

Tennessee Child Care Task Force

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Final Report



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EXECUTIVE SUMMARY

Purpose and Structure

As statutorily mandated through Public Chapter 474 of the Acts of the 112th 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, for building partnerships between government and the business sector, 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. An interim progress report of the CCTF's work was transmitted to the General Assembly on July 1, 2022. This final report builds upon the findings of the interim progress report and details the CCTF's recommendations and proposed strategic action plans to implement those recommendations.

This final report is comprised of the following components:

- Detailed recommendations from the CCTF to the Tennessee General Assembly, inclusive of accompanying research and findings from both within the state and elsewhere in the U.S.
- For each recommendation, we have developed strategic action plans with proposed action steps, stakeholders, timelines, and additional considerations to implement each recommendation.
- We have also listed additional “opportunities” for the state to pursue that did not have a specific recommendation that was made by the CCTF.
- Our Methods and Approach to completing this work, which details the various sources of information from which the task force shaped its recommendations. After completing the interim progress report, the CCTF tested its findings on child care in Tennessee for feedback through focus groups in each of the Grand Divisions of the state, in addition to a statewide online survey. PCG further conducted research to inform the CCTF's recommendations through peer state interviews and analyses and a general literature review, the findings of which are detailed in this report.
- The appendices of this report include detailed analysis and findings from the previously noted focus groups, statewide survey, and peer state interviews.

In summary, we have listed below the CCTF's recommendations to the General Assembly, with the intention of addressing and improving the CCTF-identified “three pillars” of child care in Tennessee: access, affordability, and quality. These recommendations are the product of the CCTF and are not made by the Tennessee Department of Human Services, however some of them align with existing operations or planned initiatives of the Child Care Services Program at TDHS. Ultimately, the State of Tennessee and its General Assembly may choose to formally act upon some, all, or none of these recommendations.

1. Child Care Workforce

CCTF Major Finding: There is an early care and education workforce and pipeline shortage that prevents programs from meeting full enrollment, as well as the expansion of early learning programs.

CCTF Recommendation: The State of Tennessee will explore and implement approaches such as:

- Investing in apprenticeship models with partner state agencies. Tennessee may consider establishing an initiative that couples degree and credential attainment with on-the-job training. This approach makes early childhood a more attractive employment option, offers effective training opportunities, and benefits prospective employers.
- Expanding financial supports for early educators, such as through the use of WAGE\$, bonuses and other public benefit eligibility options.
- Establishment of an early educator target compensation scale.
- Supporting appropriate contractors, vendors, and partners to promote pathway progression.
- Engaging in ongoing collaborative partnerships to further support rebuilding the workforce and ensuring families accessibility to child care.

2. Data Systems and Tools

CCTF Major Finding: Multiple opportunities exist for enhanced data systems to support family searches, state data analysis to inform policy decision making, and to reduce redundancies and burdens within existing processes.

Existing consumer education sites could be further enhanced to help parents explore child care and early learning options, including use of coordinated eligibility systems, single application processes for multiple programs, and consumer education pages which provide higher levels of filtering. Providers could have greater access to data systems in order to provide current program information to families and the state, as well as to coordinate application processes and reporting through coordinated online applications. Policymakers and state administrators lack the data necessary to fully understand child care supply and demand yet want to target resources to close gaps and better meet families' early care and education needs.

CCTF Recommendation: The state should leverage further investment and expansion of the use of technology and data for early childhood education at a statewide level. Emphasis should be placed on addressing expressed needs of parents, providers, and state administration and policymakers. Proposed actions could include:

- Further enhancements to the provider search portal for parents to support finding care nearby, reflective of real-time vacancies, and which allows parents to apply for care. This portal will host a knowledge base of the various resources available for parents and employers about child care in Tennessee.
- This portal would also allow providers to share real-time information about their programs, such as operations for second and third shift care, capacity and expertise to serve special populations, and available slots.
- Using the data collected, a state-level data dashboard would be made available to administrators and policymakers, providing real time data around program capacity and enrollment, frequency of family search criteria, and the outcome and remaining demand for care from corresponding applications

3. Cost of Quality Study

CCTF Major Finding: TDHS has completed their initial “narrow cost analysis” that is required to be completed at least every three years by CCDF. Though this first analysis met the requirements outlined by ACF, it would be beneficial for Tennessee to gather additional data around the provision of the true cost of child care and quality in the state.

CCTF Recommendation: Tennessee should conduct a child care cost estimation study that factors competitive compensation for child care workers and publish a companion report documenting the total projected cost for basing reimbursement rates on the cost of quality.

4. Business Incentives and Tax Credits

CCTF Major Finding: Businesses success depends on their employees being able to access and afford child care that meets their families’ needs, but today employees struggle with child care challenges. Employers indicate willingness to make some investment, but incentives coupled with technical assistance would lead to increased co-investment in employee child care supports.

CCTF Recommendation: Reestablish a business franchise and excise tax credit for expenditures on child care in Tennessee. In addition, Design a “Child Care Challenge Fund,” a competitive program where employers and local partners can apply for matching funds from the state for initiatives to increase supply of child care in their regions.

5. Conflicting State and Local Regulations

CCTF Major Finding: There are barriers and unnecessary costs created for providers due to regulations, codes and zoning requirements at the city, county, and state levels that are often conflicting and confusing, and in many cases not necessary to ensure the health and safety of children.

CCTF Recommendation: Using lessons learned and examples from providers, TDHS should identify and communicate the most common child care growth and start-up barriers created by onerous and conflicting zoning, code and other regulatory burdens, and further increase resources to supporting providers to navigate and problem solve those barriers.

6. Shared Services

CCTF Major Finding: Many early childhood providers struggle to provide high-quality early learning experiences for children while operating an efficient and thriving small business. The expense of hiring and retaining qualified staff; the challenge of implementing stimulating, age- and culturally appropriate experiences; the long hours of operation; the typical lack of business or management experience; and the low parent fees make it challenging for providers to stay financially afloat while providing the best, responsive care to children and their families.

Providers also struggle to find or access existing resources to help them address the effects of the industry's systemic challenges due to factors such as: ineligibility; lack of awareness; and having time to pursue the resources on top of their full workloads. Providers have also expressed that certain resources, such as existing professional development opportunities, do not cover certain challenges, and some do not evolve or are updated, making it difficult for teachers to gain required professional development units with new training(s).

CCTF Recommendation: Dedicate resources to support the development and expansion of a shared services hub models, including microcenter networks, family care provider networks, and other models, and potentially leverage technology to measure and evaluate efficacies.

7. Communications

CCTF Major Finding: Parents and businesses have expressed that they are unaware of the many resources the State of Tennessee offers to help families secure child care.

CCTF Recommendation: The State should pool agencies' resources and connections with local and regional entities to implement a communications plan that leverages local entities' existing community networks to communicate the importance of early childhood education to families in Tennessee and what resources are available to them. The state should further consider communicating with businesses about the opportunity to engage with TDHS to help design how they can support the child care needs of their employees.

8. Unregulated Providers

CCTF Major Finding: There are a large number (likely in the several thousands) of unregulated child care providers that operate lawfully caring for four or less unrelated children. These providers receive no monitoring or regulatory oversight from any Tennessee agency, so it is unknown how many of these providers exist and whether they are providing care that is safe, healthy, and educationally rich.

CCTF Recommendation: State/TDHS should take steps through incentives or other means to “register,” or make known to the state on a voluntary basis, programs that currently operate legally without regulation or monitoring if they care for four or less children. This would serve the dual purpose of a) increasing the data landscape of understanding the availability of child care in TN and b) nudge small in-home programs to becoming fully licensed. It is acknowledged this effort would require additional funding for TDHS or its contracted vendors for this to be accommodated.

9. Pre-Licensure Unit

CCTF Major Finding: TDHS’ new child care Pre-Licensure unit has been highly successful in its first year of operation, and the Department is proceeding with plans to increase the staff count for this unit.

CCTF Recommendation: The CCTF recognizes that it is important that the Pre-Licensure Unit maintains a manageable caseload to meet the needs of the child care community. TDHS should continue to manage and grow the unit as needed to provide customer responsiveness.

CHILD CARE TASK FORCE RECOMMENDATIONS

1. WORKFORCE

Problem Statement

There is an early care and education workforce and pipeline shortage that prevents programs from meeting full enrollment, as well as the expansion of early learning programs.

Findings

- In state stakeholder interviews highlighted that there are many state or federally-sponsored benefit programs for educators meeting eligibility criteria that are not well known, such as: state sponsored higher education, food support, TennCare or federally-subsidized health care.
- ***History of low compensation.*** *Child care is expensive because providers must pay competitive wages to attract and retain a qualified workforce.*
 - Tennessee early learning programs are struggling with hiring educators because the profession is not appealing to professionals who can earn more in other entry level positions. This leads to programs with classrooms that have not enrolled children, and further exacerbates the availability and affordability issues the sector has experienced. Additionally, the early care and educator sector experiences high turnover and challenges in supporting the professional preparation of educators equipped to provide high quality care and learning.
 - 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/hour¹ – wages well below the income threshold needed to sustain a family without assistance.

What We Recommend

The State of Tennessee will explore and implement approaches such as:

1. Investing in apprenticeship models with partner state agencies. Tennessee may consider establishing an initiative that couples degree and credential attainment with on-the-job training. This approach makes early childhood a more attractive employment option, offers effective training opportunities, and benefits prospective employers.

¹ Data Retrieved from U.S. Bureau of Labor Statistics: [https://www.bls.gov/oes/current/oes_tn.htm#\(4\)](https://www.bls.gov/oes/current/oes_tn.htm#(4))

2. Expanding financial supports for early educators, such as through the use of WAGE\$, bonuses and other public benefit eligibility options.
3. Establishment of an early educator target compensation scale.
4. Supporting appropriate contractors, vendors, and partners to promote pathway progression.
5. Engaging in ongoing collaborative partnerships to further support rebuilding the workforce and ensuring families accessibility to child care.

Strategic Action Plan			
Change: <input type="checkbox"/> Statute <input type="checkbox"/> Regulation X <input type="checkbox"/> Administrative <input type="checkbox"/> Other _____			
CCTF-Proposed Action Steps	Stakeholders	Timeline	Potential Outcomes
1. Investing in apprenticeship models with partner state agencies. Tennessee may consider establishing an initiative that couples degree and credential attainment with on-the-job training. This approach makes early childhood a more attractive employment option, offers effective training opportunities, and benefits prospective employers	TDHS, TDWLD	One Year	TDHS in partnership with sister state agencies will expand the availability of apprenticeship programs to grow the early care and education workforce.
2. Expanding financial supports for early educators, such as through the use of WAGE\$, bonuses and other public benefit eligibility options.	TDHS	Two Years	TDHS will make available additional financial supports for the early care and education workforce to offset the historically low wages. The result will be less turnover within the field (greater retention), and a growth in the number of early care and education providers.
3. Establishment of an early educator target compensation scale.	TDHS, TDOE	One Year	A target compensation field will be proposed by the department that supports educators with requisite

			skills and credentials to earn a livable wage in parity with K-12.
4. Supporting appropriate contractors, vendors, and partners to promote pathway progression.	TDHS, TDOE, TDH	Two Years	TDHS and TDOE, in partnership with TECTA, would support public community colleges and universities in the state to offer credentials and degrees in alignment with national best practices, in modalities and to audiences that meet the diverse needs of the workforce.
5. Engaging in ongoing collaborative partnerships to further support rebuilding the workforce and ensuring families accessibility to child care.	TDHS, TDOE	Two Years	State agencies will support and measure, the regrowth of the child care sector. These agencies will coordinate and engage in partnerships, as identified to support this goal.
6. Continue expansion and availability of curriculum and coaching of providers to care for children with special needs and young child mental health issues.	TDHS, TDOE	One Year	Providers will be more equipped to care for children with special needs and be better aware of mental health issues. There will be less suspensions and expulsions of children with mental/behavioral health issues.
Resources needed / Dependencies:			
<ol style="list-style-type: none"> 1. TDHS would need to work with the legislature and state agency leadership to determine available funding sources to expand the wages and compensation initiative, bonuses, to support pathway progression and/or build or expand upon new initiatives such as apprenticeship. Similarly, there are national research groups that have cost models that could inform the state of Tennessee, for example, the Center for the Study of Child Care Employment. The timeline for these was established informed by the fact that steps forward may need to happen in the following state fiscal year. 2. Dependencies for the above include: <ul style="list-style-type: none"> • The amount of employer match or contribution in ECE apprenticeship models • The amount of Workforce Innovation and Opportunity Act (WIOVA) funding contributed to or made available to pay for ECE apprenticeships instead of child care subsidy • The type of incentives and policy levels to support a wage scale. Wage scales should similarly be established in partnership with state sister agencies, and informed by cost-of-living calculators for respective communities across the state • Tennessee currently has a strong early childhood higher education partnership to promote professional pathways across the state. However, it could benefit the state to further consider the accessibility and availability of such programs for non-traditional, non-English language learner educators, as well as the degree to which their programs align to the Power to the Profession Recommendations. 			

Supporting Information, Analysis, Costs:

Sources such as the WAGE\$ National Center would be able to provide data regarding peer state investments in a wages and compensation initiative at scale.

Wage Scale levels ranged between 3 and 15. Rates vary based upon set per hour rates and specific amounts per region and level. We found that the primary goal of wage scales appeared to be pay parity with public schools. To assist with establishing these rates, Tennessee can also use the Bureau of Labor Statistics to inform development of their Wage Scale [Preschool Teachers : Occupational Outlook Handbook: : U.S. Bureau of Labor Statistics \(bls.gov\)](#) [A Look at Salary/Wage Scales for the Early Childhood Educator Workforce \(childcareservices.org\)](#)

[Several Resources Exist to support exploration of apprenticeships.](#)

[National Center for Grow Your Own Teachers and Registered Apprenticeships for Teaching \(ncgyo.org\)](#)

Other Information:

State Examples:

Arkansas: [Copy-of-Suggested-Salary-050922.pdf \(arkansas.gov\)](#)

Minnesota: MN rates were established based upon a Cost-of-Living Report: [Cost of Living in Minnesota / Minnesota Department of Employment and Economic Development \(mn.gov\)](#).

[Minnesota Early Care and Education Wage Scale / Minnesota Department of Employment and Economic Development \(mn.gov\)](#)

North Carolina had programs develop their own plans for how they were going to approach working towards the established wage scale. The state reviewed 30% of these plans in a random pull. Their scale can be found here: [2008 Sample Pay Scales - Teacher, Teacher Assistant & Master Mentor Teacher-1.xls \(ncicdp.org\)](#)

They have a "Compensation Collaborative" which published this report: [North Carolina Early Childhood Compensation Collaborative Model Salary Scale for Early Education Teachers final 9.10.21 \(smartstart.org\)](#)

Washington DC: [Compensation Scale for the DC Child Care Workforce | osse](#)

[The city of Washington, D.C., raises early educators' salaries by \\$10,000 | \(eyeonearlyeducation.org\)](#)

D.C. funded their child care worker raise increases with taxes on those earning over \$250,000 per year in Washington DC.

Washington DC is also providing health insurance to their providers.

Washington State: is also offering support for these providers. [Child Care Workers May Be Eligible for \\$0 Health Care Premiums | Washington State Department of Children, Youth, and Families](#)

Delaware: Wage Scale and History [Initial Framework Early Childhood Educator Target Compensation Scale and Professional Pathway Submitted to Senate and House Education Committees by Working Group convened by Delaware Department of Education and Delaware Early Childhood Council December 1, 2021 \(ctctusercontent.com\)](#)

Additional National Sources of Data: [Early Educator Pay & Economic Insecurity Across the States – Early Childhood Workforce Index 2020 – CSCCE \(berkeley.edu\)](#). More specifically, see the Appendices which maps what current wages are for child care providers, as well as for public schools across the country, and can begin to inform pay parity approaches. [Appendix 2: Early Childhood Educator Workforce Tables – Early Childhood Workforce Index 2020 – CSCCE \(berkeley.edu\)](#)

Rhode Island: [Right from the Start Video: Worthy Wages for Rhode Island’s Early Educators – Right from the Start \(rightfromthestartri.org\)](#)

Who Could Be Impacted:

Early educators (individuals), early learning programs, institutes of higher education, child care support providers

Task Force Areas of Focus

X Strategies to support the existing network of child care providers;

X Strategies to increase the supply of high quality, affordable, and accessible child care in communities where needed;

X Strategies to address the challenges of quality, affordability, and accessibility of child care in Tennessee;

☐ Strategies to more effectively use public resources to address those challenges;

☐ Strategies to build partnerships between government and the business sector, through which businesses are motivated to create and participate in strategies that address the child care needs of their employees and communities;

X Strategies to streamline coordination between the Department of Human Services, Department of Labor and Workforce Development, Department of Economic and Community Development, Department of Health, and Department of Education in developing solutions to Tennessee’s child care challenges; and,

☐ Recommendations for legislation deemed necessary to implement the strategic plan

2. DATA SYSTEMS & TOOLS

Problem Statement

Multiple opportunities exist for enhanced data systems to support family searches, state data analysis to inform policy decision making, and to reduce redundancies and burdens within existing processes.

Existing consumer education sites could be further enhanced to help parents explore child care and early learning options, including use of coordinated eligibility systems, single application processes for multiple programs, and consumer education pages which provide higher levels of filtering. Providers could have greater access to data systems in order to provide current program information to families and the state, as well as to coordinate application processes and reporting through coordinated online applications. Policymakers and state administrators lack the data necessary to fully understand child care supply and demand yet want to target resources to close gaps and better meet families' early care and education needs.

Findings

TDHS recently rolled out a new statewide data system to support the child care subsidy program, streamlining parent applications for subsidy, eligibility determination, and electronic time and attendance tracking as well as payment processing for providers. This system also supports TDHS licensing processes and the newly revamped QRIS.

The state currently provides an online child care finder, which 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, hours of operation, acceptance of child care certificate assistance, and numerous other variables. Individual programs' monitoring and compliance history is also available through the tool. Additionally, in some cases, providers list whether they have available slots by age groups.

There is an opportunity to expand the state's new data system (or contract with an additional vendor) to capture a wider range of data about child care in Tennessee. Data and analytics that could be captured could be:

- Real-time availability of child care slots at different ages throughout the state, down to the individual program level. This would assist the state in understanding the true supply and demand of child care throughout the state.
- Expand the abilities of the recommended system to interoperate with programs' child care management software to collect not only enrollment and attendance information, but also gain an understanding of programs' fiscal health.
- Determining the unduplicated count of children receiving public services to better understand the complete pool of children that could potentially access child care-related services. For instance, South Carolina utilizes a Data Warehouse that pulls information from a

Findings
<p>number of programs, such as: “Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Child Protective Services (CPS), First Steps local partnership programs (home visitation, parent training, child care assistance, health, school transition), Disabilities and Special Needs Services, state-funded 4K and Part B 619 services, Child Care Vouchers, and Health-related services.”² More information on South Carolina’s model for collecting these data can be found at: SC Early Childhood Integrated Data System - ECAC (earlychildhoodsc.org)</p> <ul style="list-style-type: none"> • Development of a public and/or state-level reporting portal, similar to Nebraska’s Early Childhood Data Explorer: Nebraska Early Childhood Data Explorer, which is an output of the state’s Early Childhood Integrated Data System (ECIDS), which was procured from an external vendor. More information about Nebraska’s ECIDS can be found at: Early Childhood Integrated Data System (ECIDS) – Nebraska Department of Education • An integrated eligibility system can also assist families in being screened for eligibility for other services and supports when applying for child care.
<p>The state should also consider undergoing a cross-department initiative to establish an Early Childhood Data Governance³ model, which will help set standards and processes for managing relevant early childhood data throughout all State of Tennessee departments. As both an organizational process and structure, data governance for early childhood should start with the appointment of a data governance coordinator, which subsequently leads a data policy committee.</p>
<p>The application process for finding and enrolling in child care has duplicative processes and places a burden on families. A solution for this exists within coordinated enrollment functions of data systems. Coordinated enrollment includes the practices of creating streamlined application processes for families to apply for care. (See Appendix 5 for more information on coordinated enrollment)</p>
<p>There are opportunities to further optimize/leverage State’s P20 System, to have integrated data from birth through college and career.</p>
<p>Coordinated enrollment includes the practices of creating streamlined application processes for families to apply for care. Coordinated enrollment can occur through an aligned application, an integrated data system, and/or integrated eligibility system. As currently designed, families must find and separately apply to multiple programs and setting types to find and enroll in child care. This places a large burden on families and doesn’t consider their potential eligibility for other public programs. A coordinated enrollment process would allow the agencies offering child care arrangements across the mixed delivery system, to work together to reduce redundancies for families.</p>
<p>Peer State interviews spoke to approaches to implement and create coordinated enrollment systems. For example, in Louisiana has developed guidance documents to support coordinated enrollment across the mixed delivery system, purchasing software at the local level to support these efforts.</p>

² [Preschool Development Grant Birth to Five: A Synthesis of Funded Applications \(hhs.gov\)](https://hhs.gov/preschool-development-grant-birth-to-five-a-synthesis-of-funded-applications)

³ [Early Childhood Data Governance in Action: An Introduction \(ed.gov\)](https://ed.gov/early-childhood-data-governance-in-action-an-introduction)

Findings

Members of the CCTF have observed on several occasions that they do not feel that they have enough clear, actionable data to make the most effective decisions and recommendations to improve access to child care in Tennessee. This is further echoed by what was heard in the focus groups and accompanying survey in that parents are unaware of the state's child care locator, or do not feel that it is sufficient, to help families make decisions about the child care they utilize.

Recommendation

The state should leverage further investment and expansion of the use of technology and data for early childhood education at a statewide level. Emphasis should be placed on addressing expressed needs of parents, providers, and state administration and policymakers. Proposed actions could include:

- Further enhancements to the provider search portal for parents to support finding care nearby, reflective of real-time vacancies, and which allows parents to apply for care. This portal will host a knowledge base of the various resources available for parents and employers about child care in Tennessee.
- This portal would also allow providers to share real-time information about their programs, such as operations for second and third shift care, capacity and expertise to serve special populations, and available slots.
- Using the data collected, a state-level data dashboard would be made available to administrators and policymakers, providing real time data around program capacity and enrollment, frequency of family search criteria, and the outcome and remaining demand for care from corresponding applications

Strategic Action Plan

Change:

☐ Statute ☒ Regulation X ☐ Administrative ☐ Other _____

CCTF-Proposed Action Steps	Stakeholders	Timeline	Potential Outcomes
1. For state administration and policymakers: The Data System may include a data dashboard that pulls from multiple sources to provide real-time data in ECE program capacity and enrollment, child assessment	TDHS, TDOE	One Year	The state would have more accurate data from which to inform policy decisions, across multiple programs, agencies and systems impacting young children and families.

data, and specifics about parent needs/demand for child care.			
2. Child care providers will have access to and use the integrated data system as a marketing platform to share real-time information about their programs and available slots.	TDHS, TDOE	One Year	Providers would be able to use the system to support live time awareness among families searching for care about the care options available.
3. Early learning providers will have the ability to access and apply for numerous state programs across the state.	TDHS, TDOE	One Year	A single portal would allow providers to apply for licensing, subsidy participation, shared services, QRIS, among others.
4. The application will connect to existing state systems such as Head Start, CCDF, State-Prek and other benefit programs for the purpose of providing a single application process to support integrated eligibility determinations across multiple public benefit programs and supports.	TDHS, TDOE	One Year	Families applying for care would be able to streamline their efforts through an integrated application system, as well as enroll in important social and economic supports to promote child and family well-being.
5. State administrators and policy makers will be able to use the data system to look across the system for children birth to five, or birth to eight to be able to look at program participation, utilization, and outcomes.	TDHS, TDOE	One Year	State policy makers would have a holistic view, across numerous elements, to inform accurate policy decision making and direct funding.
Resources needed / Dependencies:			
<ul style="list-style-type: none"> 1. Interagency data sharing agreements 2. A data governance infrastructure 3. Technology builds and enhancements 			
Supporting Information, Analysis, Costs:			
As we found in the interim progress report, and further verified by the focus groups and accompanying survey, 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%)⁴ 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 individuals⁵ who filed federal taxes as a nonemployer⁶ 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.

