefits include high school completion, higher income, better physical health and stronger families.”<sup>lxv</sup> According to a recent TDHS white paper on its QRIS:

“When it launched in 2001, Tennessee’s Star Quality Program was one of the first child care quality rating programs in the country. The Star Quality Program is the state’s primary mechanism for measuring the quality of early care and education providers that exceed minimum approval/licensing standards. The Star Quality Program is a voluntary program that provides a one, two, or three star rating based on program characteristics and quality levels of selected classrooms. Over the years, this program has significantly helped raise awareness about the importance of quality child care and has assisted many agencies to improve their programming.

Tennessee’s QRIS has not changed since implementation in 2001. Since this date, there has been valuable research conducted showing how children develop. The quality of the early child care and education environment should be structured to promote holistic development of the child in order to facilitate successful outcomes that enable the child to thrive.

Town hall meetings and focus groups with Tennessee stakeholders have highlighted a number of issues with the current quality measurement system. TDHS employed a national consultant to further evaluate the current QRIS and provide recommendations based on findings. Concerns about the current system revolve around three key issues:

1. The content of the quality indicators does not focus on the program characteristics that matter most for children.
2. The process is burdensome, redundant, inefficient, and lacks coordination between licensing, assessment, and technical assistance.
3. The purpose of the system is focused on compliance and measurement rather than improving quality and supporting parent choice.”<sup>lxvi</sup>

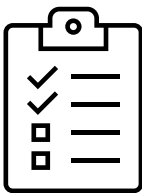
The TDHS Child Care Division is currently engaging in a significant system transformation of its QRIS System, seeking to remain a pioneer in its approach to QRIS implementation and maintenance. Part of this transformation includes a new staffing structure to support the goals of improving quality, strengthening business efficiencies, and increasing access.

The new QRIS system will transition from its current 3-Star rating to a rating system ranging from 0 to 100 that is similar to the rating system used in the food and beverage industry. This transition



will prioritize a focus to teacher and child interactions with a modified and holistic approach. The previous system utilized the classroom environment-focused Early Childhood Environmental Ratings Scales (ECERS) and did not focus on teacher/child interactions and family engagement. After much study and stakeholder engagement, TDHS chose to elevate these items as components of quality in Tennessee.

Licensing consultants (the new role succeeding program evaluators and assessors at TDHS) will complete four observations per year and providers will receive an average based on the four observations. TDHS froze Star-rating scores beginning April 2022 as work to launch the new system in October 2022 is underway. First visit scores will not count towards a provider's annual rating and will instead be formative in nature as programs work towards improving quality. New ratings will be published in October of 2023.



In the new QRIS system, there will be a new monitoring tool utilized to evaluate compliance with rules as well as a focus on program quality. Staff have and will receive training on how to evaluate classroom quality by examining key indicators that promote successful child outcomes. The QRIS tool draft and Stakeholder Engagement Development of Licensing Staff Training Plan concluded in the spring of 2021. Developmentally Appropriate Practices and Teacher Child Interaction Trainings were conducted by CCR&Rs in June of 2021; during summer of 2021 through spring of 2022 staff received trainings on the new electronic system, new QRIS system webinar series, and an all-staff rules training.

### *State Pre-K Quality*

Tennessee Voluntary Pre-K (VPK) was launched in 2005, building on the 1998 Early Childhood Education Pilot Project. VPK classrooms are now found in 138 of the state's 142 school districts. Children living in low-income households are prioritized for enrollment in VPK, as are children who are homeless or in foster care. TDOE and the Early Learning Division have administrative authority over VPK. Only local education agencies may apply for VPK grants, but districts may contract with private childcare agencies, Head Start agencies, institutions of higher education, public housing authorities, and any community-based or private agency with a rating of at least three stars on the state's quality rating and improvement system (QRIS). Programs contracted to provide VPK services must operate within the jurisdiction of the school district. With commencement during the 2018-2019 school year, in-service professional development for directors, teachers, and assistant teachers in Tennessee Voluntary Pre-K increased from 24 to 30 clock hours per year, six of which were allocated to address developmentally appropriate literacy practices. Similar requirements for directors, teachers, and assistants are designed specifically to promote cooperative learning. Also, Tennessee's Early Learning and Development Standards were revised, approved, and eventually instituted in 2018. The state also continues to implement the Pre-K Quality Act of 2016, a platform for revising the Tennessee Early Learning Development Standards. This created a shared definition of "quality" to guide quality improvements, established a vision for early learning at statewide trainings, supports curriculum implementation, provides guidance for district leaders, reduced the number of approved curricula

from 37 to 3, shifted to a competitive grant application based on program quality, piloted CLASS observations, trained CLASS observers, and enforced pre-K Student Growth Portfolios statewide. VPK relies on numerous funding sources, including general education revenue. Federal Head Start, IDEA, Title I, and other funds are used to provide the required 25% local match.<sup>lxvii</sup>

The State Pre-K program meets 9 of the 10 quality benchmarks published in the National Institute for Early Education Research (NIEER) report. Programs are required to use early learning guidelines, curriculum supports, do screening and referrals to special education, maintain professional development plans, and offer specialized training, among other requirements. The indicator they do not meet, and that the CCTF may want to consider, surrounds the requirement for a Child Development Associate for Assistant Teachers.

### *The Cost of Quality*

In May 2022, TDHS released its annual Market Rate Survey and accompanying Narrow Cost Analysis, both of which are required by CCDBG to be conducted every three years,<sup>lxviii</sup> although Tennessee conducts the Market Rate Survey annually. The results of the Narrow Cost Analysis provide insight into the true cost in providing child care in Tennessee and costs related to the provision of high-quality care. TDHS worked with the Haslam School of Business at the University of Tennessee-Knoxville to conduct this analysis as a cost of care survey of child care providers, which included 300 child care programs that participated in the state’s QRIS. Some major findings of the survey were:

- Programs rated 3 Stars in the QRIS (the highest level of quality) pay far more in salary and in benefits than programs rated 0 or 1 Star.
- Programs rated 3 Stars are more likely to provide their staff non-mandatory fringe benefits, such as health insurance, retirement, paid time off, and discounts for employees’ children.
- Depreciation is negatively correlated with quality, suggesting that as agencies spent more on buildings and other depreciable assets, the organizations were able to devote fewer resources to employees.
- Rent expenditures per child were not correlated with quality, perhaps because of the large number of agencies that are sited in personal residences or households that do not pay rent to owners, or agencies associated with other organizations such as churches that receive heavily subsidized or free rent.

According to TDHS’s most recent Market Rate Survey,<sup>lxix</sup> Day Care Centers and Family Home programs charged the following **weekly** rates for each age group (all Tennessee counties, programs that have subsidy enrollment of 50% or less). These rates are listed in Table 3 of the 2020-2021 Market Rate Survey report.

