

Tennessee Child Care Task Force Consultant

Task Force Meeting: June 16, 2022

Public Consulting Group LLC



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Solutions that Matter

Agenda

Executive Summary

Visioning Sessions: Access, Affordability,
Quality

Focus Groups



Interim Report Revised Edition

Executive Summary Points

Access Findings

- 48% percent of Tennessee residents live in a “child care desert,” which is defined 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.
- The state has successfully partnered with certain businesses to help employers stand up child care facilities that meet the needs of their employees, such as Tyson Foods in Humboldt, TN. This work, however, took approximately three years of work and close discussions with TDHS, the Department of Economic & Community Development (TECD), and Tyson, and utilizes an array of blending funding supports for the program, both governmental and private.
- The Tennessee economy runs on adults working jobs at hours throughout the day. These industries include healthcare, hospitality, transportation, shopping and merchandise industries, just to name a few. 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.



Affordability Findings

- **Subgroup Discussion:** _____ total CCDF/TANF annual and _____ total ARPA/CRRSA funds available for child care versus spent?
- **Subgroup Discussion:** TDHS projects approximately 17,000 families (based on what?) will request child care certificates; but only approximately 12,000 can be allocated (**for discussion**).
- In Tennessee, child care workers typically make \$11.00 - \$13.86 per hour (\$23,780-\$32,680 annually), according to the U.S. Bureau of Labor Statistics (BLS).
- According to research conducted by TQEE, “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.”



Quality Findings

- Tennessee has one of the most mature Quality Rating and Improvement Systems (QRIS) in the country, and the state continues to pioneer in measuring and improving quality by undergoing a comprehensive transformation of its current QRIS.

Cost of Quality Report Findings

- Programs rated three 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 three 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



Areas for further Exploration Raised to Date - Access

- There are five counties with only one three-star program (Houston, Lake, Perry, Pickett, and Van Buren). The state can make additional investments in reducing quality child care deserts in these counties.
- The Task Force should consider options for expanding child care during non-traditional hours, particularly in counties where these care options are not available. These efforts may coincide with efforts to expand the availability of family child care programs.
- The Task Force may also want to consider building out functions or promote public knowledge of the family search pages for child care, in order to better track parents searches on these sites.

Areas for further Exploration Raised to Date- Affordability

- The Task Force should continue to evaluate the evolving demands for child care, as caregivers shift into new work requirements post-pandemic.
- The Task Force can consider reinstating the Corporate Tax Credit for Child Care. In addition to the Tax Credit, the state can allocate specific efforts to working with businesses to understand the opportunities and explore opportunities related to, for example, facilities space.
- The Task Force can further consider Grow Your Own initiatives such as that adopted by the Department of Education for K-12 education, modeled after the Grow Your Own National Model for Teacher Occupation Apprenticeship, or other state sponsored [apprenticeship models](#).
- Further research into the cost of care in Tennessee, leading to more actionable information relating to both the cost of health and safety in care as well as the cost of quality care.



Areas for further Exploration Raised to Date - Quality

- The state may want to build into its reporting processes related to subsidy administration, Head Start and Pre-K wait list reporting which allows for tracking and unduplicated count analyses.
- The state can invest in programs to bring unlicensed and unregulated providers into the regulated market and establish programs which provide training and technical assistance, financial incentives and networks.
- The Task Force can consider creating a Shared Services Model for supports such as subs, health insurance, program materials and supplies.



Areas for further Exploration Raised to Date - Governance

- Greater alignment and coordination between TDOE and TDHS. For example, related to Pre-K and public school early childhood classrooms, can engage in memoranda of understanding (MOUs), coordinated monitoring, require engagement in QRIS. Examples exist from other states such as Nebraska and New Mexico.
- Review data systems where gaps to data and information have been identified. These efforts can further enhance data informed decision making. For example, surrounding the distribution of not-for-profit and for-profit child care providers in the state. Members also suggested conducting further research into the availability of discounts and scholarships that programs my currently provide. For example, the university system, state, and Ballard Health System offer employee discounts. Specifically, during the pandemic there was a 25% reduction on fees for essential workers.

Visioning Sessions: Access, Affordability, Quality

Measuring Consensus

How it works:

When asked by the facilitator, each person responds by holding up a fist to five fingers that corresponds to their level of support. Anyone who holds up three fingers or less must state objections.

Consensus:

Consensus means everyone holds up three or more fingers.



Closed Fist

No. I am blocking consensus.



1 Finger

I have major concerns.



2 Fingers

I would like to discuss some minor issues.



3 Fingers

I am not in total agreement, but I feel comfortable enough to let the language pass with further discussion.



4 Fingers

I think the language is good.



5 Fingers

I think the language is great.