The Task Force also found there is a lack of accurate information about the total number of slots available because some providers in the state, despite accepting subsidy, are unregulated, and not listed on state data systems of consumer education pages

- As a result, members of the CCTF have observed on several occasions that they do not feel that they have enough clear, actionable data to make the most effective decisions and recommendations to improve access to child care in Tennessee. This is further echoed by what was heard in the focus groups and accompanying survey data that parents are unaware of the state's child care locator, or do not feel that it is sufficient to help families make decisions about the child care they utilize.

Who Could Be Impacted:

Families, providers, programs, state administrators

⁴ Retrieved from U.S. Census Bureau:

<https://data.census.gov/cedsci/table?q=workforce%20participation&t=Employment%20and%20Labor%20Force%20Status&g=0400000US47&tid=ACSDP5Y2020.DP03&moe=false&tp=false>

⁵ Retrieved from U.S. Census Bureau:

<https://data.census.gov/cedsci/table?q=nonemployer%20statistics&g=0400000US47,47%240500000&n=6244&tid=NONEMP2018.NS1800NONE MP>

⁶ According to the U.S. Census Bureau, A nonemployer business is one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Nonemployer businesses are generally small, such as real estate agents and independent contractors.

<https://www.census.gov/quickfacts/fact/note/US/NES010218#:~:text=A%20nonemployer%20business%20is%20one,estate%20agents%20and%20independent%20contractors>

Task Force Areas of Focus

X Strategies to support the existing network of child care providers;

X Strategies to increase the supply of high quality, affordable, and accessible child care in communities where needed;

X Strategies to address the challenges of quality, affordability, and accessibility of child care in Tennessee;

X Strategies to more effectively use public resources to address those challenges;

☐ Strategies to build partnerships between government and the business sector, through which businesses are motivated to create and participate in strategies that address the child care needs of their employees and communities;

X Strategies to streamline coordination between the Department of Human Services, Department of Labor and Workforce Development, Department of Economic and Community Development, Department of Health, and Department of Education in developing solutions to Tennessee's child care challenges; and,

☐ Recommendations for legislation deemed necessary to implement the strategic plan

3. COST OF QUALITY

Problem Statement

TDHS has completed their initial “narrow cost analysis” that is required to be completed at least every three years by CCDF. Though this first analysis met the requirements outlined by ACF, it would be beneficial for Tennessee to gather additional data around the provision of the true cost of child care and quality in the state.

TDHS engaged with the University of Tennessee-Knoxville Haslam School of Business to conduct a cost of quality survey during 2021, with results published in May 2022.⁷ The study examined specific cost drivers that contribute to the overall cost of providing care to children in a child care setting. Below are the annual per-child costs reported by independently operated and franchised child care providers (using financial information from 2019).

Item	Independent	Franchise
Average Annual Cost Per Child	\$9,708.00	\$5,939.00

These data are further examined in the study through more granular lenses such as Star-rating, urban and rural settings, age groupings, and more. According to TDHS' 2021 Market Rate Survey (conducted annually), in 2021, the average annual **price for families** in center-based full time child care was more than \$11,501.87 for infants and \$9,742.50 for 4-year-olds.⁸ This data generally indicates that programs may charge families at or around the actual costs to provide care to the program. We know that many factors contribute to why this is: private pay families can only afford care to a certain extent, ratio requirements for a classroom are major cost drivers (especially for young children), and more. There is much more data that could be gathered and applied to various program scenarios, showing where additional intervention from the community and the state could be applied to help child care providers run a healthy business.

⁷ Study results can be found at: [Cost of Quality Care Final Report.pdf \(tn.gov\)](#)

⁸ Study results can be found at: [2020-2021 Market Rate Survey.pdf \(tn.gov\)](#)

Findings

ACF allows for additional methods to study the cost of care and quality in child care. “Two types of alternative methodologies that Lead Agencies might use to inform their rate setting process include (i) a cost estimation model and (ii) a cost study/survey. A cost estimation model is an approach that incorporates both data and a set of assumptions to estimate expected costs that would be incurred by child care providers under different cost scenarios. A cost study collects data, typically through a sample of providers, at the facility or program level to measure the costs of delivering services. Either a cost estimation model or cost study should account for key factors that impact the cost of providing care—such as: staff salaries and benefits, training and professional development, curricula and supplies, group size and ratios, enrollment levels, facility size, and other costs. When setting payment rates, an alternative methodology allows Lead Agencies to consider the full cost of delivering child care services, including variations in cost.”⁹

Current child care subsidy rates only cover the average cost of care at the higher QRIS tiers, which although incentivizes programs to pursue higher tiers, it does not necessarily help to ensure access to high quality care for children utilizing subsidy in chronically underserved areas or populations of the state. As an example, the subsidy rate for a preschool child attending a center-based, one-star program in a “lower tier” county has a weekly full time care rate of \$132. This equates to \$6,864.00 annually if the child accesses 52 weeks of care in a year. This is well below the average \$9,708 cost of care for independently-operated programs as reported in the recent cost of quality study for TDHS.

Generally, subsidized childcare reimbursement rates have been driven by the market rate which has historically been set by how much families can pay for services, not by the cost of providing those services. This suppressed business model causes a ripple effect, providing less supply than is needed in the market, hampering the ability of small childcare businesses to grow, and limiting how many families are able to participate in the workforce.¹⁰

The Cost of Quality Analysis should study the cost of non-traditional care. According to some national statistics, “more than one in three children younger than age 6 with working parents have parents who work early in the mornings, evenings, nights, or weekends. Understanding the child care needs of parents who work nontraditional hours (NTH) is a growing concern for policymakers trying to make child care more accessible.” (Urban Institute, 2019)¹¹ The State of Tennessee does not have strong data regarding the use of, and need for nontraditional care, and how these needs and costs vary according to second and third shift care.

⁹ Referenced at: [Guidance on alternative methodologies and cost analyses for purposes of establishing subsidy payment rates | The Administration for Children and Families \(hhs.gov\)](#)

¹⁰ Bipartisan Policy Center (2020). The Limitations of Using Market Rates for Setting Child Care Subsidy Rates. Retrieved From: [The Limitations of Using Market Rates for Setting Child Care Subsidy Rates | Bipartisan Policy Center](#)

¹¹ Urban Institute (2019). Informing Policy Decisions About Non-Traditional-Hour Child Care. Retrieved from: [Informing Policy Decisions about Nontraditional-Hour Child Care | Urban Institute](#)

Findings

During the Peer State interviews, North Carolina shared that they are partnering with sister state agencies, including the Department of Corrections, to determine cost differentials for their operations between first, second, and third shift care operations. This data is serving to support cost modeling projections, as well as determine current care arrangements and potential need for formal care partnerships.

TDHS does have a number of differential rates for providers that offer non-traditional hour care, special needs care, and for programs in child care deserts.

⁴ Urban Institute (2019). Informing Policy Decisions About Non-Traditional-Hour Child Care. Retrieved from: [Informing Policy Decisions about Nontraditional-Hour Child Care | Urban Institute](#)

What We Recommend

Tennessee should conduct a child care cost estimation study that factors competitive compensation for child care workers and publish a companion report documenting the total projected cost for basing reimbursement rates on the cost of quality.

Strategic Action Plan

Change:

☐ Statute ☐ Regulation ☒ Administrative ☐ Other _____

CCTF-Proposed Action Steps	Stakeholders	Timeline	Potential Outcomes
1. Conduct additional study of peer states' alternative market rate/cost of quality studies and methodologies (North Carolina, Oklahoma, and New Mexico to start with).	TDHS	3 – 6 Months	List of preferred methodologies other states have
2. Develop RFP in consultation with other departments, such as TDOE, DIDD, TDLWD for outside vendor to study cost of quality child care in TN.	TDHS – lead, supported by other departments.	3 Months	Cost of Quality Study RFP
3. Select vendor to conduct comprehensive cost of quality/care study of child care in Tennessee.	TDHS (contracted vendor)	8 Months to 1 Year	Cost of Quality Study Results

			Companion Report Estimating Total Projected Cost for Moving Subsidy Rates to be Based on Cost of Quality
Resources needed / Dependencies:			
<ul style="list-style-type: none"> • Involvement and buy-in from other TN Departments to further analyze costs relating to provision of voluntary preschool in TN (TDOE) • Special attention should be paid to the costs around diversity and inclusion, inclusive of children with special needs • In the case that additional funding would be needed to fully fund a system of subsidy reimbursement that pays for the true cost of quality, strategies for additional revenue generation would need to be explored. The Task Force did discuss opportunities to explore utilization of the full TANF pull over, as well as briefly discussed cost modeling in other states. Resources to further support these discussions and work include: <ul style="list-style-type: none"> ○ Build Initiative (2019). Funding Our Future: Generating State and Local Tax Revenue for Quality Early Care and Education. Retrieved from: Funding Our Future: Generating State And Local Tax Revenue For Quality Early Care And Education - Build Initiative ○ Alliance for Early Success (2021). Innovative Revenue Wins for Early Care and Education in Louisiana. Retrieved from: Innovative Revenue Wins for Early Care and Education in Louisiana - Alliance for Early Success. ○ Children's Funding Project (2022). Cross-state conversation on revenue generation for early care & education. Retrieved from: Cross-State-Revenue-Generation-Conversation-Slides_4.12.22_v221.pdf (earlysuccess.org) 			
Supporting Information, Analysis, Costs:			
<p>A handful of states have pursued alternative methodologies for studying the cost of care and quality in their states by contracting with a vendor. Their requests for proposals (RFPs) have valuable information Tennessee can use to structure its own RFI or RFP. In North Carolina, for instance, their RFP sought to create up to three different alternative rate models to help establish their subsidy reimbursement rates. In proposal number 30-22118, they specify the following criteria to be used in each of the models:</p> <ol style="list-style-type: none"> 1. Childcare business sustainability; 2. Family affordability; 3. Mixed delivery system modeling; 4. Mitigation of hidden costs; 5. Geographic variation; 6. Meet the CCDF and TANF requirements; 7. The fiscal cliff families experience when moving out of subsidy eligibility; 8. The return on investment to the short and long-term North Carolina economic development system; and 			

9. Early childhood workforce qualifications and compensations.

Once a cost model is developed, it should also provide considerations for:

1. Provider type (program model, tax status, licensing structure, etc.);
2. Levels of provider star-rated quality;
3. Educator and administrator qualifications and compensation;
4. Child age;
5. Expanded access in childcare deserts;
6. Expanded access in areas with lack of access in one or more child age ranges;
7. Geographic location and local or regional economic conditions and economic mobility rating; and
8. Fiscal and political viability.”

Other Information:

Several states have also conducted their respective cost of care studies, using various methods. Examples of highly robust studies include:

Oklahoma: [Estimating the Cost of Quality Early Childhood Care and Education in Oklahoma](#)

Washington State: [Report on the Cost of Quality Child Care - Washington State Department of Commerce](#)

New Mexico: [Understanding the Cost of Quality Child Care in New Mexico Cost Estimation Model\[1\].pdf \(buildinitiative.org\)](#)

Delaware: [PowerPoint Presentation \(delaware.gov\)](#)

New York State: [PowerPoint Presentation \(raisingnewyork.org\)](#)

Who Could Be Impacted:

State departments, child care providers, families utilizing child care subsidy programs

Task Force Areas of Focus

- ☐ Strategies to support the existing network of child care providers;
- X Strategies to increase the supply of high quality, affordable, and accessible child care in communities where needed;
- X Strategies to address the challenges of quality, affordability, and accessibility of child care in Tennessee;
- X Strategies to more effectively use public resources to address those challenges;

☐ Strategies to build partnerships between government and the business sector, through which businesses are motivated to create and participate in strategies that address the child care needs of their employees and communities;

☐ Strategies to streamline coordination between the Department of Human Services, Department of Labor and Workforce Development, Department of Economic and Community Development, Department of Health, and Department of Education in developing solutions to Tennessee's child care challenges; and,

☐ Recommendations for legislation deemed necessary to implement the strategic plan

4. BUSINESS INCENTIVES AND TAX CREDITS

Problem Statement

Businesses' success depends on their employees being able to access and afford child care that meets their families' needs, but today employees struggle with child care challenges. Employers indicate willingness to make some investment, but incentives coupled with technical assistance would lead to increased co-investment in employee child care supports.

What We Learned

Business partnerships are critical to supporting the availability of child care arrangements where families need it, however employer engagement remains an underutilized resource. There are strong examples of the ways businesses have worked in partnership with the state to provide available space for child care facilities. The Tennessee Child Care Tax Credit was repealed in 2009, due to low utilization. However, there are numerous partner state examples where tax credits and incentives have proven valuable to increase child care support and offer care in child care deserts.

In Iowa, the Child Care Challenge Fund was designed to support both regional and community projects in the development of local child care facilities with the goal of simultaneously increasing the availability of quality, affordable child care for Iowa parents. In 2021, Iowa's DHS provided \$11,951,718 in grant awards, Child Care Challenge Grant awarded \$1,000,414 with a total combined grant awards of \$12,952,132 and a total number of new child care slots of 3,942. Additionally, in 2022, a total number of 106 projects were initiated resulting in an estimation of 4,986 new child care slots through the following funding sources; Iowa's DHS grant awards of \$26,749,392, Child Care Challenge awards \$9,333,383, with a combined total awards totaling \$36,082,775. For further information on the Child Care Challenge fun please select one of the three hyperlinks above.

What We Recommend

Reestablish a business franchise and excise tax credit for expenditures on child care in Tennessee. In addition, design a "Child Care Challenge Fund," a competitive program where employers and local partners can apply for matching funds from the state for initiatives to increase supply of child care in their regions.

Strategic Action Plan			
Change: X Statute <input type="checkbox"/> Regulation <input type="checkbox"/> Administrative <input type="checkbox"/> Other _____			
CCTF-Proposed Action Steps	Stakeholders	Timeline	Potential Outcomes
1. The State could explore options for creating incentives and/or tax credits for businesses willing to create and allocate space for child care operations.	TN Child Care Task Force, Representatives, Governor	One year	TN would re-institute its 25% business franchise and excise tax credit for expenditures which will support business viability TN would operationalize the Child Care Challenge Fund to support business engagement in growing and expanding the availability of child care throughout the state.
Resources needed / Dependencies:			
1. Legislation needs to be written, proposed, and passed to support these efforts. 2. Funding for the Child Care Challenge Fund needs to be established and voted on in the state budget process. 3. Tax Credits and Business Incentives need to be well advertised so those who could benefit are aware of, and fully take advantage of the opportunities. 4. The ability to use temporary stimulus funds, for example, through ARPA, to initially begin the Child Care Challenge fund require the initiative and fund be established prior to the funds sunset, as well as for sustainability costs to be determined.			
Supporting Information, Analysis, Costs:			
Research: In 2009 Tennessee repealed its child care tax credit provision. The previous tax credit amounted to 25% of total expenditures paid for planning, site preparation, construction, renovation or acquisition of facilities for child care purposes (see Appendix 6 for full language of the tax credit). There remains interest among businesses to explore options for their employees, in partnership with Development Districts, Labor Boards, and Economic Development Task Forces and Committees. Challenges remain in regard to a coordinated effort for businesses and developers to understand the options available, incentivize planning early on to accommodate the infrastructure requirements, and ensure the resources are available for additional costs insured such as for fencing, playground equipment or safety items.			

When Community Development Block Grant (CDBG) funds managed by ECD were utilized previously, applicants submitted a plan for how they would spend the money and gained approval from HUD. Previous experience demonstrates that establishment grants have been effective. Grants and tax credits could be used together for greater statewide impact.

Several other states have stood up similar initiatives, including Iowa's Child Care Challenge Fund. Funding is available for the next 1-2 years through ARPA federal funding sources; however Tennessee can consider expansion and sustainability of these efforts. It is also suggested that this existing effort connect with the recommendations regarding zoning the Task Force is also making around zoning.

Currently, there are no child-care related employer tax credits employed in non-income tax states related to child care, according to the Center for Economic Development of The Conference Board (CED).¹² (See **Appendix 5** for more example child care tax credits from other states)

Other Information:

See below for additional state examples and research.

Who Could Be Impacted:

All businesses, families

Task Force Areas of Focus

- ☐ Strategies to support the existing network of child care providers;
- X Strategies to increase the supply of high quality, affordable, and accessible child care in communities where needed;
- ☐ Strategies to address the challenges of quality, affordability, and accessibility of child care in Tennessee;
- ☐ Strategies to more effectively use public resources to address those challenges;
- X Strategies to build partnerships between government and the business sector, through which businesses are motivated to create and participate in strategies that address the child care needs of their employees and communities;
- X Strategies to streamline coordination between the Department of Human Services, Department of Labor and Workforce Development, Department of Economic and Community Development, Department of Health, and Department of Education in developing solutions to Tennessee's child care challenges; and,

¹² [State list of employer child care tax credits alpha list May 23 2022.xlsx \(live.com\)](#)

X Recommendations for legislation deemed necessary to implement the strategic plan
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5. CONFLICTING STATE AND LOCAL REGULATIONS

Problem Statement

There are barriers and unnecessary costs created for providers due to regulations, codes and zoning requirements at the city, county, and state levels that are often conflicting and confusing, and in many cases not necessary to ensure the health and safety of children.

What We Learned

- There are current discrepancies in requirements for programs to become licensed and operate between the Department of Human Services Licensing division and local zoning ordinances. Presently, programs must meet state Department of Human Services licensing requirements, in addition to local zoning and fire laws. Local jurisdictions create and implement their own requirements which can vary widely and create costly additions to opening a child care business.
- Stakeholder interviews across the state reinforced these challenges, with participants expressing barriers in opening child care businesses. For example, one participant wasn't able to open a family group care home because her zoning ordinance required 2 ½ acres. Another ran into a requirement for accommodating 4 parking spaces at their home.
- Business owners expressed barriers related to finding suitable space to open child care facilities. They express a desire to expand, families with needs, and zoning barriers that halted their operations.
- Peer State interviewees indicated working on challenges of zoning to varying degrees within their states.
 - In North Carolina, the State has tasked their Regional Smart Start grantee network with working with zoning municipalities to remove or reduce barriers, particularly as experienced by family child care providers. Leverage points have included coordination with City Council's to discuss the lack of availability and these associated barriers.
 - Iowa tried to pass legislation regarding zoning alignment, the bill did not pass.

What We Recommend

Using lessons learned and examples from providers, TDHS should identify and communicate the most common child care growth and start-up barriers created by onerous and conflicting zoning, code and other regulatory burdens, and further increase resources to supporting providers to navigate and problem solve those barriers.

Strategic Action Plan			
Change: X Statute X Regulation <input type="checkbox"/> Administrative X Other <u>Alignments and MOUs</u>			
CCTF-Proposed Action Steps	Stakeholders	Timeline	Potential Outcomes
1. The State should solicit input from providers regarding regulations, codes and zoning requirements, and issues	TDHS Pre-Licensure Unit	One year	TDHS would compile information regarding requirements across the state, with notes regarding where there are discrepancies and misalignments.
2. The State can develop a standard zoning approach/model to meet broader regulation issues and needs to operate child care.	TDHS Pre-Licensure Unit	Two Years	The TDHS would propose and pilot a standard zoning approach and will gather information to inform revisions and outcomes.
3. Resources would be developed for community access.	TDHS Pre-Licensure Unit	Two Years	A menu of resources would be developed regarding the approach and process, requirements, and supports which exist. For example, an established state fund for infrastructure costs which fall outside the eligibility guidelines of CCDF.
Resources needed / Dependencies:			
1. Information regarding statewide code, zoning, and regulatory requirements 2. Level of engagement and coordination between state and local authorities 3. National best-practice recommendations which inform current requirements			
Supporting Information, Analysis, Costs:			
Research: Zoning provides a vital role within states and counties to promote safety and approved use of space. However, zoning can cause particular challenges to child care businesses, who already have to meet rigorous child care licensing requirements, in addition to their local county or city zoning requirements. These requirements may be misaligned with state licensing requirements, and require significant investment by these small businesses to meet. There have been reported instances where individuals opening or expanding their child care business have been			

stalled or decided to not pursue the required efforts. These challenges place an additional barrier on an already strained business model and system where the demand for care surpasses availability. Nationally, states have taken efforts to:

- Align county or city requirements to state licensing regulations.
- Assess the fee structures for child care business owners looking to become licensed as well as gain approval for zoning.
- Cities have worked to remove difficult to meet requirements such as requirements for fire safety sprinkler systems, industrial refrigerators, permissions from neighbors if opening an FCC, restrictions regarding locations such as can't be by a major intersection, restrictions on rental limitations, what businesses they can operate next to etc.
 - o For example, **McMillville, Oregon** tasked their Commission with coming up with proposed regulation changes including, cutting language out of the current zoning requirements related to having to reside on the home, having to meet requirements of Oregon State Structural Specialty and Fire Life Safety Code. Actual changes can be fully found in the document below.
[ordinance_no. 5104.pdf \(mcminnvilleoregon.gov\)](#)
 - o **Washington, DC** worked to remove some of their "automatic" zoning requirements to increase access. The primary changes were procedural, making it so providers didn't have to get approval from a Zoning Approval Board, which could take 3 months and delay requests for licenses. ["DC Initiative to Remove Zoning Requirement for Child-care Providers" | PoPville](#)
- States have changed requirements among commercial, industrial and residential zoning, to allow child care (Center's and FCC's) to operate within these areas. Across some municipalities, providers have been unable to operate in any one or more of these zones, or the number of licenses has been capped (ex. only a certain number of FCC businesses can operate in a residential area). For example:
 - o **Connecticut** worked to remove special approval requirements when opening business in residential community [How a fight over zoning unintentionally hurt Stamford child care providers \(stamfordadvocate.com\)](#)
 - o **California** statutorily worked to revise child care zoning through SB234, which required:
 - Licensed large family daycare homes be treated as a residential use of property for purposes of local ordinances,
 - The use of a home as a small or large family daycare home is considered to be residential use of property and a use by right for purposes of local ordinances, including zoning ordinances, and
 - Clarifying that a local government cannot require a business license, fee, or tax in order to operate a small or large family daycare home. Source: [Resources for Child Care Zoning and Licensing Law - California State Association of Counties](#)
 - o **Louisville, Kentucky** made changes to zoning regulations which had previously restricted family child care zoning in R4 and R5, despite the fact that this comprised 60% of land in the county. They worked to align county requirements with state requirements and looked at number of facilities that would have been approved (found over 100) should these zoning requirements be changes. They also allowed capacity flexibilities related to siblings in FCC's. Meaning, the cap on enrollment was waived for sibling families so children in same families could attend together even if it put provider over cap. This increase in capacity made it so that child care homes in residential zoning districts could serve up to 12 children (with appropriate regulation and licensing from the Kentucky Division of Child Care). It also made it so that child care centers could operate in residentially zoned areas in specific circumstances such as on current non-residential lots, corner lots, or to be included as part of a new neighborhood development plan. Child care centers could operate in industrial areas after meeting certain special standards, including approval by the APCD. Source: [Proposed zoning changes would](#)

[increase access to child care in Louisville – Greater Louisville Inc.](#) and [How zoning issues restrict access to child care where Louisville needs it most: Opinion \(yahoo.com\)](#)