**TABLE 7: 2021 TENNESSEE MARKET RATES FOR CHILD CARE**

Weekly Rate Type	Infant	Toddler	2 Yrs Old+	School-Age Out	School-Age In
Day Care Center 75 <sup>th</sup> Percentile	\$235.00	\$219.50	\$187.50	\$110.00	\$75.00
Day Care Center Average	\$221.36	\$203.67	\$191.88	\$93.87	\$79.77
Family Home 75 <sup>th</sup> Percentile	\$162.00	\$150.00	\$146.67	\$110.00	\$90.00

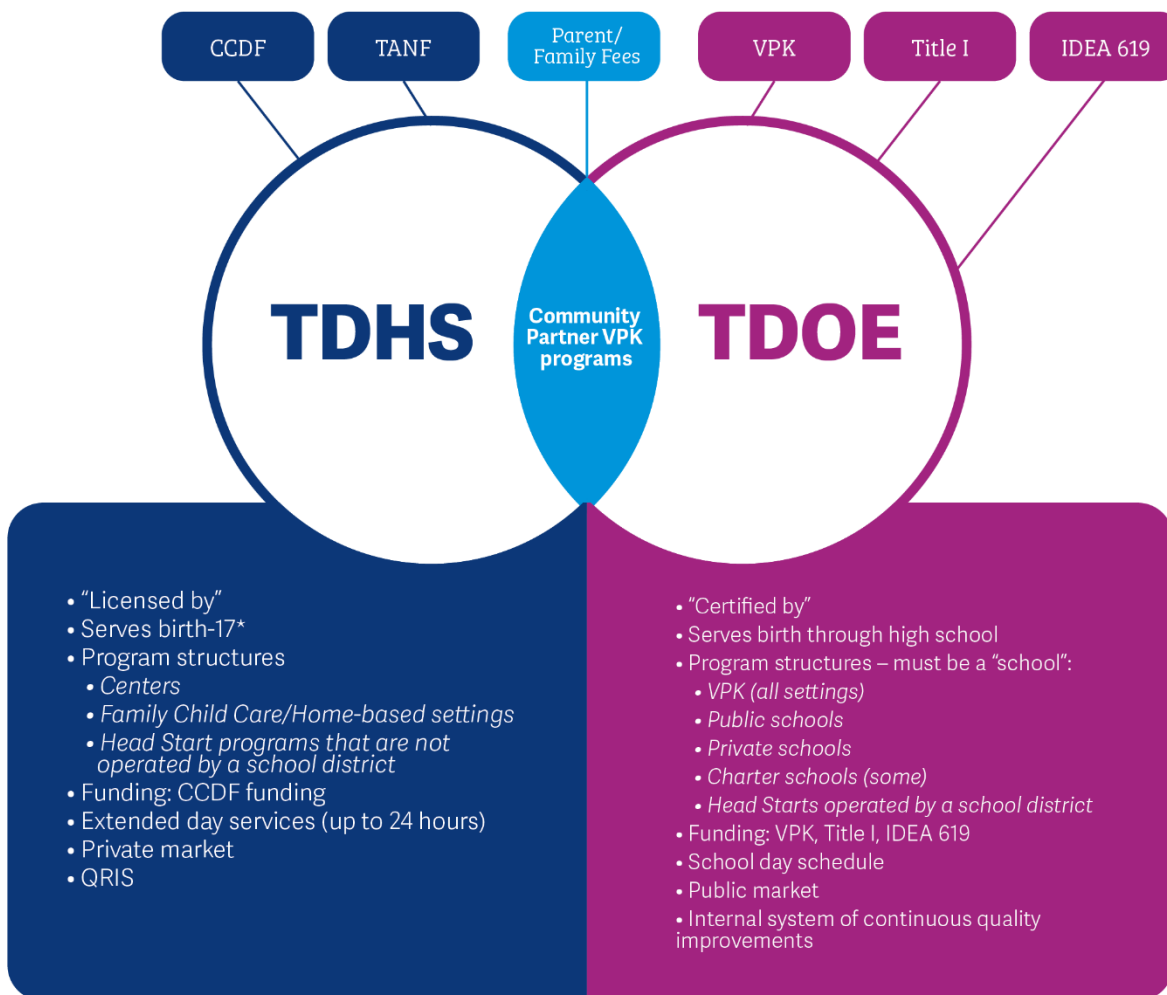
Weekly Rate Type	Infant	Toddler	2 Yrs Old+	School-Age Out	School-Age In
Family Home Average	\$143.87	\$134.97	\$127.88	\$99.25	\$75.00

## SYSTEM GOVERNANCE, FUNDING, AND INITIATIVES

### Existing Governance

Services for young children and their families are governed by both TDHS and TDOE. While both governing bodies serve populations of children in early childhood, there are key differences in the core model of service delivery which provides an opportunity for the CCTF to consider a recommendation related to governance of its early care and education programming. Please note that Community Development Block Grant (CDBG) funding is administered directly by TDECD; however, TDHS works with TDECD to guide the direction of those funds to child care programs where applicable. There are opportunities to further align policies, create joint governance structures and coordinated monitoring and reporting procedures. These can occur through a

### Child Care Program Governance and Funding



consolidated agency of early education, such as that which Alabama and Massachusetts have developed, through Memorandums of Understanding/Agreements (MOU or MOAs), and braided and blended funding. These efforts ensure the greatest alignment, minimize redundancies, and maximize resources.<sup>lxx</sup>

CCTF members have reported that the dual systems for monitoring, licensing, certifying, and regulating these programs is confusing to providers and are duplicative in effort. The state should consider where TDHS and TDOE can better coordinate to have a more streamlined process for confirming compliance with the Departments' respective regulations.

#### *Tennessee Department of Human Services*

Child care programs are licensed by TDHS and monitored regularly for compliance with the Licensure Rules for Child Care Agencies<sup>lxxi</sup> issued by TDHS. Programs licensed under TDHS include child care centers, family child care homes, group family child care homes, and drop-in child care centers. There are also some Head Start programs that are licensed by TDHS, as they are not operated by a school district. These programs can operate a minimum of three (3) hours per day and up to twenty-four (24) hours per day and are typically private, for-profit businesses, with the exception of a small subset of non-profit organizations who provide child care services. Programs licensed by TDHS are eligible to participate in the Child Care Certificate Program, which supports economically disadvantaged families in accessing child care. Primary funding for TDHS-licensed programs comes from the Child Care and Development Fund (CCDF). Currently, there are **2,319** TDHS-licensed programs, with a total capacity of **167,337** across the state.

The TDHS Child Care Services Division has completed or initiated a number of new organizational changes and efforts in the past few years. These and many others are detailed in TDHS's September 2021 white paper on *Child Care Services-Transformation*.<sup>lxxii</sup> Some highlights include:

- A complete overhaul of the Child Care Services Division organizational structure. Completed by summer 2021, the Section disbanded its assessment team, and merged their functions into a new Licensing Consultant role, established a new Program Reliability and Compliance Unit, and increased the number of staff supporting child care payment assistance. This will help align with TDHS's approach to be more customer-centered and supportive to child care providers. This focus on partnerships and continuous improvement not only impacts TDHS; it will also have a great impact on the child care industry as a whole.
- Establishment of a new Pre-Licensure Unit, which supports new child care programs throughout the licensure process. One of the major emphases of this unit is to expand business training for new child care providers, to help sustain new child care businesses throughout the state.
- A redesign of its QRIS, first established in 2001. More about this redesign was detailed in the Quality section of this report.
- Modernization of its technology infrastructure. In spring 2022, the statewide launch of its new online pre-licensure application and electronic time and attendance modules was completed, in addition to being one of the pilot programs for the new One DHS Customer Portal. Later this year, TDHS will also launch modules for a provider portal for all licensed programs. In addition to moving staff operations online, this system will include strategies to gather more real-time data about supply and demand through an interactive provider

portal. The child care payment assistance eligibility system will be upgraded to be more interactive with other systems to support more efficient service delivery.