Access

Access Vision– Every Tennessee family with young children ages birth through age 12 can access quality child care* in a location and at a time that accommodates their schedules and unique needs

Note: It's understood that affordability is a contributing factor for Access but is handled separately below.

**Definition of child care* –Current definition is: “The provision of supervision and protection, and at a minimum , the basic needs of a child for a minimum of three hours per day and less than 24 hours a day. Both DHS and DOE standard define child care with this language.”

*Definition of quality child care – Child care that consistently meets Tennessee standards for safety, health and educationally rich learning and development settings.

Affordability

Child Care Affordability – ALICE

ALICE is an acronym for Asset Limited, Income Constrained, Employed, and represents the growing number of families who are unable to afford the basics of housing, child care, food, transportation, health care, and technology. These workers often struggle to keep their own households from financial ruin, while keeping our local communities running.

Between 2007 and 2018, Tennessee experienced steady economic improvements according to traditional measures. Unemployment in the state, as well as across the U.S., fell to historic lows, GDP grew, and wages rose slightly. **Yet in 2018, 47% of households still struggled to make ends meet. While 15% of these struggling households were living below the Federal Poverty Level (FPL), another 32% were ALICE: Asset Limited, Income Constrained, Employed. These households earned above the FPL, but not enough to afford basic household necessities.**

The ALICE Threshold represents the minimum income level necessary for survival for a household. Derived from the Household Survival Budget, the ALICE Threshold is rounded to the nearest American Community Survey income category and adjusted for household size and composition for each county.

Affordability

Child Care Affordability Definition

- Percent of ALICE (Asset Limited Income Constrained Employed) household budget towards child care. Questions:
 - Use Household Survival or Stability budget?

Child Care Affordability Vision

- **TN “working/ALICE families” will not pay more than ALICE percentage of household stability income for child care, and shall receive government subsidy up to that percentage.**
 - **Questions/Consideration:**
 - Are we ok with “employed” as the standard for our definition (i.e. should we also include people going to school, looking for employment, stay home for other reasons?)
 - Use 2 adults/2 children in child care as example: Household stability budget = \$110,400 annual; with child care budget at \$13,140 (or 12% of total budget).
 - Calculating cost of child care: Need to review how UW calculated costs for child care and determine if we agree with that or would adjust
- **TN will provide payment assistance for child care that ensures all families up to xx% of State Median Income do not pay more than ALICE budget for child care.**
 - **Considerations:**
 - Who’s Eligible? Currently, DHS uses 85% of SMI to define eligibility. SMI for 4 person family is \$76,449. 85% of that is \$64,981. 65,000 is survival budget – 85% of SMI
 - BUT the ALICE stability budget of \$110,400 is **144%** of SMI – so implication is that for this vision, we would need to shift

12,000 being served and 17,000 can be served-who is receiving subsidy, how much money being

Online portal now – upload verifications; then they upload



Quality

To realize the potential benefits of early learning, programs must be of high quality—meaning that they meet the needs of children and families and promote positive outcomes, and continuously work to refine and further the quality of the program.

We, as the task force, believe the practices that indicate high quality are:

- a healthy, safe, and clean environment;
 - classroom is appropriately outfitted with appropriate materials; items
- highly educated and quality staff;
- responsive caregiving (parent/family engagement);
- low child to teacher ratios;
- curriculum that advances appropriate development of a child into the next phase of their development and education;
 - objective measurement of early childhood educational development;
- continuous quality improvement.

Quality

- Question for the Task Force: should TDOE adopt the new QRIS?
- Question for the Task Force: does the CCTF **endorse** what TDHS is doing with a new QRIS.
 - Do we want to specifically say the QRIS captures quality – the definitions of the buckets in the QRIS?

Focus Groups

Who, What, When, Where?

- One focus group each in East, Middle, West Tennessee
 - Methods for identifying who should be invited
 - Determine space(s) for focus group
 - When? August?
- Discussion on content
 - Verify findings in interim report
 - Verify “vision” determinations
 - Identify other pain points for stakeholders?

For Focus Group Discussions

Barriers to Access Points:

- Families not taking advantages of the programs currently offered
- 47% of households struggle to make ends meet
- What other funding sources could we pull in to help
- Country differentials for median household income and ALICE scores
- Access to care once funds are available
- Do enough center take the certificates
- Is there enough access in counties that have the highest need for assistance
- Programs are not required to accept certificate funds
- Backlog of processing applications
- Staffing everywhere, centers all the way up to DHS
- Centers aren't able to staff so they can't take as many children as they need to
- Constituents concerns about filling out the application to accept funds (feel government might interfere with their personal business)
- Citizenship concerns
- Application requires a lot of documentation and cant start the process until it is fully complete
- Not much support for part time enrollments for parents that don't need consist care





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