- **Boston, Massachusetts** requires that any large developer know about and work with building authorities to build space which is zoned for child care businesses. [ExecutivOrderDayCare.pdf - Google Drive](#)

Another report of interest is titled Addressing the Decreasing Number of Family Child Care Providers in the United States. See specifically page 14 and page 20, which speak to zoning issues and supports. [Addressing the Decreasing Number of Family Child Care Providers in the United States \(hhs.gov\)](#)

Who Could Be Impacted:

Local zoning and regulatory jurisdictions, Department of Human Services Pre-Licensure Unit, Child Care Providers (existing and new)

Task Force Areas of Focus

X Strategies to support the existing network of child care providers;

X Strategies to increase the supply of high quality, affordable, and accessible child care in communities where needed;

X Strategies to address the challenges of quality, affordability, and accessibility of child care in Tennessee;

X Strategies to more effectively use public resources to address those challenges;

☐ Strategies to build partnerships between government and the business sector, through which businesses are motivated to create and participate in strategies that address the child care needs of their employees and communities;

X Strategies to streamline coordination between the Department of Human Services, Department of Labor and Workforce Development, Department of Economic and Community Development, Department of Health, and Department of Education in developing solutions to Tennessee's child care challenges; and,

X Recommendations for legislation deemed necessary to implement the strategic plan

6. SHARED SERVICES

Problem Statement
<p>Many early childhood providers struggle to provide high-quality learning experiences for children while operating an efficient and thriving small business. The expense of hiring and retaining qualified staff; the challenge of implementing stimulating, age and culturally appropriate experiences; the long hours of operation; the typical lack of business or management experience; and low parent fees make it challenging for providers to stay financially afloat while providing the best, responsive care to children and their families.</p> <p>Providers also struggle to find or access existing resources to help them address the effects of the industry's systemic challenges due to factors such as: ineligibility; lack of awareness; and having time to pursue the resources on top of their full workloads. Providers have also expressed that certain resources, such as existing professional development opportunities, do not cover certain challenges, and some do not evolve or are updated, making it difficult for teachers to gain required professional development units with new training(s).</p>
Findings
<p>Shared Service Alliances (SSAs) offer a system of solutions to many of the chronic challenges in the child care industry; especially, as it relates to the areas of business; quality care; and supports for families.</p> <p>SSAs utilize economies of scale and specialization to offer standardized, quality services to their partners- which in this case are childcare programs.</p>
<p>By centralizing resources and functions at a Hub (the term often given to the administrator of a SSA, which in turn connects child care providers to resources and services), childcare providers can outsource tasks and pain points in their businesses that keep them from focusing on supports to staff and families and take time and attention away from advancing program quality.</p>
<p>Shared Service Alliances save both time and resources for providers and the industry by using the principles of scale and outsourcing.</p> <p>For example, imagine if 10 childcare providers hired their own accountant and paid that person \$20,000 for their services. Across the 10 providers, that is \$200,000 in accounting services annually.</p> <p>Now, say a Shared Services Hub employed 1 accountant at \$60,000 to serve all 10 centers. Across the 10 providers, that is \$60,000 annually, with a net industry savings of \$140,000 and an avg. provider savings of \$20,000 (minus the Alliance membership fee if applicable).</p> <p>This logic works with any service, material, or goods provided by an Alliance Hub, and offers high benefits in the business, classroom, and social support spaces for childcare programs.</p>

Findings
<p>There are many types of shared services models. The entry point being an administrative agency or website with shared resources managed by an administrative “home” or centralized entity offering direct administrative services, coaching or other practice based provider supports, and resources to its network of partner childcare programs.</p>
<p>Shared Services Alliances bring together small early care and education businesses to create a centralized infrastructure that ultimately reduces costs, strengthens management systems, creates efficient and standardized processes, and eliminates duplication of services. By pulling together these small businesses into a larger share structure, the Alliance Hub enables the individual programs to continue operating independently while benefiting from the cost-savings and resources an Alliance can offer. It is a promising practice strategy to improve business operations and sustainability of child care business.</p>
<p>Shared Services Alliances support a partnership of child care providers and aim to strengthen systems and improve efficiency at the provider level by sharing resources to leverage economies of scale. Shared services alliances can assist providers in a variety of areas, and each Shared Services Alliance is customized based on the needs identified by its members. Shared Services Alliances share the goal of strengthening businesses across the participating early learning programs by creating structures that enable the sharing of administrative personnel, information, and resources.</p>
<p>Many Shared Service Alliances offer a Hub where administrative tasks are consolidated. The Hub serves as the administrator of services, assists in helping child care providers identify their common needs, and facilitates the coordination and implementation of the agreed-upon shared services.</p>
<p>Most Shared Services Alliances are supported by a combination of members’ management fees, philanthropy, and government funds, whether state or local. It is assumed that programs will offset the membership management fee by reducing business costs and increasing income because of improved quality or less paid for administrative or programmatic functions. As members benefit from reduced purchasing and services costs, they are typically able to re-invest those savings back into quality initiatives for their program.</p>
<p>One example of shared administrative functions through a centralized source are the online solutions offered by a number of vendors. These companies have created Automated Child Care Management Systems that work with states and providers based on their needs. They place a high focus on outcomes, not inputs to see the real data in how the system is working. They back data into analyst reports. Some even work primarily, from a state interest perspective to only pull data state may want and/or be interested in.</p>
<p>Tennessee already has 2 of the most comprehensive shared service alliances in the country in Chattanooga (The Chambliss Center for Children) and Memphis (NEXT Memphis at Porter-Leath). Each of these models have invested significant time and resources into building out their shared services offerings and could be further studied to take their services to a larger scale or to offer lessons learned and best practices developed since their inception.</p>

Findings

In May, 2016, 24 States¹³ were using a shared services web platform. Each State's site is customized with state-specific tools and resources and aligns to its own data and fiscal reporting management systems. Links to the State's early learning standards, child care licensing requirements, or quality improvement rating programs can be included.

Many states have systems, however, these are often comprised of many portals with different logins for different needs. This option provides one stop access for providers.

Some states are focusing on different things through these Automated Child Care Management Systems based on their needs. For example, one alliance in Florida has providers that focused on Human Resources as a shared administrative function due to their programs struggling with staffing. Another alliance is focusing heavily on the use and sustainability for subsidy dollars, making sure they can keep the dollars flowing by focusing on systems around paperwork, state requirements, etc.

Benefits of Shared Service Alliances:

1. The professional fiscal management and economic strength of a larger organization, making it easier for small businesses to weather economic ebbs and flows.
2. Lower costs from economies of scale in business functions like payroll, benefits management, banking, janitorial and food services, and purchasing.
3. Higher quality early childhood education and the ability to offer a range of comprehensive family support services due to a more stable financial and organizational structure, improved compensation, and a comprehensive approach to professional development.
4. More reflective teaching practices as a result of a better capacity to conduct child assessments and track outcomes using a centralized data system.
5. Better capacity to link with school districts and support successful transitions to school through the use of shared technology and centralized data systems.
6. SSAs offer a one stop shop set of solutions to many of the chronic challenges to operations and quality across the childcare industry.

What We Recommend

Dedicate resources to support the development and expansion of a shared services hub models, including microcenter networks, family care provider networks, and other models, and potentially leverage technology to measure and evaluate efficacies.

¹³ [Using a Shared Systems Strategy to Support Child Care Providers](#)

Strategic Action Plan			
Change: <input type="checkbox"/> Statute <input type="checkbox"/> Regulation <input checked="" type="checkbox"/> Administrative <input type="checkbox"/> Other _____			
CCTF-Proposed Action Steps	Stakeholders	Timeline	Potential Outcomes
1. Publish RFP for piloting shared services models that TDHS currently has in process.	TDHS	Six Months	Selected vendor(s) to provide shared services.
2. Evaluate results and efficacies of shared services implemented by vendor(s), determine additional areas for expansion or improvement.	TDHS	Two Years	Shared services models identified to be further expanded.
Resources needed / Dependencies: <p>To be further determined once TDHS's RFP for shared services vendor(s) have been evaluated and awarded.</p> <p>A brief list of shared services functions that can be provided are:</p> <ul style="list-style-type: none"> Billing and fee collection Instructional Coaching Social Services (wraparound supports, etc.) Human Resources support, including salary scale, job descriptions, staff recruitment, screening, on-boarding, human resources policies Non-profit board consultation, education, and management supports Payroll processing Coordinating child recruitment and enrollment Tax preparation and support Accounting and bookkeeping Bulk purchasing for goods and services, which can include classroom supplies and equipment Benefits: Health care (including navigation support for the Affordable Care Act Exchange), retirement, telemedicine, paid time off, heaving savings accounts, etc. Marketing, recruitment (children/parents) and enrollment support Arranging for shared staff such as custodians, cooks, or other specialized support staff including mental health or health consultants Facility repair, maintenance, and janitorial services Child and Adult Care Food Program (CACFP) administration Technology support, including hardware, software, and connectivity. Legal support Facilitating provider access to multiple funding streams including private, child care subsidy, Head Start, etc. Transportation services Fundraising and development support Farm to Table- leveraging access to local, fresh foods Liability insurance awareness and enrollment support 			

Supporting Information, Analysis, Costs:

Most Shared Services Alliances are supported by a combination of members' management fees, philanthropy, and government funds, whether state or local. It is assumed that programs will offset the membership management fee by reducing business costs and increasing income because of improved quality or less paid for administrative or programmatic functions. As members benefit from reduced purchasing and services costs, they are typically able to re-invest those savings back into quality initiatives for their program.

Other Information:

Tennessee already has two (2) of the most comprehensive shared service alliances in the country, located in Chattanooga (The Chambliss Center for Children) and Memphis (NEXT Memphis at Porter-Leath). Each of these models have invested significant time and resources into building out their shared services offerings and could be further studied to take their services to a larger scale or to offer lessons learned and best practices developed since their inception.

Who Could Be Impacted:

State, child care providers

Task Force Areas of Focus

X Strategies to support the existing network of child care providers;

X Strategies to increase the supply of high quality, affordable, and accessible child care in communities where needed;

X Strategies to address the challenges of quality, affordability, and accessibility of child care in Tennessee;

X Strategies to more effectively use public resources to address those challenges;

X Strategies to build partnerships between government and the business sector, through which businesses are motivated to create and participate in strategies that address the child care needs of their employees and communities;

☐ Strategies to streamline coordination between the Department of Human Services, Department of Labor and Workforce Development, Department of Economic and Community Development, Department of Health, and Department of Education in developing solutions to Tennessee's child care challenges; and,

☐ Recommendations for legislation deemed necessary to implement the strategic plan

7. COMMUNICATIONS

Problem Statement

Parents and businesses have expressed that they are unaware of the many resources the State of Tennessee offers to help families secure child care.

In our interim progress report, we found the following major theme:

- *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).¹⁴ 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.

As we further engaged with stakeholders across the state through focus groups and a survey, we heard from providers, parents, and businesses about a general lack of knowledge of resources available to them. Major themes heard from these sources were:

- A strong desire to implement awareness and benefit programs as for employers., such as awareness campaigns about child and family services, flyers in employer break rooms, and employee onboarding packets.
- The state’s child care search page is not well known. Families in need of care find it informally by asking within their own networks.
- Parents and employers both had little knowledge of child care licensing in general.
- Many families do not know about, or how to access subsidies and deeply rely on child care programs for support with enrollment.
- A need to help families and the community understand what quality ratings (QRIS) are, that they are available and what they mean.
- The need for new businesses (child care and other sectors) to understand the services that are available to support parental self-sufficiency, in addition to particularly large businesses offering or creating on-site or nearby space for child care.

¹⁴ U.S. Administration for Children & Families, Office of Community Services (July 2021). *LIHEAP IM-2021-03 State Median Income Estimates for Optional Use in FY 2021*. U.S. Department of Health & Human Services. <https://www.acf.hhs.gov/ocs/policy-guidance/liheap-im-2021-03-state-median-income-estimates-optional-use-fy-2021>

Findings
TDHS established a new position in 2021 whose primary focus is to engage with the Tennessee business community about what resources are available to help businesses sponsor or invest in child care for their employees and communities. This position has been highly successful in working with employers to develop highly tailored plans to invest in child care for all types of industries in both rural and urban areas of the state.
TDHS Child Care Services has been having ongoing discussions with TDHS Public Information office on the development of a public engagement process, which will likely align to the first round of released QRIS scores and will support consumer education efforts.
A previous structure existed in Tennessee from 1990-2008, where 14 entities operated child care assistance. These functions were brought back to the central state office in 2008. Some challenges which existed within the former structure included inconsistencies, silos, funding issues, fraud, staff were previously called “Brokers”. CCR&R and state agency staff are spread out across the state. There are active partner meetings, where staff work with local partners. It can be challenging for local government to engage in the same way that non-governmental agencies can.
Within Tennessee already, Bright Start TN, an initiative of Tennesseans for Quality Early Education, is encouraging communities to build local level early learning systems. Bright Start is a coalition leading an initiative to bring together a statewide network of community partnerships dedicated to accelerating early learning outcomes and closing achievement and opportunity gaps. This may be a group to engage in further planning and development of these proposed activities.

What We Recommend
The State should pool agencies’ resources and connections with local and regional entities to implement a communications plan that leverages local entities’ existing community networks to communicate the importance of early childhood education to families in Tennessee and what resources are available to them. The state should further consider communicating with businesses about the opportunity to engage with TDHS to help design how they can support the child care needs of their employees.

Strategic Action Plan			
Change: <input type="checkbox"/> Statute <input type="checkbox"/> Regulation X <input type="checkbox"/> Administrative <input type="checkbox"/> Other _____			
CCTF-Proposed Action Steps	Stakeholders	Timeline	Potential Outcomes

1. Inventory current pathways TN agencies utilize to communicate with the community and stakeholders	TDHS, TDOE	One Year	Landscape analysis of the existing communication and outreach efforts will be completed. Results will inform CCDF State Plan and next steps.
2. Determine which functions and activities these systems would manage	TDHS, TDOE	One Year	Determine where the gaps are from the above analysis and which focus areas, for which respective community and/or region should be included with the scope.
3. Determine amount of funding available	TDHS, TDOE	Two Years	Determine the amount of total funding available, which communities to prioritize initial funding for, and the amount of fund to be effective.
4. Determine contracting mechanism	TDHS, TDOE	Two Years	State will pilot a local and regional family and community engagement initiative
5. Pilot will gather outcomes to inform pilot expansion and revisions.	TDHS, TDOE	Three YEarS	Local and regional (on the ground) network will align to and support state level work, communications and services.
Resources needed / Dependencies:			
1. Determine essential partners for communication efforts 2. Designate funding for local and regional family and community engagement initiative. Ensure sustainability and expansion funds to bring to scale.			
Supporting Information, Analysis, Costs:			

Established in 2010 as a joint initiative between the Massachusetts Department of Early Education and Care (EEC) and the United Way of Massachusetts Bay and Merrimack Valley, Brain Building in Progress is a statewide campaign to raise public awareness and involvement in young children's healthy development and early learning. This campaign has been successful in communicating the science behind early childhood development to parents, and where families can find resources for child care and early education. See:

<http://brainbuildinginprogress.org/>

Idaho will be launching the Idaho Public Television (Idaho PTV) Media Campaign, which focuses on the critical role parents play in promoting early learning by equipping parents with simple strategies to build their child's reading, social, and emotional skills. IdahoPTV works to help early learning providers and school districts in rural areas to increase engagement with parents to promote school readiness for children ages 3-5. IdahoPTV also offers an array of online resources for ECE educators and families that promotes play-based early literacy and STEM activities. See [Family Engagement Opportunities \(idahoptv.org\)](http://idahoptv.org/family-engagement-opportunities)

Wisconsin will create a tailored texting service designed to increase parents' knowledge of ECE programs and evidence-based child development practices.

Wyoming will increase parent and caregiver knowledge of programs and services through the creation and distribution of informational materials (including those focused on transitions from birth through preschool and into elementary school) building on existing communications and outreach initiatives and infrastructure.

Who Could Be Impacted:

Families, Providers, State Agency Personnel

Task Force Areas of Focus

X Strategies to support the existing network of child care providers;

X Strategies to increase the supply of high quality, affordable, and accessible child care in communities where needed;

X Strategies to address the challenges of quality, affordability, and accessibility of child care in Tennessee;

X Strategies to more effectively use public resources to address those challenges;

☐ Strategies to build partnerships between government and the business sector, through which businesses are motivated to create and participate in strategies that address the child care needs of their employees and communities;

- ☐ Strategies to streamline coordination between the Department of Human Services, Department of Labor and Workforce Development, Department of Economic and Community Development, Department of Health, and Department of Education in developing solutions to Tennessee's child care challenges; and,
- ☐ Recommendations for legislation deemed necessary to implement the strategic plan

8. UNREGULATED PROVIDERS

Problem Statement
There are a large number (likely in the several thousands) of unregulated child care providers that operate lawfully caring for four or less unrelated children. These providers receive no monitoring or regulatory oversight from any Tennessee agency, so it is unknown how many of these providers exist and whether they are providing care that is safe, healthy, and educationally rich.

Findings
The state of Tennessee has very little information regarding unregulated child care providers, aside from what providers indicate on tax filings. U.S. Census Bureau statistics indicate that in 2018 (latest data available) there were 12,423 individuals ¹⁵ who filed federal taxes as a nonemployer ¹⁶ child day care services provider.
How can unregulated providers be encouraged to obtain a license? Unmet needs surrounding funding or need of advanced funding, long license processing periods, lack of understanding how to manage and maintain licensing requirements all impact the ability to meet prerequisite licensure requirements.
TDHS currently operates a pre-licensure unit, which works to recruit new providers/business owners into the profession. Through the growing pre-licensure unit, TDHS is able to provide information to those considering opening a program, provide feedback regarding the use of various facilities/spaces and provide general technical assistance regarding licensing requirements.
Improving Finding Child Care Need was identified for access to a user friendly website containing updated, accurate, open child care slot information and greater access to child care information through OBGYN and pediatrician offices. Word of mouth, personal recommendations, and social media were the most common source of information about child care options and openings

¹⁵ Retrieved from U.S. Census Bureau:

<https://data.census.gov/cedsci/table?q=nonemployer%20statistics&g=0400000US47,47%240500000&n=6244&tid=NONEMP2018.NS1800NONE MP>

¹⁶ According to the U.S. Census Bureau, A nonemployer business is one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Nonemployer businesses are generally small, such as real estate agents and independent contractors.

<https://www.census.gov/quickfacts/fact/note/US/NES010218#:~:text=A%20nonemployer%20business%20is%20one,estate%20agents%20and%20independent%20contractors.>

Findings

Assisting unregulated providers in becoming regulated will assist families in seeing and being able to access a greater number of child care providers. Once a child care program has become licensed, could be displayed on the state's child care finder for families to access.

What We Recommend

State/TDHS should take steps through incentives or other means to "register," or make known to the state *on a voluntary basis*, programs that currently operate legally without regulation or monitoring if they care for four or less children. This would serve the dual purpose of a) increasing the data landscape of understanding the availability of child care in TN and b) nudge small in-home programs to becoming fully licensed. It is acknowledged this effort would require additional funding for TDHS or its contracted vendors to for this to be accommodated.

Strategic Action Plan

Change:

☐ Statute ☐ Regulation X ☐ Administrative ☐ Other

CCTF Proposed Action Steps	Stakeholders	Timeline	Potential Outcomes
1. Proposing a number of incentives, that meet the spirit of the recommendation, for encouraging unregulated providers to become regulated.	TDHS	One Year	Incentives available for unregulated providers that financially encourage providers to become regulated.
2. Utilize opportunities to incentivize unregulated providers becoming regulated, to serve and expand capacity for special populations such as children with special needs, children experiencing homelessness etc.	TDHS	Three Years	Increased quality slots for special populations.
3. Engage in an outreach campaign to encourage unregulated providers to willingly come forward and take steps toward licensure.	TDHS	One Year	Unregulated providers learn about the incentives available and the corresponding benefits.
4. Expand access to technical assistance, business supports, and family child care network opportunities.	TDHS	Three Years	Providers receive the supports needed to obtain and maintain quality.

Resources needed / Dependencies:

CCDF funding currently can only go toward programs that meet CCDF requirements for health and safety. As a result, incentive funds for these efforts will not be able to come from this provision of the federal law, unless providers are becoming compliant with those federal provisions.

Supporting Information, Analysis, Costs:

A previous related program existed within Tennessee and demonstrated positive outcomes in getting unregulated providers to formally become regulated. Incentives included supports such as technical assistance for signing up for the food program, and access to training and technical assistance. Associated costs analyses and outcomes data can be leveraged from this initiative, to inform the new effort.

TDHS currently funds a family child care network administered through Tennessee State University that provides training, technical assistance and encouragement for unregulated family child care homes to become licensed.

Other Information:

There are numerous reports available which provide information regarding steps states have taken to work with family child care/kith and kin providers within the formal system. [Child Care Vouchers and Unregulated Family, Friend, and Neighbor Care | Urban Institute](#)
There are also numerous state and national initiatives underway to support family child care providers in establishing and maintaining a financially viable business, in meeting levels of quality, and in being part of a professional network. These support providers, include but are not limited to: [AOK | Home \(allourkin.org\)](#), the Arizona Kith and Kin Project [Arizona Kith & Kin Project - ZERO TO THREE](#), Tom Copeland's suite of technical assistance resources [About Us — Taking Care of Business \(tomcopelandblog.com\)](#), among others. Other countries are embarking upon similar efforts, for example, [Canada](#).
Research is also available on the [tax related benefits](#) of becoming formally licensed. This incentive, aligns with the Business Incentives and Tax Credits Solution Area approved by the Tennessee Child Care Task Force.

Who Is Impacted:

For unregulated family child care homes, the benefits of becoming regulated include:

- An increase in the number of children who can participate in child care
- Access to support from the state agency as well as funded training, technical assistance, and shared services providers;
- Access to financial incentives such as CACFP, child care subsidy, quality improvement grants and more.
- Opportunities to join a formal network of family child care providers.

The state will be impacted because there will be an increase in the number of providers needing monitoring visits each year, which increases the caseload for the department.

There will also be an impact on families, who will have access to a greater number of programs and slots that meet the minimally established quality benchmarks. Families will also have an increased ability to find and locate child care as these providers when unregulated are not listed on the Find Child Care website, and would be once electing to become regulated.

Task Force-Identified Topic for Investigation
<p>X Strategies to support the existing network of child care providers;</p> <p>X Strategies to increase the supply of high quality, affordable, and accessible child care in communities where needed;</p> <p>X Strategies to address the challenges of quality, affordability, and accessibility of child care in Tennessee;</p> <p><input type="checkbox"/> Strategies to more effectively use public resources to address those challenges;</p> <p><input type="checkbox"/> Strategies to build partnerships between government and the business sector, through which businesses are motivated to create and participate in strategies that address the child care needs of their employees and communities;</p> <p><input type="checkbox"/> Strategies to streamline coordination between the Department of Human Services, Department of Labor and Workforce Development, Department of Economic and Community Development, Department of Health, and Department of Education in developing solutions to Tennessee's child care challenges; and,</p> <p><input type="checkbox"/> Recommendations for legislation deemed necessary to implement the strategic plan</p>

9. PRE-LICENSURE UNIT

Problem Statement

TDHS's new child care Pre-Licensure Unit's staff has been a valuable strategy in bringing new providers and new child care slots to the Tennessee economy. There has been growing demand on the unit to accommodate the number of requests for support.