- Development of the Child Care Employer Toolkit, which helps employers navigate how to provide employer-sponsored child care.
- A 10% increase in child care reimbursement rates for providers beginning in October of 2021; and a 15% differential in the rate for serving children with disabilities or special needs.

### *Tennessee Department of Education*

Any school that provides services to children birth to 5 that is operated by a school district is certified by TDOE and monitored regularly for compliance with the Standards for School Administered Child Care Programs<sup>lxxiii</sup> issued by the State Board of Education. Programs certified by TDOE include:

*Any public or private school-administered preschool, pre-kindergarten or schoolage care program, including community based programs funded by Voluntary Pre-K, Pre-K, Lottery Education Afterschool Programs (LEAPs), and 21st Century Community Learning Center (21st CCLC) programs that serve a minimum of one (1) child, is subject to the jurisdiction of the Office of School-based Support Services. Exception: fee based and 21st CCLC funded before and after care programs that operate less than three (3) hours per day or less than fifteen (15) hours per week.*<sup>lxxiv</sup>

In addition to the programs cited above, TDOE can certify any program, such as a private early care program, that operates at least one kindergarten program. Programs certified by TDOE typically operate on a school-day schedule, with some exceptions related to before and after-school programming and camps. Programs certified by TDOE are typically non-profit and funded by public funds, including VPK funding, Title I funding, and IDEA 619 funding; however, some for-profit programs do receive certification from TDOE that, for instance, offer a kindergarten program. Due to these funding streams, TDOE certified programs are not eligible to participate in CCDF unless they specifically meet the standards set by TDHS and CCDF. Currently, there are **1,857** TDOE-certified programs, with a total capacity of **152,042** across the state. Of TDOE's total capacity, 18,500 seats are Voluntary Pre-K, which prioritize "children who meet free or reduced-price lunch income guidelines and are four years old by Aug. 15. If space is available after enrolling children who qualify for free or reduced lunch, the program may enroll children who have disabilities, are English Language Learners, are in state custody, or who are at risk... regardless of income. If space is still available after the first 20 days of the new school year, the school district can submit a request to the Office of Early Learning to enroll all other children at that time."<sup>lxxv</sup>

## APPENDICES

### APPENDIX 1. SURVEY

**Tennessee Child Care Task Force**  
**“As-Is” Survey: CCTF Members**  
February 28, 2022 – March 8, 2022

#### Q1. What is "early childhood?"

All participants (100%) agree “early childhood” includes **birth through five (5) years of age** and just over half of the participants (57%) feel “early childhood” encompasses birth through age 8.

Age Range	N (n=7)	%
Birth to Five (0-5)	7	100%
Birth to Seven (0-7)	1	14%
Birth to Eight (0-8)	4	57%
Birth to Nine (0-9)	2	29%
Birth to Thirteen (0-13)	1	14%

#### Q2. What is child care?

Most participants define “child care” as the care and supervision of children with 43% of participants specifying that it is “out of home” care. Some participants indicated that this includes the education and developmental support of the children in the program (43%) and the provision of services in a safe and healthy environment (43%).

Key Themes	N (n=7)	%
Care/supervision of a child	6	86%
Educational/developmental services	3	43%
Safe/healthy environment	3	43%
Out of home care	3	43%

#### Q3. What terminology do you recommend for child care?

Two participants agreed on “Early Care and Education” while the remainder of the suggestions were individually represented:

- Early Care and Education (2)
- Child Care (1)
- Early Care and Development (1)
- Child Care and Development (1)

When looking at the suggested terminology, most participants included “care”, while other terms like “development” and “education” were mentioned less. One participant noted that in discussing this with peers, there was no consensus on the terminology used.

Included Terminology	N	%
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	(n=7)	
Care	5	71%
Development	2	29%
Education	2	29%
No preference or consensus	2	29%

**Q4. What does quality look like in child care?**

Most participants agreed that the baseline of quality is health and safety. In addition to health and safety, other key components mentioned frequently were developmentally appropriate practice, care giver interactions/engagement, and a program that supports the learning, growth and development of the children.

*“The most important child care quality is safety; then, well-being; then, human development; then, educational development. To be enabled to learn, children must first be safe, then be well, then develop as people.”*

Key Themes	N (n=7)	%
Safe and healthy environment	5	71%
Developmentally appropriate	3	43%
Adult/child interaction/engagement	3	43%
Learning/growth/development	3	43%
Accreditation	2	29%
Affordability	1	14%

**Q5. What is the role of government and the role of the state in the child care setting?**

Most participants (71%) indicated the primary role of the government, and the state is to regulate and monitor programs to ensure health and safety is maintained. Also mentioned by slightly less than half of participants is the role the government and the state should play in financial supports, for both programs and families, and the support of quality initiatives and improvement.

Key Themes	N (n=7)	%
Regulation, monitoring, oversight to ensure healthy and safe programming	5	71%
Financial support for programs	3	43%
Support quality initiatives and improvement	3	43%
Affordable for families	3	43%
Accessible to families	2	29%
Resources and support for programs and the workforce (non-financial)	2	29%

**Q6. How can businesses engage and support child care?**

Two primary themes emerged: businesses can engage and support childcare in the state logistically and financially.

Logistically, participants felt business should look to provide on-site child care (51%) and family-centered policies (14%). Participants reported that businesses can also support financially by subsidizing child care costs (43%) and sponsoring programs, events, and materials (29%).

Key Themes	N (n=7)	%
Financial support	5	71%
Logistical Support	5	71%

**Q7. What do you think makes up the early childhood system in Tennessee?**

Most participants (71%) agreed that the early childhood system included licensed and regulated programs serving children, such as licensed center-based programs, family child care homes and group family child care homes, public pre-k, and Head Start. Some participants (43%) also mentioned that unregulated programs are part of the early childhood system. Outside of the programming itself, 29% of participants noted that system-level entities such as child care licensing and quality, are part of the early childhood system in Tennessee.

Key Themes	N (n=)	%
Licensed/regulated programs serving children	5	71%
Unregulated programs serving children	3	43%
System-level entities and supports	2	29%
Unknown	2	29%

**Q.8 What top 3-5 areas do you think are priorities in Early Care and Education (ECE) in Tennessee?**

The majority of participants (86%) felt that improving quality of programming was a priority for Tennessee’s early childhood system. Also mentioned in most responses (57%) was the priority for accessibility and availability of quality programming. Slightly less than half of the participants (43%) indicated health and safety and affordability were also key priorities.

Key Themes	N (n=7)	%
Improve quality	6	86%
Access/availability	4	57%
Health & safety	3	43%
Affordability of services	3	43%
Workforce supports	2	29%
Education	2	29%

**Q.9 What available funding resources are you aware of to support the ECE system in TENNESSEE?**

Most participants were aware of the Child Care and Development Fund (CCDF). Some participants also mention the Child Care and Development Block Grant Act (CCDBG). As CCDBG is the law that authorized the CCDF program<sup>lxvii</sup>, these have been grouped together and considered correlative.

The second most reported funding source is Temporary Assistance for Needy Families (TANF).



Key Themes	N (n=7)	%
CCDBG/CCDF	5	71%
TANF	5	71%
Head Start/Early Head Start	2	29%
Employers (both directly through child care benefits and child care tax credits and indirectly through the parent's wages)	2	29%
Department of Education funding (VPK, k-3rd, Summer learning/After School, 21st Cent, LEAP)	2	29%
Unknown	2	29%
Workforce scholarships and grants (TENNESSEE Promise, HOPE Scholarship, etc.)	1	14%
Other state department funding (DOH, DCS)	1	14%

**Q.10 What are some examples of previously implemented innovative approaches have you seen in TENNESSEE for child care that have worked well and why? Those that haven't and why?**

Of the six participants who submitted responses to this question, only one shared concrete examples of innovative approaches they have seen implemented in Tennessee. These include:

- Connecting reimbursement to quality rating
- Enhancing funding for the **Tennessee Early Childhood Training Alliance (TECTA)** and Child Care Resource and Referrals (CCR&R), and
- Increased the eligibility to state medium income.

The remaining responses indicated innovative approaches they would like to see Tennessee implement, such as:

- Use of streamlined statewide child care software to improve data collection and informed decision making
- Mixed-delivery models of universal pre-k, as demonstrated in Georgia, North Carolina, Florida, and New York City, and
- Establishing provider networks.

**Q.11 What 3 objectives would you like the CCTF to achieve?**

Seven participants submitted a total of 19 responses to this question. All participants (100%) indicated the need to explore and identify opportunities for change and improvement, as well as next steps. While the suggestions for opportunities varied, the urgency to identify and discuss opportunities is prevalent. Participants explicitly called out a need for a strategic plan, as well.

Key Themes	N (n=19 [responses])	%
Identify opportunities and next steps	8	42%
Develop a Strategic Plan	4	21%
Develop a shared understanding and objectives	2	11%
Obtain feedback from those embedded in the system	2	11%

## APPENDIX 2. INTERVIEW PROTOCOL

<b>Study:</b>	Tennessee Child Care Task Force (CCTF) Stakeholder Engagement
<b>Researcher(s):</b>	Public Consulting Group LLC

You have been invited to participate in a research study conducted by Public Consulting Group LLC (PCG), a contracted vendor of the **Tennessee Department of Human Services**. Participation in this research is complete voluntary. If you agree to participate now, you can change your mind later. There are no negative consequences to you, regardless of your decision to participate.

<b>Purpose:</b>	To interview child care stakeholders based in Tennessee that have been identified by Child Care Task Force members.
<b>Procedures:</b>	Virtual Microsoft Teams meeting with two or more members of the PCG team following a structured interview process with pre-prepared questions. Interviews will be recorded for further review and analysis with manual and automated analysis tools.
<b>Eligibility:</b>	Tennessee-based Stakeholder Identified by Child Care Task Force Member(s)
<b>Time Commitment:</b>	One hour
<b>Risks:</b>	<p>To ensure transparency and comfort for all study participants, the following risks have been identified:</p> <ul style="list-style-type: none"> <li>• We ask everyone to keep everything said during the focus group confidential. However, we are unable to control what others say, so we recommend against sharing anything you may not want others to know.</li> <li>• CCTF Meetings are live streamed publicly and publicly recorded meetings, so we recommend against sharing anything you may not want others to know.</li> <li>• Your contribution(s) to this research is not guaranteed to be confidential. All data gathered by PCG staff and research personnel is the sole property of the Tennessee Department of Human Services and may be used in one or more of the methods as indicated in <b>Use of Results</b> below. Please be sure to read <b>Privacy and Data Protection</b> below for more details.</li> </ul> <p>Additionally, there may be risks we don't know about yet. Throughout the study, we will inform participants of anything that may impact their decision to participate. To decrease the impact of any risk or discomfort to participants, participants may skip any question you they do not wish to answer, skip any activity, or pause and/or cease participation at any time.</p>
<b>Benefits:</b>	There are no direct benefits to you any one person who participates in this study. However, this research may increase the body of knowledge in the subject area of this study.
<b>Privacy &amp; Data Protection:</b>	All data gathered during the duration of this research is property of the State. While PCG will not be explicitly naming participants in any reports, results, or documentation, all data and information gathered is subject to the <a href="#">Freedom of Information Act (FOIA)</a> . This includes but is not limited to <b>any and all</b> results of findings, raw data, recordings and transcripts, and/or survey responses.

<b>Use of Results:</b>	<p>All data and information gathered will be analyzed by PCG research personnel and disseminated in aggregated reports, which include but are not limited to an <b>Interim Progress Report</b> (by May 15, 2022) and a <b>Final Report</b> (by November 1, 2022), which will be made available to the Tennessee Child Care Task Force.</p> <p>This data could be used for future research studies or distributed to other investigators for future research studies without additional informed consent from a participant or a participant’s legally authorized representative. All data and information gathered is subject to the <a href="#">Freedom of Information Act (FOIA)</a> and, therefore, PCG cannot guaranteed anonymity.</p>
<b>Audio/Video Recording:</b>	<p>The research activities involve the use of audio and video recording software. For the purpose of data analysis, all research activities that use audio and video recording software will be recorded.</p>
<b>Mandated Reporting:</b>	<p>The PCG Project Team’s professional roles requires us to report any suspicion of child or elderly abuse and/or suspicion of possible harm to self or others, and/or committed crimes to the appropriate authorities.</p>
<b>Voluntary Participation:</b>	<p>Should an eligible person decide not to participate or should a participating individual stop participation after the study has begun, there will be no penalty to them</p>
<b>Guiding Questions</b>	<ol style="list-style-type: none"> <li>1. What barriers have been encountered in child care service delivery and how has the state addressed these barriers? What additional support is needed?</li> <li>2. What business practices or supports have been implemented within your state to assure business sustainability/ continued operations for child care businesses?</li> <li>3. How have these changes improved the service model?</li> <li>4. What administrative hurdles were experienced in implementation?</li> <li>5. What effects were reported or found related to the workforce, with respect to recruitment, retention, and professional development needs?</li> <li>6. Were changes required to funding new service models? Where there funding considerations or barriers that had to be worked through? What solutions were found/ implemented?</li> <li>7. How was equity considered when structuring the revised service model?</li> <li>8. What measures were put in place to measure the maintenance of quality under the new service model?</li> <li>9. Are there opportunities to more effectively coordinate and align early childhood resources that lead to improved outcomes for children and families as a result of the new service model?</li> </ol>

A PCG team member will review the above information at the start of a research activity (such as an interview or focus group), after which PCG will request and record a verbal confirmation, understanding, and agreement to move forward.