Formed in August 2021, the six-staff team making up the Pre-Licensure Unit is focused on specific components that will build a strong foundation for new child care agencies to become stable businesses that provide educationally rich programs that foster safe and healthy environments. The Pre-Licensure Unit is tasked with the following objectives:

- Grow child care capacity across the state, particularly in rural areas
 - Build partnerships with community and business leaders to assess child care needs and explore solutions and necessary supports
 - Establish local contacts, facilitate effective and impactful connections
 - Recruit prospective providers to increase the number of child care slots available in rural and urban areas of the state
 - Assist prospective licensed agencies with applying for funds through the Establishment Grant program to purchase the necessary materials, equipment, and supplies to open their doors.
- Support new agencies throughout the child care licensing process
 - Deliver training that equips agencies with the tools needed to serve families *and* run successful businesses
 - Provide guidance that ensures compliance with licensure rules and regulations

What We Learned

The Pre-Licensure Unit is serving in a critical role in guiding new providers to become licensed as well as operating as a sustainable business.

TDHS is proceeding with plans to increase the staff count for this unit.

The State will continue to be well equipped with the resources needed to support child care providers navigate licensing, code and zoning needs at the local, county and state level.

What We Recommend

The CCTF recognizes that it is important that the Pre-Licensure Unit maintains a manageable caseload to meet the needs of the child care community. TDHS should continue to manage and grow the unit as needed to provide customer responsiveness.

Note: As TDHS is already acting to grow the Pre-Licensure Unit, a strategic action plan was deemed unnecessary for this recommendation.

OPPORTUNITIES

The Opportunities section represents the topics discussed by the Tennessee Child Care Task Force that had importance but did not rise to the level of a discreet recommendation for Task Force vote and approval. These topics are being documented because they warrant additional research and exploration by the state, however, were not voted on as a proposed solution with corresponding recommendations. These opportunities are directed for further discussion and work by each respective department.

Coordinated Governance

Problem Statement
Services for young children and their families are governed by both the Tennessee Departments of Human Services and Education. 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 State to consider different strategies related to governance and coordination of its early care and education programming between TDHS and TDOE.
What We Learned
<ul style="list-style-type: none">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. Child care programs are licensed by TDHS and monitored regularly for compliance with the Licensure Rules for Child Care Agencies¹⁷ issued by TDHS. Additionally, any school that provides services to children birth to 5 is certified by TDOE and monitored regularly for compliance with the Standards for School Administered Child Care Programs¹⁸ issued by the State Board of Education.During community stakeholder meetings, participants emphasized that both TDHS and TDOE have goals to support children's safety, growth, and development, yet they operate with very different sets of regulations and standards. Participants highlighted that greater collaboration and a "coming together" of these agencies requirements and operations is important.Another area explored and discussed by the CCTF is related to the differing definitions of quality between programs being monitoring and supported by TDOE and TDHS. These different definitions led to program requirements and expectations being misaligned, as well as uses of different tools across agencies for the measurement and verification of quality components.At the present time, the Department of Education uses the Classrooms Assessment Scoring System (CLASS) to observe and measure high-quality interactions, however the Department of Human Services utilizes a QRIS that focuses on health, safety, and educationally rich programming with additional emphasis on teacher-child interactions. Consistent definitions, and measurements for quality could support the field in further understanding evidence and research-based practices. Because TDHS manages CCDF funding, programs that want to access said funding must meet CCDF requirements for health and safety protections, while programs that do not access those funds and qualify for TDOE certification can fall under TDOE monitoring with CLASS.Another area which arose from the Literature Review and Peer state interview, and could possibly be further explored, included state level systems for the measurement of child outcomes and school

¹⁷ <https://www.tn.gov/humanservices/for-families/child-care-services/child-care-rules-and-regulations.html>

¹⁸ <https://www.tn.gov/content/dam/tn/stateboardofeducation/documents/pendingrules/0520-12-01%20Standards%20for%20School%20Administered%20Child%20Care%20Programs%2010-19-18.pdf>

What We Learned

readiness. This was a central area of focus in the Louisiana Act 3 Legislation, with participation in subsidy directly linked to providers ability to demonstrate outcomes aligned to the states adopted tool.

Children with Special Needs

Problem Statement

Some families with children with special needs reported finding child care to meet the needs of their child and family to be a challenging experience. Available child care providers may lack specialized training and professional supports to promote inclusion and individualization for children with disabilities and may decline the child's enrollment due to concerns over being able to meet the child's needs.

What We Learned

- The State of Tennessee offers a differential rate through its child care subsidy program for children with disabilities. This rate provides programs additional incentive to enroll the child, as well as accounts for the added cost of care.
- TDHS funds Early Childhood Special Needs Inclusion Coaches, in partnership with the CCR&R. These Coaches in their first year provided services in 55 counties to over 900 individuals within one year of the program's launch, services are available in all 95 counties.
- TDHS also has coordinated with AIMHiTN to support specialized training for educators who might not understand how to support children experiencing trauma or with social and behavioral needs.
- There is an existing partnership between TDHS and the Community Foundation of Middle Tennessee (CFMT) to purchase Assistive Technology, as needed for children enrolled within these programs.
- There exists numerous early childhood social and emotional professional development series and curricula which TN could invest in and further scale. These include the Pyramid Model from CSEFEL trainings, Practice Based Coaching and Reflective Practice models.

APPENDICES

APPENDIX 1. 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

Term (Acronym):	Definition:
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. ¹⁹
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. ¹ 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. ^{1 20}
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 ²¹ and provided \$39 billion in emergency funding to stabilize the existing child care sector.
Association of Infant Mental Health in Tennessee (AIMHiTN)	Association of Infant Mental Health in Tennessee (AIMHiTN) supports professionals through training, resources, and advocacy to foster the early relational health of infants, young children, and families. AIMHiTN envisions a healthy, thriving Tennessee that prioritizes the social and emotional developmental needs of every infant and young child within the context of his or her relationships with family, community, and culture.
Center on the Social and Emotional Foundations of Early Learning (CSEFEL)	The Center on the Social and Emotional Foundations for Early Learning (CSEFEL) is focused on promoting the social emotional development and school readiness of young children birth to age 5. CSEFEL is a national resource center funded by the Office of Head Start and Child Care Bureau for disseminating research and evidence-based practices to early childhood programs across the country.

¹⁹ Thompson, D., Cantrell, E., Guerra, G., Gooze, R., & Tout, K. (2020, September). *Conceptualizing and measuring access to early care and education*. <https://www.acf.hhs.gov/opre/report/conceptualizing-and-measuring-access-early-care-and-education#:~:text=Access%3A,and%20meets%20the%20parents'%20needs>

²⁰ Smith, L., Suenaga, M., Campbell, M. (2020, August). *Demystifying child care affordability*. <https://bipartisanpolicy.org/blog/demystifying-child-care-affordability/#:~:text=The%20most%20commonly%20cited%20definition,7%25%20of%20a%20household's%20income>

²¹ Administration for Children & Families. (2021, November). *American rescue plan*. <https://www.acf.hhs.gov/american-rescue-plan>

Term (Acronym):	Definition:
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. ²² Within the CCTF (Child Care Task Force), 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. ²³
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. ²⁴
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 ²⁵ , 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. ²⁶
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. ²⁷
Community Foundation of Middle Tennessee (CFMT)	The Community Foundation's mission is to enrich the quality of life in Middle Tennessee. We provide flexible and cost-effective ways for civic-minded individuals, families and companies to contribute to their community – now and for all time.

²² Falgout, M. 7 Gibbs, H. (2022, March). The American rescue plan shored up child care, but a long-term solution is necessary. <https://www.americanprogress.org/article/the-american-rescue-plan-shored-up-child-care-but-a-long-term-solution-is-necessary/#:~:text=Fortunately%2C%20the%20American%20Rescue%20Plan,that%20parents%20could%20continue%20working.>

²³ Child Care Aware. (n.d.). *Child care and development block grant (CCDBG) & child care and development fund (CCDF) overview*. <https://www.childcareaware.org/our-issues/public-policy/child-care-and-development-block-grant-ccdbg/ccdbg-overview/>

²⁴ Child Care Aware. (n.d.). *Child care and development block grant (CCDBG) & child care and development fund (CCDF) overview*. <https://www.childcareaware.org/our-issues/public-policy/child-care-and-development-block-grant-ccdbg/ccdbg-overview/>

²⁵ Tennessee Department of Human Services. (n.d.). *Child care certificate program*. <https://www.tn.gov/humanservices/for-families/child-care-services/child-care-certificate-program.html>

²⁶ National Conference of State Legislatures. (2021, April). *The early care and education workforce*. <https://www.ncsl.org/research/human-services/the-early-care-and-education-workforce.aspx>

²⁷ U.S. Department of Housing and Urban Development (n.d.). *Community Development Block Grant Program*. https://www.hud.gov/program_offices/comm_planning/cdbg

Term (Acronym):	Definition:
Comprehensive Services	Comprehensive Services means the provision of quality, developmentally appropriate early learning experiences consistent with age - relevant abilities or milestones; extended day child care services; developmental screenings, including health, hearing, and vision screenings; transportation; and family education and support services.
Coronavirus disease (COVID-19)	Coronavirus disease (COVID-19) is an infectious disease caused by the SARS-CoV-2 virus. ²⁸ 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). ²⁹
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. ³⁰
Shared Services Networks	Shared service alliances are networks of small early care and education centers and family child care homes within a community that share costs and receive a set of administrative and program services provided by a hub. This issue brief discusses how this approach can improve services and thereby benefit children and families.
Mixed Delivery System	Refers to the variety of early learning program types within the system, including Head Start, child care, family child care and Pre-K.
Tennessee Department of Economic & Community Development (TNECD)	Tennessee Department of Economic and Community Development (TNECD) attracts corporate investment to TN and works with TN companies to facilitate expansion and economic growth.
Tennessee Department of Education (TDOE)	Tennessee Department of Education (TDOE) is the administrative department of the Tennessee state government responsible for primary and secondary public education in the state. Tennessee enrolls approximately 998,000 students, and is divided into 147 districts with both significant urban and rural populations.
Tennessee Department of Human Services (TDHS)	The Department is responsible for administering numerous services throughout Tennessee, including Families First, the state's Temporary Assistance for Needy Families (TANF) program, Food Stamps (now known as the Supplemental Nutrition Assistance Program or SNAP), Child Support, Child Care Licensing, Child Care Assistance, Adult Protective Services, and Rehabilitation Services. .

²⁸ World Health Organization. (n.d.). Coronavirus. World Health Organization. Retrieved from https://www.who.int/health-topics/coronavirus#tab=tab_1

²⁹ Centers for Disease Control and Prevention. (2021, November 4). Basics of covid-19. Centers for Disease Control and Prevention. Retrieved from <https://www.cdc.gov/coronavirus/2019-ncov/your-health/about-covid-19/basics-covid-19.html>

³⁰ National Association for the Education of Young Children (NAEYC). (2016). *Developmentally appropriate practice (DAP) position statement: Appendix B: Glossary*. <https://www.naeyc.org/resources/position-statements/dap/glossary>

³⁰ "Quality". (n.d.). <https://www.merriam-webster.com/dictionary/quality>

Term (Acronym):	Definition:
Tennessee Department of Labor and Workforce Development (TDLWD)	The mission of the Tennessee Department of Labor and Workforce Development is to work as a team to promote workforce and economic development and improve workplace safety and health throughout Tennessee.
Quality	<p>In general terms, quality is “a degree of excellence”.³¹ In the context of child care, a program is considered higher quality if it implements practices that “exceed minimum licensing standards”.³²</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"> • Health and Safety Items <ul style="list-style-type: none"> ○ Supervision Practices/Facilities/Equipment ○ Record Keeping ○ Healthy Weight and Disease Prevention ○ Organizational Structure • Teacher/Child Interactions
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. ³³
Supplemental Nutritional Assistance Program (SNAP)	Formerly referred to as “food stamps,” the Supplemental Nutrition Assistance Program (SNAP) is a U.S. Department of Agriculture (USDA) nutritional assistance initiative administered at the state level. In Tennessee, SNAP is managed by the Tennessee Department of Human Services (TDHS).

³¹ Tennessee Department of Human Services. (n.d.). *Child care report card & star quality program*. <https://www.tn.gov/humanservices/for-families/child-care-services/child-care-report-card-star-quality-program.html>

³² Tennessee Professional Archive of Learning (April 2022). *New Monitoring/Observation Tool*. TN Department of Human Services. <https://www.youtube.com/watch?v=yFQWQZzBjlw>

³³ U.S. Administration for Children and Families (n.d.) About QRIS. <https://ecquality.acf.hhs.gov/about-gris>

APPENDIX 2. METHODS & APPROACH

The CCTF and PCG conducted follow-up analyses to the “As Is” analysis of the current state of child care in Tennessee. Additional data collection efforts were undertaken to supplement the existing “As Is” analysis reported in the Interim Progress Report. Three qualitative research methods were used; focus groups were conducted, a statewide survey was disseminated and concluded, and diverse peer state interviews were conducted. This approach provided a more comprehensive illustration of how child care is viewed by the residents of Tennessee. Furthermore, CCTF meetings were utilized in a deliberative fashion to further vet the “As Is” findings to ultimately determine the final recommendations.

Data Collection and Sources

In support of the CCTF goals of increasing accessibility and affordability of child care to the residents of Tennessee, members of the CCTF and PCG sought the experiences and insights from a diverse selection of sources: Tennessee Department of Human Services staff; representatives of early childhood providers; parents/child care customers, CCDF quality partners; organizations representing the business community that do not provide direct child care services; local government and economic development agencies; other State of Tennessee departments including Health, Education, Labor and Workforce Development, and Economic and Community Development.

Additional qualitative data was collected by the CCTF and PCG, including a fourteen-question focus group protocol and a fifteen-question survey to capture perspectives around access, affordability, roles of businesses and government, quality, systems, and strategies in child care. PCG identified five peer states and drafted unique interview protocols to assess the landscape of other state systems to better identify and understand best practices and exemplar models, as well as special processes resulting to highlight key findings and lessons learned.

Qualitative data was collected from focus group participants and survey respondents across the three great divisions of Tennessee, and peer state-interviewees from Georgia, Iowa, North Carolina, Louisiana, Pennsylvania.

An initial secondary analysis of literature and quantitative data was conducted. A compressive literature review for the state of “As is” was conducted to better understand the current landscape of the child care in Tennessee. Quantitative data were 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 (TNECD). The secondary analysis was conducted to provide insight on the general “As-is” state of the child care system.

Focus Groups

Summary

To supplement learning for the CCTF, PCG conducted three in-person focus groups, each two hours long across the state of Tennessee.

Primary themes from the Child Care Task Force focus groups, as they related to Access, Affordability, and Quality in child care, included the following:

1. Participant perspective on parent/care giver needs.
2. Participant perspective on business involvement.
3. Participant perspective on State of Tennessee engagement with the child care field.
4. Participant perspective on current programs, educators, and the child care workforce.
5. Participant perspective of the general need for collaboration between parents, the state, and businesses.

The focus group key findings can be found in **Appendix 1.A Child Care Task Force Focus Group Protocol**.

Focus Group Protocol

CCTF and PCG co-developed the Child Care Focus Group protocol with questions to facilitate discussion around the barriers, challenges, successes, and experiences encountered by a diverse range of individuals within the community related to child care. To maintain research standards the focus group protocol was identical across the three grand divisions, and comprised of 14 questions concentrated on the perception, challenges, and successes around child care specifically related to Access, Affordability, Quality, and Governance. Each focus group was conducted in person at a neutral location in order to assist the comfort of participants sharing potentially sensitive information.

Target Population

A focus group was held in each Grand Division of Tennessee, Jackson (West Tennessee), Murfreesboro (Middle Tennessee), and Knoxville (East Tennessee). Participants for the focus groups were recruited by TDHS staff and individual CCTF members. This method allowed for each focus group to consist of a variety of key stakeholders ranging from parents, child care employees, child care program directors, TDHS licensing field supervisors, business representatives, health care providers, university employees, and attorneys. A total of 30 stakeholders participated in the focus groups.

Due to the small number of focus group participants, care should be taken to avoid making large conclusions about the full perception of child care in the state of Tennessee. However, the participants responses and input provided during the focus groups provided insight on barriers, challenges, potential growth options, and successes relating to child care.

Analysis Method

All three Child Care Task Force focus group transcripts were analyzed using NVivo software, version 16, for qualitative analysis. A location specific analysis was conducted, resulting in the analysis being focused on the coding for references to child care through the three main pillars identified by the CCTF: Access, Affordability, and Quality. Within each main pillar were sub-category codes to align the organization of each quote accurately. When the speaker provided sufficient context to their statement(s), the statement was coded under the appropriate pillar. If the participant provided a clear, articulate statement(s) intended to address multiple categories, then the statement was coded under two or more of the corresponding pillars.

The Focus Group protocol can be found in **Appendix 1.B Child Care Task Force Focus Group Protocol**.

Child Care Task Force Interim Report Feedback Survey

Summary

Additional supplemental information was collected through the structured Child Care Task Force Interim Report Feedback Survey. The CCTF, TDHS and PCG developed a Child Care Survey with questions closely aligned with the format of the Child Care Task Force Focus Groups. This was a statewide online survey generated for greater cross state response rates. See **Appendix 2.A Child Care Task Force Survey** for the survey key findings.

Survey Development

The survey, as an additional data collection effort, was designed to solicit broader input of Tennesseans and provide a better understanding of the current state of child care in Tennessee. The survey was comprised of 15 open-ended questions using a qualitative active research method. Questions in the survey mimicked the focus group questions surrounding business, community, parent, and provider experiences and perceptions of the current state of child care in Tennessee. The data collection tool used to gather survey data was the online platform, Formstack.

Target Population and Distribution

Survey participants were selected through two sampling methods, random and purposeful sampling. Random sampling was used to retrieve input through social media postings, this method allows for the randomization of sample selection through anyone with access to one or more of these social media platforms to complete the survey. Random sampling is an unbiased data collection method. Purposeful sampling, the second method used in the distribution of the survey, this method is helpful in retrieving information from a specific sample of individuals, in this case, the child care providers in Tennessee.

The survey was distributed by TDHS through multiple platforms. TDHS emailed invitations with live access links to child care providers, included the live link in the Child Care Services Newsletter for providers and Quality Partners, posted a live access link on the TDHS website, and live links were posted on the social media platforms Facebook and Twitter.

The survey was distributed and available for completion between August 10th and August 31st of 2022. The survey was available to any Tennessean with access to the link. The intent of the survey was to gather information to further vet the findings from the Interim Progress Report.

Response Rates and Description of Respondents

The responding participants were located in one of the three Grand Divisions of Tennessee and self-identified as either a licensed child care provider or not a provider. Upon closure of the survey, a total of 68 responses to the survey were submitted, East Grand Division received 12 licensed care providers and 21 other respondents, Middle Grand Division received 5 licensed care providers and 18 other respondents, and West Grand Division received 3 licensed care providers and 9 other respondent responses. See ***Appendix 2.B Child Care Task Force Survey*** for the survey protocol.

Analysis Method

Each Child Care Task Force survey response was analyzed using NVivo software, version 16, for qualitative analysis. The analysis was focused on the coding for references to child care through the three main pillars; Access, Affordability, and Quality. When the speaker provided sufficient context to their statement(s), the statement was coded under the appropriate pillar. If the participant provided a clear, articulate statement(s) intended to address multiple categories, then the statement was coded under two or more of the corresponding pillars.

“AS-IS” ANALYSIS AND INTERIM PROGRESS REPORT

The first major deliverable of the CCTF was the submission of an interim status report to the General Assembly in July of 2022. The purpose of this report was to conduct an “As-Is” current state analysis of child care in the state of Tennessee, informed by extensive interviews with the CCTF members and identified stakeholders as well as state and federal data concerning child care in Tennessee. Below, we have detailed the major findings listed in the report:

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

There are several major findings related to the current state of child care in Tennessee. These findings include:

1. 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.³⁴ Additionally, in 2019, the annual economic losses in Tennessee due to insufficient child care totaled \$1.34 billion.³⁵

Child care is both early education and critical workforce support. As a result, in order for families to feel well supported in placing their child in care, and going to work, 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, but 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.

2. Tennessee’s current child care market does not meet the needs of many families and child care demand significant 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.³⁶ Two-thirds (65%) of Tennessee parents of children under age 5 report having difficulty accessing suitable care.³⁷

Additionally, 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 (considered 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.

3. 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.³⁸

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

³⁴ Tennesseans for Quality Early Education (2019). *Want to Grow Tennessee’s Economy? Fix the Child Care Crisis*. https://tqee.org/wp-content/uploads/2020/02/TQEE_TN_Final.pdf

³⁵ Tennesseans for Quality Early Education (2019). *Want to Grow Tennessee’s Economy? Fix the Child Care Crisis*. https://tqee.org/wp-content/uploads/2020/02/TQEE_TN_Final.pdf

³⁶ Malik, R., Hamm, K., Schochet, L., Novoa, C., Workman, S., Jessen-Howard, S. (December 2018). *America’s Child Care Deserts in 2018*. Center for American Progress. <https://www.americanprogress.org/article/americas-child-care-deserts-2018/>

³⁷ Tennesseans for Quality Early Education (2019). *Want to Grow Tennessee’s Economy? Fix the Child Care Crisis*. https://tqee.org/wp-content/uploads/2020/02/TQEE_TN_Final.pdf

³⁸ Permaul, B. (August 2021). *Determining Child Care Market Rates in the State of Tennessee, FY2021*. University of Tennessee, Boyd Center for Business and Economic Research. <https://www.tn.gov/content/dam/tn/human-services/documents/2020-2021%20Market%20Rate%20Survey.pdf>

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).³⁹ 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.

4. Quality in child care is primarily dependent on a well-qualified and competent early childhood workforce. As in the K-12 education system, quality in early learning and care settings comes down to the teacher, 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.

Additionally, 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.

5. 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 often do so through low compensation for teachers, which in turn yields high turnover and potentially lower qualified staff. 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 also 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.

6. 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%)⁴⁰ Tennessee children under the age of 6 have all available parents in the workforce, according to U.S. Census Bureau.

³⁹ U.S. Administration for Children & Families, Office of Community Services (July 2021). *LIHEAP IM-2021-03 State Median Income Estimates for Optional Use in FY 2021*. U.S. Department of Health & Human Services. <https://www.acf.hhs.gov/ocs/policy-guidance/liheap-im-2021-03-state-median-income-estimates-optional-use-fy-2021>

⁴⁰ Retrieved from U.S. Census Bureau: <https://data.census.gov/cedsci/table?q=workforce%20participation&t=Employment%20and%20Labor%20Force%20Status&q=0400000US47&tid=ACSDP5Y2020.DP03&moe=false&tp=false>

- **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 individuals⁴¹ who filed federal taxes as a nonemployer⁴² 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.

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

There are lasting impacts of COVID-19, compounded by 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.

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/hour⁴³ – wages well below the income threshold needed to sustain a family without safety net assistance.

Peer State Interviews

Summary

PCG conducted 5 virtual peer state interviews, each one hour long, as a landscape assessment of other state models to identify best practices and exemplar models, specific processes resulting in exemplar status, and highlight key lessons learned in child care.

Each peer state provided different perspectives on strategies used, programs implemented, successes and challenges on the child care landscape statewide. Participants in the peer state interviews shared common and unique information on the following key themes:

Common key themes:

1. Quality
2. Child Care Certificate/Subsidy
3. Business partnerships
4. Coordinated enrollment/intake
5. Codes, Zoning, and Regulations
6. Shared Services

⁴¹ Retrieved from U.S. Census Bureau:

<https://data.census.gov/cedsci/table?q=nonemployer%20statistics&g=0400000US47,47%240500000&n=6244&tid=NONEMP2018.NS1800NONEMP>

⁴² According to the U.S. Census Bureau, A nonemployer business is one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Nonemployer businesses are generally small, such as real estate agents and independent contractors.

<https://www.census.gov/quickfacts/fact/note/US/NES010218#:~:text=A%20nonemployer%20business%20is%20one,estate%20agents%20and%20independent%20contractors.>

⁴³ Data Retrieved from U.S. Bureau of Labor Statistics: [https://www.bls.gov/oes/current/oes_tn.htm#\(4\)](https://www.bls.gov/oes/current/oes_tn.htm#(4))

7. Funding
8. Workforce

Unique information by State:

1. Georgia – Governance, particularly around moving early childhood programs into one single Department
2. Iowa – Successes from the Governor's Child Care Task Force, Local Coordination, Background Checks
3. Louisiana – Expanded Access
4. North Carolina – Cost of quality study methodologies
5. Pennsylvania - Data Systems and Mixed Delivery

The peer state findings can be found in **Appendix 3.A Peer State Interview Review**

Target Population

Five peer state interviews were conducted, Georgia, Iowa, Louisiana, North Carolina, and Pennsylvania. Participants for the interviews were recruited and selected through discussions with CCTF. This allowed for each peer state interview to consist of key stakeholders with extensive knowledge regarding sectors of the child care landscape of their state, work closely with policy and legislature and understand and speak to current data systems and governance structures.

Interview Development

PCG developed five unique peer state interview protocols ranging from 7 to 17 semi-structured questions. Protocols were developed for each state independently of each other, allowing for the unique strengths within each state's early childhood system to be highlighted as supplemental information. Each interview used a qualitative action research method. Due to each peer state key information residing outside of the state of Tennessee, all interviews were conducted virtually via Microsoft Teams (Teams) between the months of August and September, 2022. The interviews were structurally consistent; each interview had at least two PCG staff members present, and the interview questions were asked verbally by the PCG interviewer. Each participant consented for the interview to be electronically recorded, and the interviewers took additional notes on observations made throughout the interview. Following each interview, Microsoft Teams-generated a transcript that was verified by the PCG team members who conducted the interview to assure accuracy. See **Appendix 3.B Peer State Interview Protocol** for the all-peer state interview protocols.

Analysis Method

Qualitative analysis was performed by PCG team members employing a content analysis approach for all peer state interview transcripts. This approach allowed for every state interview analysis to be focused on the unique system elements from each state. The Peer State Reviews can be found in **Appendix 3.A Peer state Interview Review**.

Data Limitations

There are three limitations to data collection through the process of this evaluation. The first data limitation, as mentioned earlier, is that although there were three focus group sessions conducted, there were a small number of focus group participants (30). Care should be taken to avoid making large conclusions regarding the full perception of child care in the state of Tennessee. However, the participant responses provided during the CCTF focus groups across the three grand divisions provided insight on barriers, challenges, potential growth options, and successes relating to child care.

Second, the CCTF Interim Report Feedback Survey was created on July 22, 2022, and was live from August 10, 2022, to August 31, 2022, a total of 21 days. One limitation of the survey was the dissemination of information that the survey was available. TDHS disseminated the survey completion invitation to providers

through email, however public respondents must have had access to social media (*e.g., Facebook or Twitter*) and follow TDHS, or have been actively interacting with the TDHS website to have been informed that the survey was taking place. This may have limited the number of respondents and the demographics of the population which participated in the survey.

Third, like the focus groups, due to the relatively small response rate to the survey, it should be noted that there is not sufficient data to draw conclusions at statistical significance for child care statewide. However, survey responses are a form of supplemental insight to the perspectives of the residents of the state.

APPENDIX 2.A CHILD CARE TASK FORCE FOCUS GROUP KEY FINDINGS

Participant Quotes:

Theme 1: Parent/care giver needs

Access to child care services was the most commonly addressed barrier for parents, regardless of their employment type or work hours. Many parents acknowledged that there is a lack of awareness surrounding the Child Care Search website, and services such as CCR&R, Smart Steps, and Early Intervention. Often resulting in parents not understanding how to access child care, particularly that child care for infants and toddlers is exceptionally difficult. Waiting lists were frequently noted as challenges to finding child care. Some parents emphasized the need for child care providers to extend the hours of operation for reasons spanning from transportation barriers, living further away from the urban core due to development and housing costs, and employers expected working hours.

Parents noted affordability to be another key barrier. Parents identified child care as being too expensive for many families, and the expense burden is increased when families have more than one child within the age range of needing child care placement. Participants identified a general lack of knowledge surrounding services available to parents including subsidized child care, Head Start, and Smart Steps. Furthermore, the parents that did know about these programs expressed frustration with the difficult application process and/or being just over the eligibility threshold, yet not financially stable enough to pay for full child care services.

As a result of limited child care options, often the issue of finding high quality child care is not one that parents are able to address. Many parents either do not have or are unaware of alternative child care options to select. Parents revealed that they believed families with more wealth have better opportunities to access high quality child care programs.

Access

- “Nobody told you that the day you took your pregnancy test, you needed to start getting on [a] waiting list.”
- “There's a lot of people that do not take infants, you are exactly right. And when they do, they have to charge such a large amount to cover that ratio expense that it's not affordable.”
- “DHS to really help parents navigate through those systems and what they could, you know, qualify for. More awareness and outreach for sure.”
- “There's waiting lists and we have nowhere for them to go. I think the other part of that is and we have had this for many, many years in terms of our preschoolers, there are huge childcare deserts for those children because they're very few places that provide aftercare for the three and four-year-olds.”
- “I hear a lot about just a supply and demand mismatch. It's the number of parents that I've talked to and multiple technical providers that are essentially all booked up, so they could have a great location right hours with three hours big deal and many cases. They're all booked up kind of parents that keep paying during the pandemic to keep their kid out of waiting list Like to go childcare there is a big-time supply issue.”
- “Because of the size of my facility, it is not cost effective to keep infants because you can only have four with one adult and you know that drives the cost.”
- “People are having to move further out from the core, thus probably having to secure childcare closer to employment because they can't get home in time to get their children. So affordability being kind of that outside and not affordability of childcare per se, but affordability for the region is kind of that outside factor like are you making the choice of housing or childcare.”
- “Proximity to work is what we hear a lot just because of someone commuting an hour to get to work a day.”

- “Being on the bus line is the factor as well. When I was living in Davidson and working with DHS, that was something that a lot of parents asked, Do you know any daycares that's off of this bus line.”
- “I can step on soapbox on them in that it just and so that does create a desert situation because right now I have a wait list of 100 children. I'm 85% full right now of income qualifying children, but I've got 100 kids on the wait list and I don't even have spaces in schools if the state funded preschool for every child. I don't know where I would have put them in. I don't know who I would have gotten to teach them. So that is a desert situation. I mean, it really is a need. It's a scarcity situation and all of that and that does create a debt service because the need is there, but we don't have the space and the folks, I mean I think that's another impact of the desert situation.”

Affordability

- “I felt like I paid out half my check every month, for my kids to go get taken care of, so I could work.”
- “I think a lot of parents don't know what subsidies are available from the state, so having someone in the center available to work with them, so that that money is not just sitting there not being used by people who need it.”
- “You can find a daycare, but if you can't afford those rates.”
- “There's a lot of families that don't want to apply for those states subsidies, because of either the stigma or they don't want to make their baby's daddy pay child support, there's a whole realm of other issues that come up.”
- “I think that we haven't talked about the benefits cliff yet. So those families who may be just above, what qualifies for childcare certificates, which is why VPK is important for the subsidy kids. I mean, just to kind of put that in perspective”
- “We found out literally today that we were approved for smart steps. I'm going to just tell you the story, really quick. We applied for that earlier this year. Heard crickets forever, and then called in June and said, hey, can we follow up? We've been told don't like bug them. Well, they followed-up, they said, hey, we sent you a denial e-mail back in March. We never received that e-mail. No other communication that we were denied, the only reason was because I couldn't prove my hours because I work for myself. So, we had to reapply. Magically, if we found out we were approved today, praise the Lord. But it's been a nightmare and I just took a job and basically we did the math and if we were going to be approved for smart steps, I can't make over 24K, and that it only benefits me to make at least 25K. So anywhere in the 24-45K you're just in a worse position than they already were. And so that dance just feels ridiculous and but the deserts like you were talking about like, yes, they're existing. Sure, you're technically there, but like, if I have to choose between an 11 hour daycare, that doesn't even let me keep a part time job or spend my literal entire income on childcare, then there isn't an option for me.”
- “I think affordability, because I mean, I'm going to pay you the same amount that I'm making. Like, why am I working?”
- “Specifically with Smart Steps like the fact that they backpay once you're approved. So, like you have to pay for childcare until they approve you and they back pay you, it just really complicates things to do. We don't have that money up front and like it for us, it took multiple ones and for other people over a year to get a response then Smart Steps is not a system that actually works.”

Quality

- “I truly, I think, it comes down to when a parents looking for care. It's like, do they have an opening? Is it either close to my home or on my way to work? And can I afford it? And if those three things are there, then they start to think about quality or can even question then quality. But that that's what's on parents' mind. They don't want to miss out.”
- “It's up to the consumer to go and dig deeper, contact and find out, because you can have a three star rating. That doesn't mean that that's a quality daycare. It just means that they meet the

requirements for the state to receive that rate and it does not necessarily mean, really that they're doing everything they're supposed to do, and then the complaints are there."

- "I think a good guiding principle is that every child deserves quality care and if their parents can, if they're price point, is lower, that doesn't mean that they should have access to lower quality. It's going to have to be on a sliding scale, but I don't think quality should be on have a sliding scale."
- "Quality is the issue, and then there's literally a side of town that's adjacent geographically that's a whole different quality. I think that's a big deal, just being a person that has fallen into every stereotype, you can think of, right? Single mom, mom of color, the father is absent, working poor jobs. You know, welfare, receiving food stamps. People thinking that my circumstance defines what type of quality child care that I need. And just walking into some of these spaces, how you're treated in the first place, the lack of continuity because of the bias about your circumstance is like a huge issue like my college education doesn't matter."

Business

Child care access from the perspective of whether or not businesses and employers support their employees, participants clearly articulated access as a distinct barrier. Participants expressed the desire and need for larger employers such as health care facilities/hospitals and legal services to offer child care options located in or near the location of employment. In response to the challenge of child care access, the concept and appeal of the potential use of micro-centers as highlighted by members of the focus groups.

Among the focus groups, participants emphasized the desire for Shared Services and greater engagement with businesses outside of the child care sectors to cultivate effective partnerships. These partnerships may include child care discounts as an employee benefit, assist in leveraging space (i.e. micro-centers), partnering with child care facilities for insurance purposes.

Participants among the focus groups corroborated the sentiment that there is a need for businesses and employers to value and subsidize child care for employees with traditional working hours and non-traditional working hours, and to assure women can re-enter the workforce post maternity leave. A general desire for businesses and employers to have HR provide their employees with pertinent information regarding child care, such as child care discount or stipend as a benefit and if it is only offered through certain child care facilities, then to provide a list of the potential child care facilities.

Access

- "There are so many things that even as an employer, we offer that they don't know about and don't navigate and don't take advantage of."
- "Micro centers, where you don't need a large childcare center and have a room like this that we could turn into one classroom in this building. It's low cost. All the employer has to do is to offer the space, give us the key and the code and they've all the rest will break insurance."
- "I think if you got very large concentration of employees, you can probably justify from dedicated microcenter over significant location."
- "It's really helpful to be a way to target availability and affordability would be there because the overhead the operators are very low. If the Department of Education will cover the light bill and basic cost of clearing, all we have to do is pay staff. Getting to these employers in groups." (Micro centers)
- "I was shocked when I moved here and I saw how large the hospital was at the hospital, didn't have a daycare. It's a 650-bed hospital. It's enormous and they have a daycare, but it does not even come close to meet the needs of the employees of the health care system."

Affordability

- "Childcare agencies partner with local businesses to put them on their insurance. Yeah, that this is something we have been talking about a lot, especially like a shared services network that could

pool that group as well, somehow connect with TDOE, connect that with maybe. Yeah, it's definitely we talked about."

- "Shared service networks, I think every major county needs one, Shelby Nashville, Knoxville. You'll be helping providers with back office, HR, Finance, all the things that take them out of the classroom. Education supports, training their teachers. Every family gets a social worker get wrap around services. Allows operators to do what they're meant to do, which is take care of kids not worry about other costs."
- "Definitely comes up of tackling the child care desert that can impact quality spending, you know less depending on how what your shared service model that is. So, you can invest more back into the program with lots of support."
- "Now I will say this, their hospitals all subsidized their childcare. They consider that an employee benefit. Volkswagen did not So you know to look at how will it sustain itself was just so I think if employers are wanting childcare, they're going to have to see that as an employee benefit and invest financially in there to make it work because the numbers work going to add."
- "So some business support, some businesses support childcare for their employees, the reimbursements, discounts for provision of onsite childcare."
- "Well, we have a program through Learning care group like a 10% discount, but it's only certain schools well my kid who's now in kindergarten went to one of those schools for the two years that I worked for you guys. I could have received the 10% discount I've worked here in benefits and I had no idea it existed when."

Quality

- "The whole reason you need childcare is because you're employed, so there should be a connection there. I don't know, like even like you get hired somewhere. Be nice like in your training they can include like, do you have a kid here? And lists of daycare centers that are reputable."
- "I'll say we're not because frankly, we're in the health care business. We're not in the childcare business and we don't want to be. But we're finding that we going to have to be, or we have to figure out a way to partner with those who can help us. So, I'll be the first to say, as you know, from a professional standpoint and then even as a parent, I'm not familiar with it at all. And I'm blessed that I maybe haven't had to be, but I would say most employers that are not in the childcare business have no idea and don't even know where to begin."
- "Doesn't seem like a heavy lift at all for an HR department to say here. Go to this website and also here's the stipend to go to a childcare provider."
- "Well, and I think giving them some, I mean, I know that they're statistics right out there that says that when employers provide these types of services to their employees, their employees show up, they're happier, they're more productive. And so, I think turning around and showing the employers that would be important too."

State

Across the focus group attendees, a common response to access of child care from at a state level was that child care desert can look different depending on location. Among child care provider participants, there was a strong response to Voluntary Pre-School Programing (VPK) indicating that providers felt VPK is a market threat to their businesses, resulting in many programs closing their analogous classrooms. Providers expressed that VPK directly and negatively impacted their ability to provide care to infants and toddlers due to the cost and ratio challenges.

Participants stated a diverse array of information regarding affordability when connected to the state. The provider participants expressed the appreciation of TDHS increasing subsidy rates for the past three years in a row and distributing the sustainability grants. However, the provider participants also addressed the concerns and frustrations of the inequalities surrounding the TDOE and TDHS fire marshal regulations and

costs. Participants noted the concern that fire marshal regulations and costs are potential reasons why smaller child care businesses do not grow and expand to larger care groups.

Members of the focus group identified a general lack of understanding around what quality and QRIS as a whole is, what the ratings mean, how and why it is used for both parents and providers. Providers shared specifically a need for greater awareness about the intended impact of the new QRIS, opening a door of opportunity for broader communication and outreach.

Access

- “Historically when we first came out with the voluntary Pre-K program, that made a lot of empty classes because the ratio for infant and toddlers. Understand you had to have 4 year old classes in order to have infant classroom and we had a Huge number of infant classes that closed statewide because of state voluntary Pre-K program because they couldn’t afford it.”
- “If the state could subsidize the school systems and the YMCA to offer more childcare for those like older pre elementary. I guess kids then that would open the daycare centers to be able to take care of the zero to three-year-old’s and then the three to five-year-old’s. Can get out of the daycare centers and open up some space for those little ones.”
- “DHS to really help parents navigate through those systems and what they could, you know, qualify for the more awareness and outreach for sure.”
- “We want it to be safe. Number one, that is first and foremost and we want to care about their social and emotional development. But we’re also in a state that really wants everybody to read perfectly by third grade. And so to make that happen, it has to be school readiness focus, too. And so that’s why I think you’ve got to have DHS and the DOE kind of coming together. And I don’t, I don’t know where that’s going to happen”
- “We do serve at capacity, about 50 Members students and only about 5% of students are School age primarily only about opportunity that 5% are subsidized by the parents.”
- “You can never exceed a maximum capacity. So, if your capacity is 100 and you have one shift getting out at 6 and one starting at 7:30, they’re going to need to drop their kids off. So, you may have 140 kids there, which you can’t do until those people picked their kids up from that or shift.”
- “I think the desert we’re describing is really the only one here. The availability, I mean the building, they’re structures, and stuff is there. Even though staffing is low. But that financial gap and is the desert that exists here.”

Affordability

- “There had three straight years of increases in subsidies [by DHS], but they could increase it again. And I think that would help more families and more providers if the if the subsidy rate actually paid for the cost, it would be wonderful. And they’ve done a good job of that. Don’t you may complain it, but they could do that every year a percentage of an increase every year. Then as the expenses have gone up, they could then the quality would continue because really it’s the it’s the subsidy That helps pay for staff. Let’s. I mean, let’s get down to it. It’s all about staff. I mean, to make quality is how good a staff do you have”
- “You know childcare actually has an indirect impact on US GDP.”
- “I do think it goes back to the state and funding a lot too not that this is a fix all, and I know it’s probably controversial, but you know, every year we really talk a lot and you know this because I’ve seen you there. We talked to legislators all the time about. You know voluntary pre-K in increasing funding if we could, if the state could come up with the funding to and we got closer this past year than ever, I mean it went, it was actually behind the budget, so it went far.”
- “I think one of the one of the problems is the fire Marshall Regulations. Yeah, I think that prevents a lot of those smaller providers from moving into family child care group care.”
- “We just went from being licensed by DOE to being licensed by DHHS. It’s fire Marshall reasonable.”

- “Thank the Lord for the DHS, the sustainability grant, I mean those bonuses were amazing.”
- “The grants are based on accepting those certificate children. So I think that stigma has fallen to the wayside and I think, like you said, now more it's on the parent side and that interest, I don't want to reach out for help or I don't want to go through all this trouble to fill these forms and. things along those lines.”

Quality

- “So I work with childcare providers that I can speak from a parent hat. If I didn't work with childcare providers either have no idea what QRIS was and I would also have no idea how to know besides the Google rating and word of mouth, If the childcare was quality. That being said, I do know from the survey that we did that quality Has a lot to do with whether or not a child is safe or whether or not they are loved, and they're affection. You know they have affectionate care. That's what's important.”
- “The old rating system. Nobody understood it. I mean, I did it for 20 years and I never did really understand it. But I mean, you know it. switching over to the new system starting in October, and maybe parents can see that the quality indicators are simpler to understand.”
- “They've (DHS) gotten great things. So, I'm like all about let's hang this up, let's let parents know that we're 100 and health and safety and we're 100 and interacting with your child. I mean to me that is so important. But if we don't tell them, then nobody's going to know probably unless they take it upon themselves to go look it up. So, I think it goes back to putting it on the centers to say and to me I don't know, maybe, maybe CCR&R can help with that too. But you know, if centers are not willing to put up with their ratings are, then it's kind of like the restaurant. But I do like I do like the new version.”

Programs/Educators/Workforce

Capacity as a barrier to access was the most commonly addressed challenge for programs. Providers voiced the transition time between first and second shift as a major concern. If a licensed child care facility provides care for both the first and second shift, then the parents are required to pick the child(ren) up on time every day, if this does not occur in the correct window of time, it can result in the provider being vulnerable to violations due to being out of ratio. Another challenge noted under the pillar access, was the scarcity of infant programs. Reasons stated for this was the high costs to cover the tighter ratios and additional required trainings which can become expensive.

From a program/educator/workforce perspective affordability response were more focused on how to maintain long term employees/reduce high turnover, pay staff a livable wage, provide quality care, and keep their doors open. Respondents across the focus groups indicated that being able to hit each of those marks was incredibly challenging.

Service providers shared a vast array of perspectives surrounding the diverse aspects of quality. Many indicated that the establishment grant was helpful financial support allowing for the purchasing of quality items. Additionally, providers noted they take pride in their quality score and choose to maintain those ratings due to the satisfaction it brings them and the families served. Perspectives of the qualification expectations were identified as difficult, participants expressed frustrations around the idea that the state of Tennessee wants the majority of child care employees to hold a CDA. The notion was conveyed that provided the current landscape there is little incentive for an employee with a GED or diploma to earn any other educational degree than a CDA, which was noted as being extremely challenging to accomplish. This at times can lead to the pipeline challenge currently experienced by the child care industry.

Access

- “You can never exceed a maximum capacity. So, if your capacity is 100 and you have one shift getting out at 6 and one starting at 7:30, they're going to need to drop their kids off. So, you may

have 140 kids there, which you can't do until those people picked their kids up from that or shift. So, I would say that's probably. Where most people that ask about it, when we start talking about those shift changes and how they're going to manage the capacity issues, that's where they shut down because of like, oh, I didn't think about that."

- "So, we see a lot of pushback from actually getting licensed in this capacity."
- "The extra training needed for the children, a lot of agencies just don't touch it. There's a lot of people that do not take infants you are exactly right. And when they do, they have to charge such a large amount, you know, to cover that ratio expense that it's not affordable."

Affordability

- "If you have child care providers who have tried to figure out how do we pay a livable wage based on this community being incentivized. Those employers, you know, doing things so that way you're it's equal playing field for all licensed child care providers."
- "Most child care providers are not able to provide rich benefits. So even though the wages might qualify, you know, I think the WAGES program is, it's designed kind of hits the area where we have the highest turnover where we have the most need and aren't getting the benefits."
- "The more money you have into the center, the better the center is going to be. They have to be competitive; I mean, we have to be able to fund staff at competitive wages, that are equivalent to the education and certification that are required and benefits."
- "Right now, in my county, a lady wanted to stay at home with her two kids. And keep four infants. She could charge \$150 a week. And I mean in clear all that because if you're keeping an infant, the mama brings the milk, she brings the book, she brings." everything. All you have to have is a baby bed and a few toys. I mean, you know what I'm saying? And you're talking \$600. But you bring the state in then your profit margins going to go down drastically."

Quality

- "We have grants now, like the establishment grant, that we're offering to the agencies up to \$100,000 depending on their capacity so that they can purchase these quality items and things you know, put that money elsewhere."
- "Speaking of Smart Steps doesn't mean the increasing Smart Step appearance does not increase the quality of a child care center. Because most providers don't take that additional money to do that with it, but if you fund the employees of those facilities based upon the CDA and degrees and things like that. You increased the quality of the teacher."
- "The state wants everybody to have CDA, and that's one mistake the state has made, in my opinion. I'll put that in my opinion on the new rating scales and all. If you have a high school diploma, you get this many points, if you have a CDA you get this many points, you have to be like almost, you know, you have to have a CDA you have to have a bachelors, you have to have a, you know what a masters or whatever. There's no incentive to go from GED to anything other than a CDA and CDA is extremely hard to accomplish."

Collaboration

The desire for greater collaboration was a key theme throughout all focus groups, specifically focused on parents/care givers, businesses, and state collaboration.

Parents/care givers noted that there is a degree of collaboration among the community shown in parents/caregivers communication around trusted child care services. Several participants felt a need for more community collaboration and support with developing sustainable, accessible 0–12-month care and increased collaboration with other community entities, such as TDHS and community school districts.

Potential collaboration between the state and community could be seen through the state provided additional financial investment or greater subsidy to support quality early childhood care and education. Participants stated a need of support coming from the state in the form of free to the provider trainings, grants and assistance in how to write/apply for grants, free supplies, and CPR classes.