If you have any questions regarding the research or research participation, or if you would like to revoke your consent and/or remove yourself from the study, please contact Zane Wyrick at [TNCCTF@pcgus.com](mailto:TNCCTF@pcgus.com) or (615) 983-5324.

### APPENDIX 3. INTERVIEW PARTICIPANT SUMMARY AND QUOTES

TABLE 8. SUMMARY OF INTERVIEWS CONDUCTED

Tennessee Child Care Task Force Members			
Date:	Name:	Title:	Agency/Organization:
03/21/2022	Clarence Carter	Commissioner (Chair)	Department of Health
03/23/2022	Jeff McCord	Commissioner	Department of Economic and Community Development
03/23/2022	Jamie Stitt	Asst. Commissioner	Department of Labor and Workforce Development
03/29/2022	Jeremy Biggs	President & CEO	Covenant Health, Methodist Medical Center
03/21/2022	Pat Sheehy	President	Tennessee Business Roundtable
03/24/2022	Blair Taylor	President	Memphis Tomorrow
03/15/2022	Ryan Hughes	Executive Director	Boys & Girls Club Tennessee
03/15/2022	Chloe Hakim-Moore	Director, Founder	Porter-Leath Memphis, NEXT Memphis
03/15/2022	Phil Acord	President & CEO	Chambliss Center for Children, Chattanooga
In-State Stakeholders			
Date:	Name:	Title:	Agency/Organization:
04/21/2022	Katherine Kimmel	Associate Council	Lewis Thomason Law Firm, Nashville
04/20/2022	Michelle Joyner	Policy and Research Coordinator	Department of Human Services
04/28/2022	Jude White	Assistant Commissioner Child Care & Community Services	Department of Human Services
04/18/2022	Gwen Laaser	Child Care Services Program Director	Department of Human Services
03/25/2022	Carla Snodgrass	Deputy Director	Department of Health
03/28/2022	Carolina Clark	Pediatric Doctor	Department of Health
03/21/2022	Misty Moody	Assistant Commissioner of Early Learning	Department of Education
04/26/2022	Brooxie Carlton	Assistant Commissioner of Community and Rural Development	Department of Economic and Community Development
04/26/2022	Kent Archer	Grants Director	Department of Economic and Community Development
04/25/2022	Ellie Kittrell	Director of Early Childhood Education Systems	United Way Knoxville

## Quotes:

### Access

- “It’s a market-based system and so it means that people without resources just get crushed. And so, whether that’s business owners or individual families or whole ZIP codes, which is often the case, it really just means there are a lot of people who get left out the fold.”
- “When our CHANT teams are attempting to connect families with childcare options and generally there isn’t anything available because there isn’t, it’s inadequate. The number of you know, it’s just not in that the capacity is, under capacity, yeah, there’s not enough capacity in this state for those kinds of things, and rural families, or, you know, or much more difficult.”

*“...people without resources just get crushed.”*

*“...children cared for outside the home...needs it to be healthy, safe and affordable...”*

- “I would think in a rural area because of access and maybe this is true of an urban area to you think of you think of like mass transits in in urban areas, but not all the Memphis transportation areas. I mean that mass transit is not great. You know the barriers that you have there’s no Uber, by the way, there’s no public transportation, there’s no Starbucks. I mean, it’s just, it’s a really great place to live. I mean, there’s going to be transportation, so, it’s going to be transportation.”
- “Every individual, every family that needs to have their children cared for outside of their home and outside of their family, needs to be able for it to be for them to have the comfort that it is healthy, safe and affordable to the degree that they can afford it.”

### Affordability

- “What about the people who just barely, barely make too much money? They can’t afford. It doesn’t pay for them to work because they can’t afford child care.”
- “Some of the barriers in the state... I think is just the low pay that providers received in this day and time in which and that it’s still low when I think about child care expenses.”
- “A lot of it is just the staffing issue is the biggest issue that we’re hearing right now. I mean it’s just it’s everywhere and they’re really struggling with that. You know they, yeah, in hiring folks that can pass the background check is a big issue as well. You know, because that is a requirement.”

*“What about people who just barely, barely make too much money?”*

*“...you have two ropes...making your services affordable...and then over here you’re an employer”*

- “I give a speech all the time. I said you have two ropes, you know, one is, making your services affordable and accessible and quality, you know, that’s here and then over here is you’re an employer, so you have budgetary responsibilities. You gotta generate enough money to pay the salaries and pay to buy the food and all that stuff”

## Quality

- “I know that's the ground level, and that's the foundation and I don't think you can have a center without health and safety. I mean those have got to be absolute there's gotta be a foundation of education to some degree at some level.”
- “With equity, Tennessee is such an interesting state. I mean, I think that one of the pieces with equity is making sure that. No matter what, it no matter if you have a child care program that only has children in it who were certificate children who come from very low incomes, that they get the very same thing as my grandchild got we, my family, my kids were paying \$165 a \$190.00 a week, children are not all seen on the same playing field.”
- “Going back to diversity, I think there's I think there's room for everything, but in the job that I'm in now and understanding how deeply desired it is for companies to have a skilled workforce, I feel like learning even at a younger age is always beneficial and always good and may not get that in an in home, but I'm not saying it in homes bad because there are a lot of like I like I said there, there's a lot to be said about love and kindness and caring for others and showing respect and just having that motherly nature from your care provider and that moving on to different care provider each year kind of thing you know.”
- “We have revamped our whole quality rating and improvement system. I think is you know and what we did with that we had in our former system, we used the environment

*“...no matter if you have a child care program that only has children in it who were certificate children.... they get the same thing my grandchild got.”*

*“...we know a big piece of child development occurs with serve and return interactions. The teacher-child interactions.”*

rating scales. Which really helped to elevate how we look at childcare, I'll say, but the environment rating scales, really just that they were focused on the environment and so we know a big piece of child development occurs with serve and return interactions. The teacher child interactions. And so we wanted to incorporate that type of model and we know that there's another model out there CLASS that really focuses on. The teacher child interactions that we wanted to build a tool that did both and also we wanted to make certain that this tool was

reflective of indicators that were true measures of a child's success that skill early on in, in development.”

### Workforce Quotes

- “You have to recruit young people, and if that's the case, you have to learn the culture of work that people are looking for.”
- “In the state of Tennessee to your point really strong apprenticeship programs... So, kids have experience with work, but you could use that that industry, just like any industry needs to start developing a pipeline.”
- “We have also developed Train TN, which is the, it's the training registry. So, we're vetting all trainers through that registry who delivering trainings. Some can have a fee associated with them, but it's up to the provider if they want to access those, but we really try to make certain that the quality of the free training that is available is high quality training. I mean these are good trainings. We have purchased these trainings through Pro-solutions and so you know it's those are a lot of the supports that we have for the workforce. We have helped with their recruitment. We partnered with Workforce Development, labor and workforce development to help provide information for childcare providers who have vacancies they can post on jobs.”

*“...apprenticeship programs...so kids have experience with work...just like any industry needs to start developing a pipeline.”*

*“TN PAL...it's really our system of truth for seeing or verifying the credentials...”*

- “TN PAL, it's a workforce registry, it's online... It's really our system of truth for seeing or verifying the credentials of the education, the workforce in early care and education. So let's say we're going out to visit ABC Childcare all of these staff should be enrolled in TN PAL, and we can see the trainings that they've taken. We can see their credentials, you know what education levels they've completed. So that that's how we're checking their records and the administrators of

the childcare facility can utilize that system as well, so that they're not having to maintain those paper files for their staff. So that's an automated system for them to use as well. We all have different roles within that system that you know as a user, if I'm an educator, I have a specific role where I can go in and update trainings I've had or if I've gotten a new certificate, I can upload that information. So that's just a way to manage.”

### Existing Funding Streams

- “We have establishment grants and expansion grants that are available if it's a new childcare agency that's opening, we have establishment grants where they can apply up to \$1000 per license space, a capacity for equipment, materials and supplies to open their doors, and then we also have expansion grants that are available if a childcare provider adds a classroom. They can apply for up to \$1000 per additional capacity space of capacity for that purpose as well.”
- “We worked with UT on a cost of care analysis that they did to come up with that formula and so those [child care stabilization grants from one-time funds from Federal COVID-19 supports] are currently in process, have been rolling out and we'll probably do a second round.”

*“[Providers] can apply for up to \$1,000 per additional space of capacity for that purpose as well.”*

- “We have an implemented enhancement grants that child care providers can apply for, and the enhancement grants. It could be potentially up to \$9000. Right now the core amount is \$4000 and if they meet certain criteria, they can apply for more. But there's enhancement grants where they can apply for adaptive equipment if they're serving children with special needs, they can purchase equipment to support bulk purchasing. They can apply every year for those grants. It's not a one and done type thing. So, every year they can come in and apply.”
- “Programs need to function, and we can't do that without heavy subsidy.”
- “I was talking to this one consultant and he shared with me that he had located a call center down the street from another call center who had a starting wage of \$2.00 less per hour Which is a pretty significant difference you know in wages and I said were they even able to hire anybody? That doesn't sound like they're paying market wage. And he said, yeah, they actually were able to ramp up very quickly. They had no problems hiring anybody. And I'm like, I looked at him like, you have got to be kidding. They pay \$2.00 less. He said, yeah, they had a child care on site. Now this is a call center. So they had a child care facility on site that was free. So what the company did was they hired their call center, customer service personnel and then they hired a daycare person. Employees could go to work, take their child to this side of the building and go to work in this side of the building and get paid \$2.00 less. But they were, you know, they were getting child care.”

*“They had no problems hiring anybody. And I'm like...you have got to be kidding. They pay \$2.00 less. He said, yeah, they had a child care on site.”*

### Current Success

- “We've implemented programs such as **Tech Goes Home** to help with the digital divide for childcare agencies who are because we're automating more processes to really help to reduce that tactical work that they're doing, that administrative burden to make doing business with the state a little easier so we can focus more on what their needs are within their childcare programs and not so much, I'm worried about submitting by report for licensing and doing those types of things.”
- “Continued and improved collaboration across state agencies. It's been a great collaboration between our division of Family health and Wellness and department Human Services. And but you know, I think that continued collaboration across of any kind of child serving agency would be beneficial.”
- “Let me say one other thing about the child care business model and provider networks and other strategy is to work with existing providers in this, What Next Memphis is doing, that Chloe runs at Porter Leath. They've built a model that's that hub but is enlisted and invited existing providers right to say, hey, I want to participate in y'all being my hub. And you know, there's data that can come out of that. I mean, you could have a real Cadillac version of what that hub does, you know, and they're providing family resource coordinators and supports kind of outreach.”
- “We have the WAGE\$ Program.”

*“What NEXT Memphis is doing...built a model that's [a] hub but is...inviting existing providers, right, to say, 'hey, I want to participate in y'all being my hub'...you could have a real Cadillac version of what the hub does.”*



- “We know in Tennessee, one of the strengths we have is that our [VPK] pre-K teachers are actually paid on relative par with, you know, K-3, you know.”

## APPENDIX 4. ANNOTATED BIBLIOGRAPHY

### Impacts of COVID-19 on Child Care Demand and Availability in Tennessee

Child Care Relief. (2022). *By The Numbers: Covid-19's Impact on Child Care*.

<https://childcarerelief.org/by-the-numbers-covid-19s-impact-on-child-care/>

- Research into all states, including the state of Tennessee and the impact of COVID
- Percentages of different Covid related items for a child care center (i.e. Occupancy, Staffing, costs, CARES Act information)

Hardy, A., & Gallagher Robbins, K. (2021). *Child care relief funding in the American rescue plan: state-by-state estimates*. The Center For Law and Social Policy, 1–2.

<https://www.clasp.org/publications/fact-sheet/child-care-estimates-american-rescue-plan/>

- State by state investments for expanded child care assistance, child care stabilization funds and totals

Quin, S., & Noel, P. (2021). Supporting the Emotional Wellbeing of Adults in Child Care Settings During the COVID-19 Pandemic. *Scottish Journal of Residential Child Care*, 19(3), 1–13.

- Processes that should be put in place to help adults with their wellbeing
- The reflections of implementation of these measures

Smith, K. (2022). *Impact of COVID-19 on the Early Childhood Community*. Tennessee State University Center of Excellence for Learning Sciences.

<https://www.tnstate.edu/learningsciences/documents/White%20Paper%20-%20The%20Impact%20of%20COVID-19%20on%20the%20ECE%20Community.pdf>

- The gains and losses of child care system in Tennessee
- Impacts of financial hardships for families and businesses, concern for the loss of learning and social connections for children
- Adaptability and Flexibility of the families in child care

## Strategies to Support Existing Child Care Providers

Easterling, S. & Stoney, L. (2018, September). *Shared services: A strategy for building stronger systems amount early care and education providers.*

[https://static1.squarespace.com/static/5d3085dbf6f93d00019a8da1/t/5d3775242143350001e44754/1563915559868/2018\\_Sept\\_BUILDPDGB-BirthToFive.pdf](https://static1.squarespace.com/static/5d3085dbf6f93d00019a8da1/t/5d3775242143350001e44754/1563915559868/2018_Sept_BUILDPDGB-BirthToFive.pdf)

- Defines Shared Services: “A framework (organizational structure) that enables center- and home-based ECE providers to establish systems that can sustain high-quality teaching and learning (pedagogical leadership) while at the same time making sure all necessary fiscal and administrative tasks are performed (business leadership)” (p. 1).
- Shares examples of success stories in Vermont, Colorado, Tennessee (Chambliss Center for Children), and Virginia
- Provider a step-by-step process for how states can approach Shared Services:
  - Needs Assessment
  - Strategic Planning
  - Communication, Outreach, and Knowledge Sharing to parents to encourage parental choice
  - Share best practices among in-state providers/programs
  - Improve overall quality of programming

Wallace, M. (2018, July). *DCFPI celebrates the adoption of "Birth to Three for All DC".*

<https://www.dcfpi.org/all/dcfpi-celebrates-the-adoption-of-birth-to-three-for-all-dc/>

- Strategy to support affordability of care implemented in DC
- Setting child care co-payments for all parents that rise with one’s income, such that no family spends more than 10% of their income on child care.