Members of the focus groups indicated a need for new businesses in the community (child care and other sectors), to understand the services that are available to support parents; self-sufficient, particularly large business to offer or create on-site or nearby child care options. Additionally, the suggestion of potential collaboration between businesses and child care providers could take shape of a guaranteed number of paid slots. There is potential for an agreement to be contracted so that the child care provider will maintain a certain number of slots for the business and the business will pay for those slots regardless if they are being used.

Parents/Caregivers

- “These are things that like as parents like I wouldn’t be so upset about it, if I had that information like oh that makes total sense then what are me and my community going to do about that? Like what can we, what can we contribute to where newborn to 12 months could be.”
- “We trust, who we trust. So, when somebody says I’m comfortable with my child being there, then it’s like, OK, cool. I’ve done the whole my child being there too. Unless I have a bad experience. And then also what she said about mistrust or based on racial disparity or different kind of like my child. So in that respect to me, she’s (the daughter), you know, a black child and female. So, it’s like, she’s 2 steps away with her phone because, not because I mistrust you guys but based on the experience in general. So that’s, that’s the big thing.”
- “It would be nice if Department of Human Services to provide or asking parents what is their center of choice. If there was some type of way to connect parents to, you know, a center instead, they could connect them to work and will meet their needs. I don’t think that’s offered. Maybe a pilot, well, how we would recruit and so we have people in the community that’s really trying to work with connect families to childcare providers within the community.”
- “Information coming from trusted sources and within the community. Going into the community building relationship that is so critical that I do think Community Schools are another model that we need tap into the pool, pull into the early childhood up into the schools. They are already deeply embedded in communities all over, so that’s another way we could potentially Share information into knowledge or comfortability OK. So some business support, some businesses support childcare for their employees, the reimbursements, discounts for provision of onsite childcare”

State

- “There needs to be something that directors and providers can be self-sufficient so that it’s not all on CCR&R you know right now they have to go out and find people or count on people to call them. And one of my plans when we get all of our centers up and going because I can’t drive to 13 or 14 different places all the time and know what there is. I’m going to do what I did in Kingsport, where I have the directors. Just I have a Google group and they are responsible for keeping the wait list updated, sharing the waiting list, you know, with the other people, how many not names, but how many spots they have available and in all age groups.
- “But if the state invests, though, in early childhood, early childhood education through small businesses and private businesses and in turn like that is huge because that is going to mitigate those aces that so many of our kids are going to experience, no matter where they come from. It’s correct. And those kids are going to grow up to be profitable citizens and in turn will profit the state overall.”
- “Free training, grants, free supplies you know you can go to a CPR class like somebody might host it.”

- “It’s helped us build an infrastructure and provide child care. I think too if the if the school systems could subsidize. If the state could subsidize the school systems and the YMCA to offer more childcare for those like older pre-elementary. I guess kids then that would open the daycare centers to be able to take care of the zero to three-year-old’s and then the three to five-year-old’s. Can get out of the daycare centers and open up some space for those little ones.”

Business

- “Knowing the needs of the community. You know, anybody can open businesses in a community, but if they don’t do it for the specific needs, then it’s not helping anybody. So, businesses need to do surveys and they need to know what the need is.”
- “Tapping into Community based workforce development organization like here, Nonformal Area Urban League about your entrepreneur center, things like that, that are really embedded in the in different communities where we’re trying to expand to providers for their coming alongside and building trust with that, that provider and helping them with the business and helping even self-helping them see themselves as small business owners and entrepreneurs.”
- “Development districts are in charge of bringing businesses into the community and they’re learning as they’re bringing businesses in. That childcare is a challenge. So we’ve worked with several districts again to Hopefully work with those businesses as they come in to address that need so if they’re bringing in a company that’s going to employ 1500 employees, but half of those employees have children, that’s where we’re trying to partner with them. They want to bring the business in and keep the business strong and keep the community growing. But they’re finding that without that portion of it That they’re really struggling to keep those businesses up and running childcare is as critical infrastructure is running water.”
- “It’s not hard to acquire, but when you think about people looking for jobs, most people are looking for first shift jobs. You don’t have a lot of people that are like I want to second shift or third shift job to take care of children and from a financial standpoint, I can remember at one time Jostens approached us and asked us to do a second and third shift and we were like can you guarantee us? And it was DHHS that approached us and we said can you guarantee us payment for X amount of slots if we. Pay the extra money because you’re going to have to offer differential pay to get people to come. And gosh, Can you imagine the challenge to get those employees there? But we were like, you’d have to guarantee us. That certain number of slots paid for regardless of if people pay it because you’ve still got to be staffed, right? And so that’s a problem. You know you don’t have any guarantee, could you still got to pay lights, you still got to pay, right? There’s a lot of overhead to it and a lot of challenges too.”

APPENDIX 2.B CHILD CARE TASK FORCE FOCUS GROUP PROTOCOL

Tennessee Child Care Task Force Focus

West, Middle, and East TN Focus Group Protocol

*** Location Name***

Focus Group date: _____

Parent/Caregivers: _____

Focus Group Facilitator(s): _____

Ground Rules:

Speak loudly and clearly – and one at a time.

Everyone participates, but answers are not required. We want to make sure everyone gets a chance to participate, but you do not have to answer every question if you do not want to.

Be as concise as you can be.

Clarify answers (when responding, if there is something that helps clarify your answer, please include that).

- There are no **"Right" or "Wrong"** answers
- **No assumptions.** We won't make any assumptions about your behavior. We expect that there is a lot of diversity of thought in this group as it relates to the topics. We are going to be asking you about your opinions and experiences and hope you will feel comfortable sharing.
- **Feelings are OK.** Because people may not have a lot of opportunities to discuss these issues openly, they sometimes feel a little uncomfortable, shy, or silly. All of these feelings are normal.
- **No judgments.** Critique ideas, not people, and avoid put-downs (even those intended with humor).
- Practice **active listening** and avoid multitasking.
- **Request clarification** on questions or comments if needed.
- Please use **specific examples** to illustrate your points.
- Build on one another's comments; **work toward shared understanding.**
- Try not to monopolize the discussion or interrupt one another. We use the **step up / step down approach** – if you feel you are speaking a lot, try to step down and allow space for others to participate, or step up; similarly, if you feel you are not speaking enough try to find an opportunity to share.
- Are there other rules our group should consider?

Confidentiality:

There are no right or wrong answers, and everything that we learn from you today will be kept confidential and reported in aggregate form only. Please let me know if you need me to clarify the questions at any time.

This Focus Group should last two hours.

Purpose:

You have been invited to participate in a Focus Group sponsored and funded by the Tennessee Child Care Task Force.

The purpose of this Focus Group is to discuss the barriers and challenges you face related to child care. The information learned in this conversation will be used to provide findings and recommendations to the Tennessee Child Care Task force to implement adjustments to better meet the needs of Tennesseans.

Question 1:

The Child Care Task Force has defined ‘access’ to child care as being: the degree to which parents and families, with reasonable effort, can enroll their child in an arrangement that both supports children’s development and meets parents’ needs. In your opinion, what makes child care accessible? What makes it inaccessible?

Question 2:

In most Tennessee counties, there are few or no child care providers open before 6:30am or after 6:00pm.

Question 3:

Child care providers who care for less than five children are not required to become regulated (i.e., licensed by the Tennessee Department of Human Services). What do you think would help encourage these small programs to expand capacity so that they could become licensed?

Question 4:

An important component of child care access is knowing where to seek child care.

- a. In your experience, what are the information sources parents and those in your networks use to learn about child care services?
- b. What are your thoughts or suggestions about how to improve the ways in which parents find out about available child care options?

Question 5:

There are areas across Tennessee which are considered child care “deserts” – places where there are far more children than the number of available child care seats.

- a. In your view, what are the factors or circumstances which cause such child care ‘deserts’ to develop?
- b. What changes do you think could help eliminate these ‘deserts’?

Question 6:

There isn’t a commonly accepted definition of ‘affordable’ child care. We think that ‘affordability’ affects parents’ decisions about work; child care providers’ decisions about rates, wages, and other business factors; and government and employer decisions about how (much) to invest in and support child care.

- a. What do you believe “affordable” child care means?
- b. In dollars per week, the state median weekly income for a family of two parents and two children is \$1,263. For this family, what do you think is the maximum affordable child care rate for an infant, a toddler, and a preschool slot?

Question 7:

The state offers subsidized child care payment assistance (through the Tennessee Department of Human Services) and certain programs, such as voluntary preschool and Head Start (through the Tennessee Department of Education), are available for families based on certain criteria, such as income. How familiar are you with these programs and how parents and families can access them?

- a. If parents who are eligible for these programs aren't participating, why do you think this is? Please share any barriers to participation that you can name.
- b. What financial supports, such as scholarships, do child care providers (that you know of) provide for parents to help them secure child care?

Question 8:

Some businesses support child care for their employees through reimbursements, discounts, or the provision of on-site care.

- a. Do employers in your area do this? If so, what types of support do they currently provide?
- b. What types of information, incentives or policies do you think could help more employers to support their employees' child care needs?

Question 9:

Average wage rates for child care workers remain lower than those for most other jobs. Many child care providers struggle to improve wages for their workers. How do you think the state could support higher wages for child care workers without passing on those costs to families?

Question 10:

Do you think that subsidy rates impact the quality of child care? If yes, how so? If there was more funding for quality child care, how would you like to see it spent within programs?

- a. Prompts: Possibilities could include health and safety initiatives, staff education, more educational materials, lower teacher-child ratios, etc..

Question 11:

A Quality Rating Improvement System (or QRIS) is defined by the federal government as an approach to assess, improve, and communicate the level of quality in early and school-age care and education programs. Tennessee has one of the most mature QRISs in the country, established in 2001, and is currently undergoing an overhaul to better meet the needs of the state today and to continue to pioneer in this space. Are you familiar with how child care programs are rated for quality? Is a quality rating important to you (i.e., in seeking care, advertising quality, etc.)? What is important to you in a QRIS?

Question 12:

Does your current fee structure allow your program to meet the quality goals you have (ex. QRIS rating, accreditation, becoming a state funded Pre-K, etc.)? How do constraints on funding impact the quality of care you would hope to provide?

Question 13:

There are approximately 4,100 regulated entities that provide child care in some form or fashion in Tennessee. These programs take many forms – child care centers, family child care homes, voluntary preschool programs, Head Start/Early Head Start, and more. Some programs are regulated by the

Tennessee Department of Human Services and some by the Tennessee Department of Education (although some may come under the jurisdiction of both). From your perspective, what is the impact of having two agencies oversee child care and early education services? What do you think are the pros and cons of this structure?

Question 14:

If you are already licensed, what would have been helpful for you as you were pursuing a license or certification to provide care?

Focus Group Attendees

Location	# of Participants that are Parents and have other associations*	# of Parent Specific – no other associations	# of Child Care Providers	# of Task Force Members	Other	Total
Murfreesboro (Middle TN)	3	0	1	1	1 Attorney 1 Nashville Policy Chamber member 1 Hospital/Employer 1 Pre-licensing Unit Program Manager 1 University Employee	7
Knoxville (East TN)	13	0	7	4	2 Businesses	13
Jackson (West TN)	9	1	2	1	4 Businesses 1 Family Doctor 1 shared services	10

* # of Participants that are Parents and have other associations: Are the total number of participants that participated in a dual role, of being a parent and speaking for their organization and do not count towards the total final attendance of focus groups

APPENDIX 2.C CHILD CARE TASK FORCE SURVEY KEY FINDINGS

Participant Quotes:

Theme 1: Access:

Need was identified for more access in the following areas: infant and toddler care, a decrease in the length of waiting lists, child care closer to the home or office of the parent (commonly stated no more than 15 minute commute), and a greater need for child care among non-traditional work hours.

- “Accessible means affordable and reasonable to get to. Reasonable means ease of access for any parent to get to them in an emergency time frame. Distance needs to be relative to where the guardian is. For example, if you work from home, daycare needs to be near home but if you work onsite, daycare needs to be close to work or to a family member that can get to them if necessary. It also needs to be affordable. Current daycare averages \$150 which is 1/4 of the weekly pre-tax take home of a person making \$15 an hour. That is not affordable. Accessing child care services is nearly impossible to do on an emergent situation. Most facilities are on waitlists. Parents have to plan months in advance to find a spot and if anything emergent comes up such as moving a home or job it can cause serious harm when trying to find a new facility. Toddler care is increasingly more difficult as some facilities have certain requirements for children to advance such as potty training which not all children can meet requiring parents to find new care quickly which is nearly impossible.”
- “There are too few spots available and wait lists are long. Care for children under age 2 is almost impossible to find. Parents are grasping at straws and placing their children in situations they wouldn't typically choose just to keep their jobs (if they can find space at all). Accessible childcare, for me, means not having to travel more than 15 minutes "out of the way," one-way, to drop a child off.”
- “Child care is more accessible when you have more providers within a close range to home/work. Inaccessible - long waiting lists & not enough providers.”
- “Access to child care programs should be within a 10 mile radius from either the family's home or place of work.”
- “there are simply not enough infant and toddler spots in our region to meet demand of working parents.”
- “Most infants go on year long waiting lists. So, you end up taking whatever you can get,”
- “We needed child care for our 3 year old son with Down syndrome when TEIS ended on his third birthday. Public school 612 Pre-K was not offered full time in our district. Local daycares would not accept our son because of his disability.”
- “Accessible means that children with disabilities can access quality care just as typical children are given. An hour away is too far. Care provided on campus or on site at the workplace is ideal, but close to home is key. When my daughter was around 9 months old a childcare provider turned me away because she has a "disability " but in my eyes she was just a baby, who needed care as any infant would. So, with that experience I decided to stay at home and care for my child. When she was turned 3 years old I applied for the pre-k school services in my neighborhood.”
- “Care for infants and toddlers in our county, is limited. I had to get on a wait list as soon as I found out I was pregnant. Fortunately, it was my third pregnancy, so I knew the drill. Many families do not know how hard it is to find childcare, nor the best most efficient way of finding a quality childcare center, or one that has availability. It's guess and check (by calling). Super frustrating.”
- “Infant and toddler spots are in even greater demand as child to teachers ratios and maximum classroom size prohibits additional enrollment. However, this is with good reason. In fact, TN minimum ratio and group size requirements are subpar in comparison to recommendations by the American Academy of Pediatrics.”
- “Having REASONABLY PRICED child care near where we live, work, and worship.”

- “Childcare is not affordable. I make decent money and can't afford it. I struggle finding friends/family to help with my daughter who is adopted. And I make too much to receive assistance. Most centers have no availability due to short staffing. Cameras should be mandatory in centers with parental access. On vans also if that's possible.”

Theme 2: Affordability

Concerns were highlighted about affordability for low to middle income working families, requiring a large portion of income to be allocated towards child care. A notable need was expressed for additional payment supports for families just above eligibility thresholds.

- “Child care is unaffordable for low and moderate income families. Local community child care is desirable and employers who offer child care on their premises is ideal. There should be government subsidies for childcare facilities to operate efficiently and pay their workers a livable wage.”
- “Child care is absolutely ridiculous right now. over \$1,000 a month PER child? How can anyone afford that? you might as well not work.”
- “Affordable means different pricing structures for folks with different income levels. Nearly every parent who wants to participate in the workforce needs child care of some form. If wages aren't going to substantially increase from employers, then child care has to find a way to have parents who are at minimum wage and working class levels be able to have subsidized child care. More affluent families can pay a fair share based on income.”
- “Affordable would have to mean affordable to everyone, not just affordable to higher-income families. Affordable means that a family can budget the amount needed for child care and still be able to pay their bills and live comfortably. Some parents would just be paying for child care if they returned to work, and there is not much of a benefit there, so they opt to stay home.”
- “Affordable is based on income needs. Rates for 1 child can be anywhere from 500-over 1k per month for a child which is a lot more than the monthly rent/house payment of many people in our community.”
- “Subsidized child care payments are not talked about as frequently and many of the good programs do not take vouchers as they are getting smaller payments from the voucher than they can charge parents and the long wait lists create a supply and demand that pushes those clients out.”
- “I have heard that the process for being approved for the child care payment assistance is not easy. In addition, not all providers accept certificates.”
- “I know several families that want to use PreK but because it is based on income it keeps a lot of families from being eligible. We don't have enough PreK classes here for the need.”
- “I am extremely familiar with this process as I have managed a program that provided assistance with families not eligible for the certificate program or Head Start. A major barrier for many single parents is the requirement to participate in child support. Many families do not want to participate in this system as it assumes many negative stereotypes about individuals and guardians. This requirement should be thoroughly evaluated.”
- “I would like to see funding spent on allowing more affordable child care, more subsidies to allow parents to use them at a childcare facility of their choice and to help childcare offset the expenses of personnel pay.”
- “The application process is lengthy and cumbersome (subsidies). Especially if a family is transient or the adults have their own issues they are coping with, paperwork can be a significant barrier, even if the end results is free care for their child so they can work.”

Affordability by income percentage

Need was identified for affordability of child care to be based on a percentage of each unique families income, rather a standard price. Most commonly indicated that child care costs should not exceed 7-10 percent of a family income.

- “Affordable care means paying 7-10% of family income for child care for all children, including before and after care for school age children.”
- “Less than 10 percent of income.”
- “Child care should be a flat percentage of family income. That way everyone can afford it no matter how much they make.”
- “Daycare should only cost a percentage of what the parent makes, leaving room for housing, transportation, food healthcare, etc. so I support government subsidized sliding scale costs to parents.”
- “Affordable child care should not be any more than 10% of a families income; otherwise, it becomes averse to working and having childcare.”
- “No more than 7% of a family's household income. It is commonly accepted among many child care advocates as it would prevent families from being cost burdened by child care.”
- “Child care costs are out of control. Child care should not exceed more than 10 percent of a family's annual income.”
- “If you're paying more than 1/3 of your check for 1 child that's too much.”
- “Affordable means, “less than my mortgage” pay enough for their hard work as caregivers but not rip off the parents. Most facilities ask parents to provide food and essentials and while providing food and essentials at home and daycare and then having to pay \$800 a month to have to have someone use your resources on your child is a little offending.”
- “When I pay more a month on childcare than my mortgage, I don't believe that is affordable anymore. I think more people would work if it didn't cost more to pay for daycare than what they earn working.”
- “Families shouldn't have to pay more than a percentage of their income to afford childcare. The government needs to step in and subsidize the differences. Access to childcare should be a basic right.”

Theme 3: How can unregulated providers be encouraged to obtain a license.

Unmet needs surrounding funding or need of advanced funding, long license processing periods, lack of understanding how to manage and maintain licensing requirements all impact the ability to meet prerequisite licensure requirements.

- “Making it an easier process and providing more guidance to help them. Also, finances is an issue. I have looked into the process and I have a masters degree, have been teaching high school math for 11 years and it is not something I would want to try to figure out.”
- “Expanding any small business that has to adhere to the many rules and regulations such as daycare is difficult without financial government assistance.”
- “The state having a group that are devoted to opening new centers and making the task manageable and not so intimidating. Someone to walk alongside the owners and directors to open new facilities.”
- “I also think that benefit packages that would be available for self employed persons would be extremely attractive and helpful. It is hard to be self employed and be able to afford to have no health insurance or benefit packages. Since child care is so regulated, is there a way that the state could potentially offer benefit packages to child care providers and their employees.”
- “The licensing process seems to take a long time (which I understand allows some less serious or less qualified individuals to be screened out). But for those with the ability to show experience, degrees, etc. an expedited process would highly motivate someone like me to apply for licensure.”

- “I used to be a licensed child care provider. Never again. Child care licensing should not treat regulations as a jigsaw puzzle. Child care licensing should provide valuable guides to get an applicant for a license from no license to license - with education, support, and "licensing guide" instead of a "gotcha gal or guy." Support should remain constant and available and consistent. Providers should see licensing as a tool, a resource pool, and part of their network. They see licensing as the worst part of child care.”
- “Teaching them how to manage the licensing requirements, offering stipends and education on hiring, overhead, staff training on pediatric development, etc.”
- “I think financial support would be the encouraging factor and consolidate the amount of work it takes to get a license for a small program (under 10 kids)”
- “Advance funding to help get started.”
- “More training and funding assistance to hire assistant care givers and lead care givers. Incentives for providing care to more children.”
- “Expanding any small business that has to adhere to the many rules and regulations such as daycare is difficult without financial government assistance.”
- “Have a mentor to show me what and how to do things.”
- “More availability of funds to train and expand. Most do it from home, cannot feasibly have so many children in one home. Plus availability of affordable premises closer to downtown or areas with a large worker population.”

Theme 4: Improving Finding Child Care

Need was identified for access to a user friendly website containing updated, accurate, open child care slot information and greater access to child care information through OBGYN and pediatrician offices. Word of mouth, personal recommendations, and social media were the most common source of information about child care options and openings

- “Ways to improve would be to get a user friendly website and get the information out about early registration through OBGYN offices and pediatrician offices.”
- “I had a lot of trouble finding a list of centers and in home providers, it would be fantastic if there was a website I could go to that contained contact information for both so I could evaluate. I also think it's helpful to include availability and rates.”
- “Advertising includes: newspaper ads, all call through the school system, Facebook (starts with county school page), notes home with students, kiosks, flyers at health department, DHS, stores, offices...”
- “An educational campaign that is designed to introduce new parents to the tools available and resources in finding quality, affordable care. Additionally, it would be helpful if there was a system in which parents could see if there were available spots at agencies on the tools that licensing already provides.”
- “Paid maternal/paternal leave; flexibility to work from home when child is sick if possible, job security if having to take off because of sick child, on site child care, PTO for family to attend school events, eat lunch with their child.”
- “Maybe build more head start and early head start programs in the rural areas?”
- “There needs to be a state webpage that people can list their childcare services on. It needs to be so everyone can access it and know who is available and where they are located.”
- “Maybe having the hotline or the emails to the child care assistance line actually be responded to would help. Parents feel like they have no help because the child care department never answers the phone, responds to emails, and if they do answer, they are extremely rude and not helpful at all.”
- “Free tv advertising and mailings may help but the problem is not finding out about them, it is they are full or unaffordable.”

Theme 5: Child Care Desert Contributing Factors

Contributing factors addressing child care deserts were identified across a broad spectrum of topics from a feeling that businesses and companies need to be more engaged and cognizant of the local areas they setup shop, the actual cost of running a child care center (e.g., child care employee costs), lack of infrastructure to support growth and development of programs from a business standpoint, and stringent licensing requirements for licensed child care facilities.

- “Businesses moving into an area without consideration of available child care options for their employees.”
- “The deserts are caused by cost of running the program, overhead with building, staff, utilities, and cost of taxes ect.”
- “Child care costs are high. There are more children than spots so need more centers and higher pay for child care workers.”
- “Waitlists are 18+ months for infants and toddlers. Some even told me my son won't get in before kindergarten and he was 3 months old!! I don't have a good solution or why this is the case, but people aren't wanting to work and I believe that has a lot to do with it.”
- “All of our daycares in the area have waiting lists and some parents have to quit their job to stay home with their kids because all family members are working so there is no one to care for their children. If daycares are available to expand add more workers(which lots of people needs jobs as well) then they can have more children to each room.”
- “Transportation.”
- “I think there are generally less resources in child care deserts and perhaps people feel overwhelmed by the regulations and understand that it is not a "money-making" business, so less people have a desire to run a child care business.”
- “Lack of buildings or spaces, especially one in a good location, and prices to rent/buy are holding people back. Also, a lack of community support.”
- “Early education and child development really does not have an empowering program that works with internships and jobs for the aspiring students. I feel that if the industry was able to empower and encourage with more educational opportunities at the high school level those working in child care often could become future educators at a college level by completing potentially their CDA, Technical, Associate, and Bachelor certificates and degrees. It would increase the quality of child care providers in the facilities and would continue to foster and grow early learning educators for the future. (This would be a win-win for both early childhood programs and potentially for educators within school systems.) I also feel that by advocating for the education of our profession, it would foster more people to become licensed providers, eliminating the deserts.”
- “Helping the existing provider increase their license capacity. Also limit some of the existing requirement.”

Theme 6: Accessing Child Care Subsidy/Voluntary Preschool/Head Start

Major barriers to families accessing child care subsidy/Voluntary Preschool and/or Head Start that were highlighted relate to the child care cliff, a negative stigma or embarrassment around utilizing the available support, a lack of knowledge these supports are available, reliable transportation, and waiting lists for programs which accept subsidy.

- “Parents may see participation in these programs as a stigma or embarrassment if their peers found out. Opening up access to all families to ensure they are not paying more than 10% might help parents see this as a win for everyone.”

- “Parents may see participation in these programs as a stigma or embarrassment if their peers found out. Opening up access to all families to ensure they are not paying more than 10% might help parents see this as a win for everyone.”
- “I think many families are unfamiliar with the child care payment assistance program. There are also some that may be aware and hesitant to apply to due social stigmas.”
- “We participated in the Wage\$ program for a few months- it was very helpful however, again due to really strict eligibility criteria- we were disqualified when I changed jobs.”
- “I know there is a certificate program for low income families- again strict eligibility requirements so a lot of people who need assistance still are unable to get it.”
- “I am familiar with both of these programs. We are a certificate program and I've promoted this service several times to our families. I think the paperwork and all the hoops they are asked jump through deter participation.”
- “Parents have no idea subsidized help is there, and it is not available to enough families, based on the criteria. Also, in TN, the paperwork and hoops to jump through to get anything from the state is not worth the pain to apply: staying on hold forever, not answering phones and emails, getting denied for completing one thing wrong on a form, long wait times for decisions, waiting lists, etc.”
- “The main issue is the current lag time in processing subsidies. This process needs to be streamlined and having two different departments adds to the issues.”
- “I am familiar with the childcare assistance payments. Responses to applications take weeks-sometimes months. A working parent may get 6 weeks of maternity leave and with the wait time may not have a facility and payment assistance worked out before she needs to return to work.”
- “Subsidized child care payments are not talked about as frequently and many of the good programs do not take vouchers as they are getting smaller payments from the voucher than they can charge parents and the long wait lists create a supply and demand that pushes those clients out.”
- “Often times parents that have children that qualify for these services/programs don't have access to consistent and reliable transportation.”
- “For parents living at the income threshold for assistance in affording child care, it can be especially difficult to maintain the employment that keeps them out of poverty while also accessing quality child care. If a family lives in a rural region or without access to transportation, these issues are exacerbated.”
- “Most centers that accept that are full with waiting lists.”

Theme 7: Supports offered by Businesses/Employers and Provider:

Collectively, respondents noted inadequate knowledge of if there were scholarships, tuition reimbursement, company wide discounts, or financial supports for child care provided by their employer. One employee support that was noted, families with more than one child at time have access to a sibling discount, provided by some employers or child care facilities.

- “I am unaware of such scholarships. We created our own to help the young mothers in the community.”
- “I am not aware.”
- “Not that I know of.”
- “I am unaware of any financial supports available in my area.”
- “I am not aware of any financial supports other than subsidy.”
- “Very few, if any. There is still a disconnect between employers and understanding that the lack of child care accessibility is impacting their ability to fill positions.”
- “I do not know of any such scholarships. I only know that Head Start and Pre-K are free for certain age groups.”
- “No scholarships, you are directed to the state for help which is an absolute joke, because this program just gives you the run around, never answers the copayment assist hotline OR email.”

- “I do not know of any childcare facilities in the County that offer scholarships. There are others possibly that accept state childcare vouchers as I know of one but you have to meet certain criteria to be eligible for vouchers.”
- “Not many...sibling discounts or discounts for workers.”
- “Multiple child discounts are the only ones I am familiar with.”
- “To my knowledge, none offer scholarships for infants and toddlers. There are some assistance program for 4-year-olds that qualify for preschool programs.”
- “I do not know, why should you have to apply for scholarships for something like childcare, it should be affordable to everyone without jumping through hoops.”

Theme 8: Subsidy and Quality Child Care

Respondents corroborated that funding was the key need to meet quality child care needs. Adequate funding allows for higher quality books and educational material, higher quality staff, safe room furnishing, and potential for even access to quality care for all families.

- “If there were more funding it would lead to higher quality though. I would think it would improve staff pay and retention.”
- “Yes, I know that quality childcare cost considerably more! Child-sized, safe room furnishings and educational materials are extremely overpriced. These items see much more use, are frequently cleaned and therefore need replacing more often, driving up the cost to maintain the environment. This is just one portion of the overall picture to which all pieces must be in place. Qualified, caring educators are often forced out of a job they love to simply be able to afford and maintain a simple quality of life due to low wages. The quality of a center is extremely dependent on these educators as reflected in the new QRIS. We must find a way to increase the financial incentive so that ECE is a highly sought after career path.”
- “I do think subsidy rates impact the quality. More funding for childcare would allow for quality training to take place. Funds would allow for more resources such as books, manipulatives and supplies”
- “Subsidies should:
 - 1.) Provide better wages for caregivers, thus providing stability, increasing job satisfaction (which makes employees more productive), and improving retention.
 - 2.) Include funding for training and professional development for caregivers, thus improving the quality of care for children and families and boosting caregivers' skills, self-esteem, and retention.
 - 3.) Lower costs for families, reducing stress on both parents and children.”
- “If more funding becomes available for quality childcare I would like to see more families qualify for benefits. Too many hard-working families do not meet requirements and fall through the cracks not being able to meet many of their family needs. Tax reducing incentives for childcare businesses is another exciting way to see available funds utilized.”
- “Subsidy allows an even opportunity for all. I would like to see funding spent on allowing more affordable child care, more subsidies to allow parents to use them at a childcare facility of their choice and to help childcare offset the expenses of personnel pay.”
- “I would like to see the funding go towards paying child care workers & assistance to reduce the costs of child care for workers - especially single family households. Subsidy rates should be higher so that more families can get assistance with child care so they can work to support their families without struggling to choose between necessities for the family.”

Theme 9: Familiarity and Importance of QRIS

Many noted the importance of quality and the ratings of child care facilities. An awareness of the new Quality Start Rating System was noted by many respondents, with a highlighted positive sentiment surrounding the deeper dive beyond basic health and safety measure previously focused on.

- “I agree that in 2001 TN was one of the best supporters for supporting and monitoring child care programs for quality. The past QRIS system became a one day dog and pony show and did not necessarily reflect quality. The new system appears to be a better approach for measuring quality. I appreciate the focus on supporting programs by being helpful versus being a "gotcha" mentality.”
- “Yes, a quality rating is important to me. I am extremely familiar with the QRIS established in 2001 and I am currently learning about the revamped QRIS.
I believe the best indicator for quality is found in teacher-child interactions. Environment/materials, teacher/director qualifications and health/safety are also important.”
- “I am somewhat familiar with how child care programs are rated for quality. I believe that a quality rating is extremely important, as it demonstrates the commitment of the facility. I like to see that a center is going above and beyond just the basic health and safety measures.”
- “I am familiar and it is important. Safety, meeting metrics, ensuring children are ready for kindergarten.”
- “Ratings are very important. Quality of care, reporting incidents, cleanliness of facilities. Ratio of caregivers to children. Safety and education.”
- “I am not familiar with the QRIS rating but am familiar with STARS rating for daycare. Families look at ratings for businesses and schools. They want to make sure their child is being enrolled in a quality program.”
- “I am familiar with it and it is important to me. However, it doesn't meet the needs that many families look for in rating quality themselves. In building the QRIS we need to include providers in the development of that system.”
- “QRIS approaches are complex and many are not nuanced enough to support the variety of child care and cultural contexts across the state. If a QRIS is in place, programs need robust supports to implement follow up recommendations from quality visits, and programs need more input and influence over the rating system details and implementation. Again, quality will also rest heavily on stabilizing the workforce so providers make wages and have work conditions that allow them to stay at a center long enough to be trained well and learn high quality practices. Turnover erases the effectiveness of training approaches.”

Theme 10: Does Your Fee Structure Allow You to Meet Your Quality Goals?

Service providers indicated that the current fee structure inadequately meets the needs of child care facilities, resulting in some facilities operating in deficits and not being able to maintain a desired level of quality.

- “We run unfortunately in a deficit of about \$100,000 annually. The funds are absorbed by the University... not sure how much longer. High quality education for staff and director and high quality teacher-child ratios come with a cost.”
- “No, we have relied heavily on the grants that are offered by DHS and also by private foundations.”
- “The current fee structure is not adequate to meet the needs of the center financially, however balancing the cost for the parents with the funding needed is of great concern. The center works hard to ensure every dollar spent is well spent with quality and price researched to stretch the budget in every area.”
- “I am a provider and the current fee structure do not allow my program to meet the quality goals. The constraints on funding impact the quality of care I hope to provide. It's not enough to make a profit and equipped my program with all it need”
- “I would hope to pay my employees more, yet the current fee structure of meeting quality goals do not allow for the better pay for the staff.”
- “Our program is federally funded. We get more money when Congress approves it.
- “We hire qualified staff and have good benefits. That has not helped us to get fully staffed. Increasing funding to increase salaries in order to attract qualified staff would help.”

- “My fee structure is based off of the certificate payments. As far as accreditation goes, I have never had anyone ask if we were accredited or if we planned on being accredited. Quality care is not just about degrees, certifications, and teaching. I think quality care is a nurturing environment and also allowing children the opportunity to be a “kid.” Play learning is wonderful for their little minds and is essential. Nurturing is quality. Nurturing is not just teaching little minds, but also loving, feeding, laughing and playing with little people.”

Theme 11: Perspective of TDHS and TDOE Regulation Programs

Perspective of TDHS and TDOE regulations of programs was overwhelmingly, confusion. A clear sentiment of desire for a single cohesive system with similar, clearly communicated regulations was emphasized across the majority of respondents. Some respondents noted that they felt there are already too many entities which they must satisfy the needs for, that having TDHS and TDOE merge would add to that already long list.

- “It is a complicated and confusing system.”
- “In order to maintain and expand services, you must have reliable, dependable, qualified, trustworthy employees working in the industry. I feel that the TDHS and TDOE should work together to create programs in the high schools that would create a “feeder” system of employees for the industry.”
- “This is very confusing!! Directors/owners often rely on each other for resources. Since the two government agencies operate with totally different rules it sends the message that either one system is better than the other.”
- “It doesn’t work. Neither speak with the other and there needs to be continuity and conformity. There should be only one agency that handles this. If the other is the one that handles the money/subsidy part, that’s fine, but the actual regulations and oversight should only be done by one agency.”
- “When two separate entities manage one thing it never works well because inherently, somewhere, someone doesn’t agree. It would be more efficient to have one overseeing agency that seeks help or consults with the other from time to time”
- “When the two entities have different rules/regulations, it is hard for those that are regulated by both to meet all of them. Sometimes the regulations clash. I think that having one entity responsible for early education would be better. Then those that monitor are all on the same page.”
- “The cons are: no consistent curriculum, no development tracking, no one to advocate for the providers in terms of needs/recruitment/retention. Under a larger umbrella, child care providers could opt in to a benefits package and more easily offer their teachers benefits and improve retention. Another con is that PreK teachers in a school system will receive parity pay with Kindergarten teachers, pulling them away from private. DOE is publicly funded, where DHS centers are not. They cannot afford to match that. And there’s a perception that public school PreK is better quality because of that higher pay and degree requirement, but there’s not a QRIS system for DOE PreK. So is it actually better?”
- “In my experience, DHS and DOE come from two different mindsets. What is important to me is that any governing agency is using latest research on child and brain development to develop policies and regulations that lead to the best outcome for children and families.”
- “There is a drastic difference between DHS and DOE regulations, and I feel the restraints we have from DHS goals and assessment scenarios sometimes hinder our ability to prepare kiddos for kindergarten.”
- “I already think there are too many chiefs when a new provider is trying to open a facility. Providers have to satisfy fire marshals, health/environmental specialist, as well as DHS licensing consultants. It is a lot. I do not think we should throw in another element of having inspections by DOE. As a

previous educator who crossed over to the early learning environment, it can be difficult for some to make the transition from "teacher" to nurturer as a care provider wears many hats."

APPENDIX 2.D CHILD CARE TASK FORCE SURVEY PROTOCOL

Tennessee Child Care Task Force Survey Protocol

Virtual distribution

Name: _____

Email address: _____

Which of Tennessee's Grand Division do you reside? : _____

Access

Question 1:

The Child Care Task Force has defined "access" to child care as being: the degree to which parents and families, with reasonable effort, can enroll their child in an arrangement that both supports children's development and meets parents' needs. In your opinion, what makes child care accessible? What makes it inaccessible? How far/long is "too far"/"too long" for parents to travel to access child care? Is child care more accessible to parents when the child care facility is close to their home, close to their workplace or school, both, or neither? What is your experience accessing (or what have you heard about the availability of) child care services, especially care for infants and toddlers?

Question 2:

In most Tennessee counties, there are few or no child care providers open before 6:30 am or after 6:00 pm. On a scale of 1 to 10 (with 1 being very small and 10 being very large), how great is the need among your network and in your community for child care services before 6:30 am or after 6:00 pm?

Question 3:

Child care providers who care for less than 5 children are not required to become regulated (i.e., licensed by the Tennessee Department of Human Services). What do you think would help encourage these small providers to expand capacity so that they could become licensed?

Question 4:

An important component of child care access is knowing where to seek child care. In your experience, what are the information sources parents and those in your network use to learn about child care services? What are your thoughts or suggestions about how to improve the ways in which parents find out about available child care options?

Question 5:

There are areas across Tennessee which are considered child care "deserts" -- places where there are far more children than the number of available child care seats. In your view, what are the factors or circumstances which cause such child care deserts to develop? What changes do you think could help eliminate these deserts?

Affordability

Question 6:

There isn't a commonly accepted definition of "affordable" child care. The Child Care Task Force thinks that "affordability" affects parents' decisions about work; child care providers' decisions about rates, wages, and

other business factors; and government and employer decisions about how/how much to invest in and support child care. What do you believe "affordable" child care means?

Question 7:

The state offers subsidized child care payment assistance (through the Tennessee Department of Human Services) and certain programs, such as voluntary preschool and Head Start (through the Tennessee Department of Education), are available for families based on certain criteria such as income. How familiar are you with these programs and how parents can access them? If parents who are eligible for these programs aren't participating, why do you think this is? Please share any barriers to participation that you can name.

Question 8:

What financial supports, such as scholarships, do child care providers that you are familiar with offer parents to help them secure child care?

Question 9:

Some businesses support child care for their employees through reimbursements, discounts, or the provision of on-site child care. Do employers in your area do this? If so, what types of supports do they currently provide? What types of information, incentives, or policies do you think could help more employers support their employees' child care needs?

Question 10:

Average wage rates for child care workers remain lower than those for most other jobs. Many child care providers struggle to improve wages for their workers. How do you think the state could support higher wages for child care workers without passing on those costs to families?

Quality

Question 11:

Do you think that subsidy rates impact the quality of child care? If yes, how so? If there was more funding for quality child care, how would you like to see it spent within programs?

Question 12:

A Quality Rating Improvement System (QRIS) is defined by the federal government as an approach to assess, improve, and communicate the level of quality in early and school-age care and education programs. Tennessee has one of the most mature QRISs in the country, established in 2001, and is currently undergoing an overhaul to better meet the needs of the state today and to continue to pioneer in this space. Are you familiar with how child care programs are rated for quality? Is a quality rating important to you? What is important to you in a QRIS?

Question 13:

If you are a child care provider, does your current fee structure allow your program to meet the quality goals you have (ex: QRIS rating, accreditation, becoming a state-funded Pre-K, etc.)? How do constraints on funding impact the quality of care you would hope to provide?

Governance

Question 14:

There are approximately 4,100 regulated entities that provide child care in Tennessee. These programs take many forms -- child care centers, family child care homes, voluntary preschool programs, Head Start/Early Head Start, and more. Some programs are regulated by the Tennessee Department of Human Services and some by the Tennessee Department of Education (although some programs may come under the jurisdiction of both agencies). From your perspective, what is the impact of having two agencies oversee child care and early education services? What do you think are the pros and cons of this governance structure?

Question 15:

If you are a licensed child care provider, what would have been helpful for you as you were pursuing a license or certification to provide care?

Grand Division	East	Middle	West
Licensed Provider	12	5	3
Non-Licensed Provider	21	18	9
TOTAL	33	23	12

APPENDIX 2.E PEER STATE INTERVIEW REVIEW

Overview

Common overarching themes derived from peer state interviews highlighted 8 major themes.

Quality

Nationally there is movement and focus on improving quality child care, this was also seen in the peer state interviews. Participants identified quality or the importance of quality improvement as a crucial aspect to child care within their respective state. States noted the current assessments, standards, tools, and rewards used to maintain an expected level of quality, these tools are used by child care providers that participate in QRIS in their state.

Among the peer state interviews, states consistently highlighted the need for quality care to be implemented and sustainable. To help assure this happens, interviewees identified a need to include coaching, use of nationally recognized tools to promote self-assessment, goal setting. Financially, some addressed potential program incentives such as tiered subsidy rates and workforce bonuses as supportive to the child care provider in maintaining quality.

Child Care Certificate/Subsidy

Child care subsidy was emphasized as a common statewide funding support for families identified by the participants. Some noted current discussions occurring related to the potential increase of subsidy eligibility and some noted recent adjustments to their subsidy programs, such as policy changes to promote family child care choices. One state explained subsidy use has drastically changed for their state, presently the enrollment of children in the subsidy program is under pre COVID-19 pandemic numbers also resulting in the state not having a waitlist.

Business Partnerships

A common theme that emerged was the importance of business engagement and partnership with the child care field. States indicated they are exploring potential new connections and supports can be made with businesses, such as businesses potentially paying for scholarships for staff who need child care, working with businesses around the state to help build capacity for families needing non-traditional care, and having business match grant funds awarded to child care providers. Some states are seeing businesses, such as military affairs, hospitals, and factors/pants reach out to the state with desire to partner with child care providers.

Coordinated Enrollment/Intake

Some states noted coordinated enrollment/intake is not something implemented across the state, rather it is currently only developed and maintained at the local level. Participants shared that the coordinated enrollment/intake systems currently implemented are comprehensive in identifying unique needs of families and matching each family with programs within their eligibility determination.

Shared Services

Shared Services was identified by most states as a common resource for the residents in their state. States described the types of business and administrative tools and resources were available through their shared services programming to assist child care programs, some included; Job Board, Job Templates, Hiring Tools, Administrative Resources and Templates, Family Child Care Toolkit, Discounts on Goods and Services. Some states have contracted out to Child Care Management Systems (CCMS) to assist providers automate some daily tasks, as well as identified financial consultants to assist in the sustainability of the CCMS. One state noted they currently do not have Shared Services, but have interest in exploring the possibilities of it.

Codes, Zoning, and Regulations

Some states noted codes, zoning, and regulations as common challenges. The most commonly expressed challenge was around regulations was from the requirements for fire marshals. Some states use local fire marshals resulting in inconsistent requirements across the state. Zoning was highlighted as a common issue reported to the state(s), some states are trying to work towards zoning alignment and others expressed that due to the large quantity of counties and cities within their state, working through these issues would be a large undertaking, with no current comprehensive efforts planned for change.

Federal Relief Funds

Peer state interviewees identified a variety of funding sources as a positive impact on child care within their state. Some states highlighted an increase to child care was seen through federal funding sources such as CARES, ARPA, and CERRSA. Additionally, agencies spoke to the positive impact of pandemic relief funds, after allocation of funds to child care programs there was an increase in stability in the industry. This reinforced the findings from the interim report which demonstrated that child care is both an early education and workforce support.

Workforce

Participants corroborated the identification of workforce issues previously highlighted from literature, focus groups, and survey responses. States currently feel the impacts of the struggling child care workforce and are focused on investing in the development of a sustainable pipeline, some noted this through the desire to invest in more CDA's and conversations relating to the engagement of high school students through apprenticeships. Overall there was an acknowledgment that there is a challenge in the ability to increasing wages for child care employees long-term was corroborated. This connects to the interim report statement that child care must be safe, promote health, and be educationally rich. The development of professional pathways that are clear, promote apprenticeships and align to a wage scale are growing and developing across states, with a recognition that investing in educators is essential to the strength of the industry.

GEORGIA

Governance

The transition of programs and services into the agency we now call DECAL was done in three parts. Legislation legally creating the Georgia Department of Early Care and Learning was signed into law in 2004. This legislation merged three offices which functions included administering Georgia's Pre-k program, licensing child care learning centers and family child care learning homes, overseeing federal nutrition programs, overseeing the state's network of regionally-based child care resource and referral agencies and housing the Head Start State Collaboration Office. The emphasis on Georgia State Pre-K was the focus, and then the goal was to move this focus on education and learning to younger children.

In 2012, the administrative function for CCDF was moved from the Division of Family and Children Services. There was a small team of about 10 people at DECAL at that time, but the functions of eligibility determination continued to be made by the Division of Family and Children Services. These staff did eligibility for all public benefit programs in Georgia, including child care, creating extensive work loads. The remaining functions of the program were moved in 2017 to promote better customer service and rebrand the program as a scholarship for education and not a public benefit. This prompted a large culture shift, and state employees had to re-apply for their positions rather than automatically moving into them. A focus in the re-hiring process was not just establishing another agency focused on a specific component of public assistance, but in early education and providing that foundation for future success.

Subsidy

CCDF is a very flexible funding source, and the agency's focus is making sure that they do the best job they can with the federal dollars, making the best use of funds to build an early learning system and raise

quality to improve access. Their entry point for the state's subsidy program is 50% of State Median Income (SMI) and their exit point is 85%. This does give space for families to grow financially while also supports access to those with the greatest need. Another change they made during COVID is to require that programs receiving subsidy must be quality rated, because they recognize that while quality is important for all children, it is even more important for children in a low-income family.

Federal Relief Funding

The Department received about \$2 billion from CARES, ARPA, and CERRSA, and a large part of that has gone directly to access. The State is paying the full cost of childcare for those that are in the child care subsidy program. The state established their base rate on the number of children they want to serve, which is 50,000, and they have budgeted for 60,000. Given COVID, and now the impacts of inflation and gas prices and all those things that all families are struggling with, losses of jobs, loss of hours etc., the state felt the best investment is ensuring families continue to have access to childcare at the full benefit. The state has made a commitment to do this for two years, as well as the capacity to add 10,000 slots which has allowed for focus on access.

The State acknowledges that post pandemic it will be challenging to continue to pay these costs and are engaging in analysis and evaluation about whether there are some components they may maintain. In preparation for the transition, they will be using their 12-month eligibility re-determination period to roll down the number of slots, which will slowly bring their number of slots to their sustainable level. Additionally, they anticipate that because of the routine attrition with enrollment they experience, that they will be able to monitor this and there will not be a cliff. They are not seeing significant numbers of families coming into the program between these income levels, so they are still under-enrolled by income metrics alone and are filling slots based on priority group (categorical eligibility). They have 13-14 priority groups. Georgia does not maintain a waitlist.

Departmental Successes and Challenges

Georgia receives support on child care from both sides of the isle because it is understood to be an economic development benefit because parents have to work and benefits young children by preparing them for kindergarten.