Workman, S. & Hamm, K. (2020, October). *6 state strategies to improve child care policies during the pandemic and beyond.* <https://www.americanprogress.org/article/6-state-strategies-improve-child-care-policies-pandemic-beyond/>

- Provides the following policy recommendations to support child care providers:
  - Set subsidy reimbursement rates based on actual operating costs
  - Pay providers based on enrollment
  - Increase use of contracts and grants
  - Invest in the workforce
  - Support development of shared services alliances and family child care networks
  - Engage stakeholders to develop a vision for universal child care

## Strategies to Increase the Supply of High Quality, Affordable, and Accessible Child Care in Communities Of Need

Krafft, C., Davis, E. E., & Tout, K. (2017). Child care subsidies and the stability and quality of child care arrangements. *Early Childhood Research Quarterly*, 39, 14–34. <https://doi.org/10.1016/j.ecresq.2016.12.002>

- When children received child care subsidies they experienced higher quality care as reported by parents.
- There was no difference in the stability of care arrangements while receiving subsidy compared to when not receiving subsidy.
- Child care subsidy receipt may promote positive child outcomes due to increased access to higher quality care without worsening the stability of care.

Slicker, G., & Hustedt, J. T. (2022). Predicting participation in the child care subsidy system from provider features, community characteristics, and use of funding streams. *Children and Youth Services Review*, 136, 106392. <https://doi.org/10.1016/j.childyouth.2022.106392>

- Nationally preservative data - suggest that certain features of providers, such as having a quality rating, and the poverty density of the community within which a center operates may be positively related to subsidy system participation.
- Programs serving infants and toddlers are more likely to accept child care subsidies than early childhood programs that focus exclusively on preschool-age children.

Hallam, R. A., Hooper, A., Buell, M., Ziegler, M., & Han, M. (2019). Boosting family child care success in Quality Rating and Improvement Systems. *Early Childhood Research Quarterly*, 47, 239–247. <https://doi.org/10.1016/j.ecresq.2018.12.008>

- The comparison of family child care providers who participated in a model of supplemental quality improvement supports (Stars Plus) with family child care providers who participated in QRIS but did not receive the supplemental services.
- Examined the movement trajectories of family child care programs across all five rated levels over a two-year period as well as examined whether Stars Plus participation predicted the attainment of the highest quality levels in Delaware's QRIS.
- Results suggested that Stars Plus family child care providers were 1.8 times more likely to move up a star level than family child care providers who participated in the QRIS but did not receive Stars Plus.
- Plus family child care providers were 5.2 times more likely to achieve Star Level 4 or 5 than family child care providers who participated in the QRIS without this intensive support.
- Findings suggested family child care providers may be more successful in state QRIS when quality improved supports are tailored to meet their needs.

Lin, Y.-C., & Magnuson, K. A. (2018). Classroom quality and children's academic skills in child care centers: Understanding the role of teacher qualifications. *Early Childhood Research Quarterly*, 42, 215–227. <https://doi.org/10.1016/j.ecresq.2017.10.003>

- Few associations between teachers' education level, ECE credits, or level on the professional career ladder and observed classroom quality.
- The key exception is that teachers who do not have any post-secondary education and training in ECE are in classrooms of significantly lower quality compared with teachers who have a college degree.
- Teachers' education does not predict children's early academic skills.

Sullivan, A. L., Farnsworth, E. M., & Susman-Stillman, A. (2018). Patterns and predictors of childcare subsidies for children with and without special needs. *Children and Youth Services Review*, 88, 218–228. <https://doi.org/10.1016/j.childyouth.2018.03.002>

- Nationally representative sample of low-income children with special needs
- Young children with special needs access child care subsidies at significantly lower rates than their peers without disabilities

## Effective Strategies Adopted by Other States to Support Existing Child Care Networks

DeBord, K., & Boling, K. (2002). *The fabric of quality child care: Weaving together a professional development system*. 31(5), 295–305. <https://doi.org/10.1023/A:1016874510567>

- The quality of child care is as excellent as the expertise and knowledge of the caregivers working with the children. Pivotal reports by High/Scope, Hudson Institute, Council on Economic Development, and the National Child Care Staffing Study have underscored two essential findings: that high quality child care contributes to positive outcomes for children and that practitioner education and training are key to providing quality child care
- Many states are beginning to coordinate services and programs to assure that a professional development system is in place to serve teachers in the field of early care and education.

Lee, A. Kim, H., Faulkner, M., Gerstenblatt, P., Travis, D.J. (2019, February). Work engagement among child-care providers: An application of the job demands–resources model. *Child & Youth Care Forum* 48(1). <https://doi.org/10.1007/s10566-018-9473-y>.

- As the demand for child care continues in the United States, the well-being of the child care workforce is an important consideration as well. Child care providers have job-related stresses, which affect their physical and mental health, ultimately can lead to a variety of concerns including, high turnover and overall quality of services.
- In particular, research has been conducted on, work engagement, a concept currently employed in many organizational studies because of its association with employee productivity, customer satisfaction, profitability, employee turnover, well-being, and performance.

Cassidy, D.J., Lippard, C., King, E.K., Lower, J.K. (2019, July). Improving the lives of teachers in the early care and education field to better support children and families. *Family Relations* 68(3) p288-297. <https://doi.org/10.1111/fare.12362>

- Examining how teachers in these early-learning settings provide critical support for families while struggling to meet the needs of their own families. The National Association for the Education of Young Children, in response to a 2015 report by the Institute of Medicine and the National Research Council, has undertaken an initiative titled Power to the Profession (NAEYC, 2016). Power to the Profession is an initiative “to define the field of practice that unifies early childhood educators across all states and settings so they can further enrich the lives of children and families” (NAEYC, 2016).
- Barriers to teacher well-being include low compensation, lack of support for education and professional development, and a larger societal context that often devalues and inadequately supports the profession. The future of healthy families can be bolstered by addressing early care and education teacher well-being—specifically wages, work environment, and professionalism—and increasing support for high-quality early care and education from community and societal systems

Travis, Dnika J.; Lee, Ahyoung; Faulkner, Monica; Gerstenblatt, Paula; Boston, Jessica. *Community, Work & Family*. Jul2014, Vol. 17 Issue 3, p325-345. 21p. <https://doi.org/10.1080/13668803.2013.850402>.

- examining what works to boost childcare workers’ ability to thrive in their jobs
- findings also highlight the importance of understanding and harnessing the positive attributes of the meaning making process to develop intrinsic motivation and foster team-orientation. This

enhances childcare providers' ability to engage and thrive in their jobs, ultimately ensuring quality child care

National Center on Early Childhood Quality Assurance. (2017). *Developing a staffed family child care network: A technical assistance manual*. <https://childcareta.acf.hhs.gov/resource/developing-staffed-family-child-care-network-technical-assistance-manual>

- The National Center on Early Childhood Quality Assurance (ECQA) has developed five new documents addressing promising strategies for States, Territories, and Tribes to improve the quality of care and engage and sustain provider participation in regulatory systems and quality improvement initiatives

## APPENDIX 5. EARLY CHILDHOOD EDUCATION TRAINING, CERTIFICATION, AND DEGREE PROGRAMS

Below is a detailed list of early childhood education training programs offered throughout Tennessee (post-secondary institutions included embedded links for the reader to learn more).

### Tennessee High Schools (*providing ECE Careers I & II coursework*)

- Anderson County High School
- Bartlett High School
- Beech Senior High School
- Bolton High School
- Clinton High School
- Cookeville High School
- Franklin High School
- Germantown High School
- Halls High School
- Hamilton High School
- Henry County High School
- Holloway High School
- Hunters Lane High School
- Independence High School
- Karns High School
- Loudon High School
- Montgomery Central High School
- Morristown East High School
- Morristown West High School
- Northview Senior Academy
- Oak Ridge High School
- Ooltewah High School
- Pigeon Forge High School
- Ripley High School
- Sequoyah High School
- Sevier County High School
- Sheffield Career Technology Center
- Soddy Daisy High School
- Southwest Career Technology Center
- Station Camp High School
- Stone Memorial High School
- Summit High School
- Warren County High School
- White House Heritage High School

### Tennessee Colleges of Applied Technology (*awarding technical certificates*)

- [Chattanooga State Community College](#)
- [Cleveland State Community College](#)
- [Dyersburg State Community College](#)
- [Jackson State Community College](#)
- [Motlow State Community College](#)
- [Nashville State Community College](#)
- [Northeast State Community College](#)
- [Pellissippi State Community College](#)
- [Roane State Community College](#)
- [Southwest Community College](#)
- [Volunteer State Community College](#)
- [Walters State Community College](#)

### Tennessee Community Colleges (*awarding technical certificates and associate degrees*)

- [TCAT Nashville](#)



**Tennessee Universities (*awarding bachelor and master degrees*)**

- [Austin Peay State University](#)
- [East Tennessee State University](#)
- [Middle Tennessee State University](#)
- [Tennessee State University](#)
- [Tennessee Technological University](#)
- [University of Memphis](#)
- [University of Tennessee Knoxville](#)
- [University of Tennessee Martin](#)

## APPENDIX 6. TENNESSEE CHILD CARE FUNDING STREAMS

Funding Stream:	Definition:
American Rescue Plan Act (ARPA)	<p>The American Rescue Plan Act of 2021 allocates additional funds to higher education institutions through the HEA. These funds may be used to provide financial aid grants to students for any component of costs of attendance or for emergency costs that arise due to the COVID-19 pandemic, such as food, housing, and health care (including mental health care), or child care.</p> <ul style="list-style-type: none"> <li>• TDHS has developed an “Establishment Grants” program using ARPA funds to provide up to \$1,000 for each new slot of licensed capacity to be created, which can be used for expenses like furniture, supplies, and curriculum.</li> </ul>
The Child Care and Development Fund (CCDF)	<p>The Child Care and Development Fund is a federal and state partnership program authorized under the Child Care and Development Block Grant Act (CCDBG) and administered by states, territories, and tribes with funding and support from the Administration for Children and Families Office of Child Care. States use CCDF to provide financial assistance to low-income families to access child care so they can work or attend job training or educational program.</p>
The Community Development Block Grant (CDBG)	<p>The Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The CDBG program is administered by the Tennessee Department of Economic and Community Development (TDECD).</p> <p>TDHS has recently partnered with TDECD and local development districts to provide CDBG-funded grants for capital expenses related to construction, renovation, and expansion of new and existing child care spaces.</p>
The Child Care and Development Block Grant Act (CCDBG)	<p>The Child Care and Development Block Grant Act (CCDBG) is the law that authorizes the Child Care and Development Fund (CCDF) program. It was most recently reauthorized by Congress in 2014.</p>
Coronavirus Response and Relief Supplemental	<p>Coronavirus Response and Relief Supplemental Appropriations Act 2021- allocates additional funds for child care programs in order to prevent, prepare for, and respond to the COVID-19 pandemic. Under section 314(c)(3) of the CRRSAA, these additional funds can be used to provide financial aid grants to students which may be used for any component of</p>

Funding Stream:	Definition:
Appropriations Act (CCRSA)	their costs of attendance or for emergency costs that arise due to the COVID-19 pandemic, such as food, housing, health care (including mental healthcare), or child care.
Early Head Start (EHS)	EHS Programs serve infants, toddlers, and pregnant women <sup>10</sup> . EHS programs are available to families until the child turns 3 years old and is ready to transition into Head Start (HS) or another pre-K program <sup>10</sup> . EHS programs provide pregnant mothers and families with prenatal support and follow-up care services. EHS offers in-home home visiting programs to support child development and families achieving their unique goals <sup>10</sup> . EHS also provides center-based, half or full day programming focused on child development. EHS is available to low-income families <sup>10</sup> .
Employer Funded	Child care can be funded through the employer by wages, Child Care Flexible Spending Accounts (FSA), child care on-site, as well as discounts related to the employer's associations.
Sliding Scale Fee (Family/ Parent Co-payments)	A sliding fee scale means a system of cost-sharing (co-payments) based on family size and income. The law specifies that cost-sharing should not act as a barrier to families receiving CCDF assistance. Co-payments must help families afford child care and enable them to access the full range of child care providers.
Head Start (HS)	A federally-funded preschool program that promotes school readiness for preschool-aged children (ages 3 to 5) from low-income families. Services are provided in a variety of setting including centers, family child care, and children's own home <sup>1</sup> . HS programs also engage parents or other key family members in positive relationships, with a focus on family wellbeing <sup>1</sup> .
Temporary Assistance for Needy Families (TANF)	<p>The TANF program, which is time-limited, assists families with children when the parents or other responsible relatives cannot provide for the family's basic needs. The Federal government provides grants to States to run the TANF program. These State TANF programs are designed to accomplish four goals:</p> <ol style="list-style-type: none"> <li>1. to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;</li> <li>2. to end the dependency of needy parents on government benefits by promoting job preparation, work, and marriage;</li> <li>3. to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and</li> </ol>

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Funding Stream:	Definition:
	<p>4. to encourage the formation and maintenance of two-parent families.</p> <p>States have broad flexibility to carry out their programs. The States, not the Federal government, decide on the design of the program, the type and amount of assistance payments, the range of other services to be provided, and the rules for determining who is eligible for benefits.</p>
Teacher Education Assistance for College and Higher Education (TEACH)	A Teacher Education Assistance for College and Higher Education (TEACH) Grant is different from other federal student grants because it requires the individual to agree to complete a teaching service obligation as a condition for receiving the grant; if the individual does not complete the service obligation, the TEACH Grant will be converted to a loan that must be repaid with interest.
Tennessee Early Childhood Training Alliance (TECTA)	The Tennessee Early Childhood Training Alliance (TECTA) is a statewide system of professional development that connects Tennesseans with early childhood education (ECE) careers. Through advising and financial support for ECE degrees, training, certifications, advanced credentials, and continuing education, TECTA aims to meet prospective and current early childhood professionals exactly where they are in their careers whether they are just beginning or have been caring for children for many years
WAGE\$	The Child Care WAGE\$ program provides education-based salary supplements to low-paid teachers, directors, and family child care providers working with children in participating counties.

## APPENDIX 7. ENDNOTES AND REFERENCES

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