Workforce

Georgia is struggling with workforce needs just like every other state. As an agency they try to focus on what the state agency can and should do. In the long term, they do not think there is a lot they can do to impact wages; however, they can support there being a very clear pipeline into the ECE workforce because the existing pathway is not clear. The state has a lot of data on the workforce in Georgia that hasn't existed prior to the pandemic relief funds, because \$100 million was given out. Based on this, they will be doing work to start investing in more CDA's, however, to do so, they need to figure out the challenges with getting Professional Development Specialists to do observations. The bonus of up to \$1,000 allowed them to learn a lot about the educators working in their programs because providers had to formally apply for the funds, and provide information regarding where they are employed, their educational and work background, as well as demographics. They also will be looking at the NAEYC Power to the Profession guidance and to best determine how to develop this pathway.

The State additionally invests in Scholars, the state's Scholarship fund paid for through CCDF appropriation, supporting educator retention. The funding supports the workforce in going back for additional credentials. The State has determined to make these investments now, rather than the longer work of making efforts to increase wages, though they recognize the need for increased workforce support and better wages.

Zoning

The State hears a lot about zoning issues however it is not something the state has gotten involved in at this time. There are 159 counties in the state, and even more cities so it would be a massive undertaking. If someone contacts the State specifically to work on these issues locally, then the State would support them, but no comprehensive efforts are underway or planned across the state.

Pre-Licensure

Georgia has pre-licensure supports, which begin with attendance at a foundational training, where they can interact with licensing staff and become more familiar with the process. They also employ Community Coordinators throughout the state who are responsible for working with their local Chambers of Commerce and interested potential providers.

They have not seen a drop in the number of programs and are about even at 4,500. Within this though, enrollment is down about 18% because people have changed the way they use childcare. Georgia attributed the stabilization funds to its ability to maintain licensed programs. However, this is an artificial stabilization of childcare so there are concerns about 2023 and 2024, when the federal dollars run out. The state hopes that programs have enough time to plan for this end in funds.

Business Partnerships

Sometimes they have businesses contact them, asking what child care is available in the area, where Georgia Pre-K programs exist etc. However, as an agency they do not have a coordinated initiative working with the private sector.

They also have a new effort where they will be working with 8 businesses around the state to help build capacity for nontraditional hours. There is a demand for non-traditional hour care, however, it is challenging for these businesses to be financially viable. The state is leaning in to see what additional support can be provided, for example, businesses paying for scholarships for staff who need this style of care. Because they are also the child care licensing agency, they see that providing consultation to businesses could be a conflict, so they provide an advisory role but do not act as a formal partner. They have observed that many families associated with new business development, are looking for more of a family, friend, and neighbor care arrangement (called informal providers in Georgia). They allow these informal providers to accept subsidy on a very limited basis, for example, in the case of child care deserts and if care isn't available with x mile radius. Some of the state's philanthropic partners do much more with informal providers.

Shared Services

Georgia funds Quality Care for Children, which provides a Provider Resource Hub. The Provider Resource Hub is a free web portal that provides business and administrative tools and resources to help child care programs save both time and money. The site includes:

- Job Board, Job Templates and Hiring Tools
- Administrative Resources and Templates
- Family Child Care Toolkit
- Discounts on Goods and Services

Family Engagement

The State began start focusing on family engagement when moved the subsidy program in 2017. Before then, the state was more focused on supporting programs and teachers. Since that time, the state has conducted focus groups, done significant stakeholder engagement, and now employ family ambassadors across the state, connected to the regional structures mentioned earlier. Georgia is also forming a Parent

Council and looking for more meaningful family representation in policy decision making through that channel.

IOWA GOVERNORS CHILD CARE TASK FORCE

Child Care Task Force

In response to recommendations from Iowa's Economic Recovery Advisory Board, a Child Care Task Force was initiated, focusing on child care supports in order to support families in entering and remaining in the workforce. Members of the Task Force included business executives, economic development representatives, a mayor, state department representatives, among others. The Task Force convened over a period of 100 days and engaged numerous stakeholders through a variety of different methods. Upon completion of their work, a report was released with a series of next steps and recommendations. Some of the recommendations surrounded areas outside of Department of Health and Human Services purview, resulting in work being distributed across agencies and departments. Below are some key takeaways from the work of the Task Force.

Child Care Challenge Fund

The Child Care Challenge Fund was designed to support both regional and community projects in the development of local child care facilities with the goal of simultaneously increasing the availability of quality, affordable child care for Iowa parents. In 2021, DHS provided \$11,951,718 in grant awards, Child Care Challenge Grant awarded \$1,000,414 with a total combined grant awards of \$12,952,132 and a total number of new child care slots of 3,942. Additionally, in 2022, a total number of 106 projects were initiated resulting in an estimation of 4,986 new child care slots through the following funding sources; DHS grant awards of \$26,749,392, Child Care Challenge awards \$9,333,383, with a combined total awards totaling \$36,082,775. For further information on the Child Care Challenge fund please select one of the three hyperlinks above.

Business Engagement

The Task Force identified that employers and businesses need to be engaged in and supportive of child care in Iowa. In response to this need, Governor Reynolds presented the Child Care Business Incentive Grant. This grant is focused on assisting employers to either offer new or expand existing child care opportunities as an employee benefit. The overarching focus of the use of grant funds was to support local infrastructure investments in the developing of new or expanding of current child care capacity, supporting employers partnering with child care directly to expand capacity and/or reserve child care slots for employees.

Many grant submissions were received, and businesses agreed to provide matching funds. The Child Care Business Incentive Infrastructure and Slots Awarded \$25,992,273 towards Infrastructure awards and a total of \$603,443 to slots awards.

The Business Incentive Grant opened a second round for Slot-based funding in which businesses can engage with existing child care providers in their community for slot availability for their employees. The grant application process highlighted real workforce challenges, and the ways businesses can support wage parity to assure slots are available.

Iowa is paying close attention to the concept and phrasing of the specific terminology: 'creating new slots.' There is a gap in the licensing capacity of child care facilities and the operational capacity of child care facilities. For example, a facility may technically have licensed capacity to serve 200 children (licensed capacity), yet the child care facility may set a limit of 150 and will never serve over 150 children because it is too many (operational capacity). With the understanding that facilities can adjust their operational base to 170 slots, essentially "adding" 20 slots to their facility (operationally), but that will not appear as a difference on written documentation, due to those child care slots already being considered available, per licensing capacity.

Subsidy

The previous state subsidy Provider Agreement did not allow providers to charge the difference between the private pay rate, the amount a program could reimburse, and the amount paid by subsidy. The Legislature allowed for this policy change to promote family choice, which was informed by a recommendation from the Task Force. There have also been discussions regarding increasing Child Care Assistance (CCA) eligibility (known in Tennessee as certificate).

Licensing/Ratios

The child care crisis in recent years heightened the attention on child to provider ratios among licensed child care centers. Iowa took the initiative to partner with the National Center on Early Childhood Quality Assurance to gather child to provider ratios in other states. On July 1st, legislation changed ratio requirements for two-year-old ratio from 1:6 to 1:7 and three-year-olds from 1:8 to 1:10, and the provider age requirement was adjusted down from 18 years of age to 17. Additional licensing ratios were modified for the combination of ages in child care centers effective October 1st (2022).

Under state law, non-registered child care home providers have the ability to provide services to a total of 6 children as long as at least one child is school aged. This can be a mix and match of ages. For example, there can be 5 infants and 1 school aged child, there could be 6 school aged children or there could be three infants and 3 school aged children. If a child care home exceeds the total of 6 children receiving services, then the home is required to register as a Child Development home. A lot of this work requires balancing demands to increase access, and supply with investing in quality long term and maintaining safety supports for children.

The state currently does not have a requirement around insurance for programs unless they are participating in the Iowa Quality for Kids rating system. Many child care providers electively maintain insurance.

Additionally, State law requires a child care home providers, to be in a single-family residence, owned, rented, or leased by the provider. Those who lease or rent, are required to have written approval from the landlord or owner of the property that they may operate their business.

Quality

The Department of Health and Human Services implemented Iowa Quality for Kids (IQ4K), Iowa's new Quality Rating Improvement System (the previous QRS) in April of 2022. IQ4K is being utilized by HHS licensed Child Care Center and preschools, registered Child development Homes and programs operating under the authority of an accredited school district or nonpublic school. Programs participating in IQ4K have five levels of quality which they can achieve. IQ4K implements Continuous Quality Improvement (CQI) allowing participating programs to access their current grade among all areas of programming. The implementation of CQI allows programs the ability to actively initiative and develop structured and strategic plans to increase their overall level of program quality. To encourage programs to participate in IQ4K, there is a structured bonus and reimbursement rate. When the participating child care program successfully reaches the next level, the program will receive a bonus which can be spent in any area of the business. Additionally, programs that reach higher levels of IQ4K may receive higher reimbursements from CCA (known in Tennessee as certificate).

Child Care Provider Workforce Retention and Recruitment

The state provided recruitment and retention bonuses for child care employees. To be eligible for the recruitment bonus the individual must stay employed at a child care facility for three months. Existing child care staff employed at the child care facility for six months or longer, were immediately eligible for a retention bonus. A total of \$30 million was allocated, \$10 million of which was quickly distributed. These initiatives were funded using ARPA CCDF Supplemental Discretionary funds.

Zoning and Codes

Iowa tried to pass legislation regarding zoning alignment, but there were many things packaged with the bill and it did not pass. Iowa experiences challenges regarding local control requirements for fire marshals.

Some fire marshals want additional items such as kitchen hoods or a sprinkler system, while others stated that those are not needed.

Local Coordination

Iowa Area Education Agencies (AEA)

Iowa has 5 AEA regions that support Statewide Voluntary Preschool Programs, Shared Visions, Head Starts, and district and community based preschool partners. Within these 5 regions, Area Coordination Consultants are assigned to specific counties and work as part of the Early Childhood State Coordination team. In total, there are 11 consultants, designated by county lines that provide professional development, coaching, technical assistance, and serve as a resource for general and/or special education to support the needs of Iowa's youngest learners. They also provide leadership in collaboration and coordination within the statewide early childhood system.

Child Care Resource & Referral (CCR&R)

Iowa's 5 CCR&R regions are designed to provide advocacy, education, and recourses to support quality child care and to assist each unique child and family in making an informed choice in selecting available child care that best meets their needs. CCR&R has Child Care Consultants that offer consultation to licensed preschools, centers, nonregistered home providers and Child Development Home providers. Moreover, CCR&R supports child care providers through offering a variety of trainings and professional development opportunities to support providers in meeting licensing/registration requirements as well as improve quality of care.

Early Childhood Iowa (ECI)

Early Childhood Iowa is a Public-Private Partnership constructed of 38 Area Boards statewide intended to support each local community with accessing resources and tools. The local area boards are led by local citizens promoting efforts around collaboration and further development of systems within the community involving education, health, and human services programs with the aim to improve the lives of families with young children birth to 5 years old. Providing resources and support for parents in selecting child care that best meets their diverse values, work hours, accessibility needs provided potential transportation barriers, high quality learning, and overall wellbeing is one of the key focus' for ECI. ECI provides support and information for the following quality child care and preschool options; DHS Child care Search, CCR&R, Statewide Voluntary Preschool, Shared Visions Preschool, Early Head Start and Head Start, Find Private Preschool Options, and NAEYC Family Blog.

Apprenticeship

Iowa has had many conversations relating to the engagement of high school students through apprenticeships. There are several high schools supporting a CDA Credential but there is nothing systematic. A barrier to this effort is the fact that during the experience, as well as upon completion, the pay adjustments which are commonly associated with apprenticeships are not in place in Iowa.

Background Checks

Child care regulations state any individual involved in providing child care in a licensed or regulated child care establishment must complete a background record check. This includes any employee of the child care establishment, any individual residing at the location of the child care establishment (i.e., family members of in home care providers), receiving public fundings for providing child care. For example, if an extended family member wanted to move into the home, where the in home child care is provided, then there would be a requirement for the individual to be background checked, and results must be completed and fully received before date of move in.

An example provided during the interview of someone who is not required to have a background check, was in the case that a neighbor comes over for two hours drinking coffee in a child care home while the child care provider is operating during business hours. This neighbor is not required to have a background

check completed. This type of situation would, however, could be evaluated as a supervision concern due to potential lack of child supervision.

Shared Services

The state of Iowa Department of Health and Human Services and Early Childhood Iowa have partnered together to implement a multi-phase Shared Services Project to support child care businesses in response to a recommendation provided in the Governor's Child Care Task Force Report.

The Shared Services project developed a Communications Plan to maintain clear communication to agencies, partners, providers, and general public throughout the project. Financial consultants were identified to support the Shared Services Project with two main focuses, the first is to work with and assist the navigation process of the Child Care Management System for child care providers, and the second is to focus on the Iron Triangle financial model that focuses on full enrollment, full fee collection, and ability to cover per child cost.

The State of Iowa has contracted with two Child Care Management Systems; Child Care Management Software (CCMS) is designed to help providers automate daily operations that can be time consuming and take away from provider-child interactions. CCMS is a strong tool that will assist in streamlining and capturing diverse types of data such as, enrollment and manage waitlists, track and report attendance, generate invoices, collect payment electronically, manage staff records.

Coordinated Intake

Trinity Public Health Coordinated Intake in Muscatine County provides a universal screening to identify resources and services for all women who give birth at Trinity Muscatine Hospital. The universal screening assessment tool currently being used was developed through the scope of the Healthy Families in America Evidence-Based Model. The assessment is based on a point-system that tracks the total number of potential risk factors for the child and family then allowing for appropriate referrals to be provided to the family.

Presently Iowa does not have a single statewide coordinated intake system implemented. However, the State of Iowa has merged the Departments of Public Health and Human Services into one Department of Health and Human Services. With the restructuring and the alignment of those organizations there is a potential for discussions surrounding coordinated intake to resurface.

LOUISIANA

Quality

Louisiana has a point based, five-star quality rating system. The state decided upon this system because it allowed for a greater range of quality within each of the levels. The quality assessment tools used include the Classroom Assessment Scoring System (CLASS). State officials reported the use of the CLASS is a major component in their accountability system and that it requires CLASS observations to be conducted each year in each publicly funded classroom including subsidy, school-based Pre-K, Head Start and Early Head Start. Two on-site observations are done by observers representing the local early childhood community network, one in the Fall and another in the Spring. In addition, 50% of them get a third-party observation in addition. Information regarding quality is made available on louisianaschools.com, where every site participating in the quality rating improvement system has a performance profile. The State attributes part of its success of it's now required QRIS due in part, to the fact that beginning in 2008, they initiated a voluntary system based on Environmental Rating Scale (ERS) tools. This gave programs and sites a good way of beginning to learn the things that are foundational to effective interactions and effective programs.

In 2012 the State enacted a new law, titled The Early Childhood Education Act, or Act3. Soon after the law was enacted 13 initial early childhood care and education community network pilots (each a parish, i.e., a country) began participating in quality improvement efforts. The CCR&Rs were contracted to provide quality

support through focused coaching. Coaching entailed teaching programs about the CLASS indicators, formative assessment using Teaching Strategies Gold and measuring child outcomes progress in a way that did not feel punitive. The following year, another 13 Parishes became community network pilots. The state leveraged the first group of participant networks to support and mentor the new group in Cohort 2. The third year, the initiative was fully rolled out to the remainder of parishes. Utilizing this approach of peer support proved invaluable because they could provide honest information and feedback to their peers. There are currently 65 community networks, serving every parish.

A leverage point for programs to engage in the QRIS system was public funding. The state told programs that if they did not meet quality measures that they could become licensed, but they could not receive public funding (other than from the CACFP). This motivated many centers to formally enter the quality improvement system. The new system has “Information Metrics,” which are provided as a formative approach, and not used for programs scores. The vast majority of center-based programs do participate in QRIS and are certified to receive subsidy. The State does not allow one Star programs to be subsidy providers, they minimally must obtain a Level 2. New sites, have until their second year to obtain a level. Any site dipping below a Level 2, for 2 of 3 assessments will lose their ability to obtain public funds. Additionally, the State does not currently license family child care however, family child care programs have just recent had the ability to engage in the states QRIS and receive School Readiness Tax Credits and other incentives.

Coordinated Enrollment

Louisiana has a mixed delivery child care system. The State has published guidance documents to support coordinated enrollment. All coordinated enrollment happens at the local level and does include comprehensive coordinated eligibility determinations. Some community networks, particularly the larger ones, have purchased technology to support coordinated enrollment efforts, for example, Baton Rouge. The software allows families to list and rank their search and care preferences.

Shared Services

Although the State was interested in the idea of shared services, it is not something they have pursued yet at an in-depth level. The state has explored the development of a statewide Substitute Directory.

Access

Some community networks do focus outreach to assist families applying for subsidy, however the state has recently had to initiate a wait list for applications received on or after October 1st, 2022. The state is experiencing challenges related to a lack of supply, to even refer or place families into within their rural areas and portions of the state where child care deserts exist. Using stimulus funds, the State has been able to serve an additional 3,000 children within their subsidy program.

In response, to grow capacity, specifically for needed infant and toddler care, Louisiana has used Preschool Development (PDG) grant funds to do an FCC pilot. The primary goal is to grow capacity and ensure that the State is fully leveraging the opportunities for those interested in FCC care because it doesn't require the significant facilities investments that centers require.

Participants receive a CLASS assessment and mental health consultation and training and are part of the FCC pilot. Thus far, there has been marked increases in the quality of interactions and environments and the goal is to work towards these providers participating in Academic Approval, which means they meet at the foundational requirements within the QRIS. The work has resulted in

an additional 80 providers, with 140 set to participate in the upcoming year. Family child care providers can care for up to 6 unrelated children, so this makes an important contribution to supply by increasing the number of available slots by 1,320. Informed by CACFP data, the state has determined there to be 8,000-

9,000 family child care providers participating, that are not accepting subsidy and see this as the next big opportunity for the department. They are coordinating with the food program now that the pilot has concluded to determine who would be the best early adopters of the new initiative.

Codes, Zoning and Regulations

Louisiana hasn't done any work specifically relating to zoning, although they have heard similar issues where providers do a significant amount of work related to opening a business and haven't been able to open.

Community Engagement

Communities are showing increased attention to early care and education, with the state forming Ready Start networks, and creating blueprints with local level goals, coalitions, and governance structures. Additionally, these Ready Start networks are creating financial plans for local-level funding, including philanthropic dollars, city or parish dollars, millages, and more to support their work. To date, there are 37 Ready Start Networks across the state.

Some of the challenges they have taken on include re-purposing vacated space to turn it into usable child care space and working to find viable space in areas where there are child care deserts by working with community centers and public schools to increase capacity. They have done great work looking at their child level demographics and analyzing who is and isn't being served and where there are access and availability issues that the State can support solutions around.

NORTH CAROLINA

Disclosure: Ariel Ford did not respond to review and validate the below findings.

Quality

North Carolina's QRIS has two parts, the use of environmental rating scales and staff qualifications.

Data

North Carolina is implementing a Deloitte product which is a general child care information system, including time and attendance functionality. The State believes that use of good data is critical for systems change, and as a result, they have a department wide data sharing agreement, across Health and Human Services. North Carolina experienced data sharing challenges, despite being a consolidated agency, due to the varied funding streams and varying requirements related to HIPPA and FERPA. They have been able to draw upon data and inform work in new ways using these reports. For example, they can look at who is receiving FNS SNAP, and not subsidy and can use it to push messages out to families regarding eligibility. They are also able to use the system for cross-agency case management. However, this system is separate from their licensing, Pre-K and QRIS data systems, so there are still opportunities for improvements and coordination related to data.

Local Governance

They found that across the state, stakeholders were not aware of the various support initiatives, including child care navigation support such as CCR&R. They found that they had to make deep commitments to collaboration and coordination and engage in actions such as agreements and MOU's. This work takes time and focus to establish a culture where this work can happen because these responsibilities sit within everyone's job functions. To assist with this work, it is important to have someone who is the driver, and Smart Start is an important partner in these efforts within the state.

Subsidy

A focus of the department has been building trust in government through their provision of subsidy. North Carolina's child care subsidy system is federally funded and locally administered through contracts using a time and attendance-based system. The Department of Environmental Health does the health assessments for child care providers. The state hasn't done contracted slots because they haven't figured out how they would manage in cases where programs struggle with the many issues encountered at this time, such as the inability to find or keep staff, or inabilities to meet the required enrollment.

Federal Relief Funding

They are working to use federal relief dollars to demonstrate that funding can and does make a difference in the system, and that big policy solutions can be made with focused investments. In April 2020 the State of North Carolina began Operational Grants, informed by national data about cost of care. They held subsidy harmless, so all providers received full subsidy payments. They included a "Plus Up" for infants and toddlers, program size, as well as quality. They also had workforce stabilization funds which ensured that programs could pay teachers appropriately during the period of stabilization. North Carolina's Plus Up Model was focused on business support and investments. Their formula reflected the fact that it costs more to implement child care in child care deserts. They didn't frame this solely as a need to fill gaps but relied upon the fundamental business case for the investments. For example, it costs more to provide high quality child care in lower income communities because buildings often need more work, they get fewer toys and materials donated, it's harder to find nutritious foods, etc. Similarly, infants and toddlers have more of a plus up because staff to child ratios are smaller and it fundamentally costs more. Also, at a later point, they added Plus Up's for non-traditional care, however they found that the funding model didn't work because they weren't making any more money, even with the Plus Up. However, at the time, the state didn't have an accurate sense of what 2nd and 3rd shift care actually costs. North Carolina is trying to figure this out for a sister agency so they can build child care capacity where it's needed for 24 hours shifts in typically very rural areas. Despite these federal investments, North Carolina has seen a decline in the number of childcare programs statewide throughout the pandemic.

Workforce/Salary Scale

The state circled for a long time about what a potential wage scale could look like, and finally were able to organize a framework through the work of a group named "Moving the Needle". The group compared the support for early educators, to that of the public teaching force that received bonus's during the pandemic and developed a wage scale that included pay parity between the early childhood and K-12 sector. The focus was on the ways in which programs used this guidance to formulate and drive their own plans towards these goals. The wage scale was a tool, and not required as benchmarks. These goals drove the early education workforce towards a 4-year degree. It is important to note that this did not include a benefit parity. The stabilization grants served as the financial lever for these discussions to grab hold. Programs are now in a place where they have made their own modifications in some circumstances to it, and many are planning to continue its use after the federal funds expire. The state monitors the plans that programs develop by pulling 1/3 of the plans and ensuring that at least 50% of the stabilization funds are going towards wages.

The distribution of these funds toward wages was made based upon a formula. For those programs that chose to use bonuses, they received a lesser amount than those that developed ongoing wage enhancement plans. The group that selected the bonus structure had to submit a bonus distribution schedule. There were additional formula variations based upon where a program was on the state's Quality Rating and Improvement System because the higher rating levels required educators to have higher levels of education. Similarly, they wanted funds to stay with the highest quality safe and engaging environments for children.

Business Partnerships

Corrections and Military Affairs, as well as some hospitals and factories/plants have contacted the department to seek collaboration around child care quality and access. For example, there are some corrections facilities as well as a tire plant that are looking to partner around child care access. However, part of the challenge is that programs do not have enough staff to cover 1st shift care, let alone 2nd or 3rd shift. Additionally, families typically cannot afford to pay a rate differential for these shifts. As a result, these types of arrangements don't seem to work well in centers but do in family child care homes. The State is working with sister agencies to explore growth in the availability of care, these sectors need.

Zoning

North Carolina is charging their local Smart Start agencies with work around zoning and are working with several communities specifically related to family child care zoning. Through this work they are supporting local affiliates to go to their Commission or City Council and express the crisis they are experiencing regarding a lack of child care. North Carolina hasn't experienced any policy wins yet, but they are working on it.

Shared Services

At a state level, they have a website established where any licensed provider in the state can purchase services. The services and cost reductions available are on items such as classroom and office supplies, uniforms, payment processing software, facilities management, and consulting services. They are also procuring two contracts where family child care networks will be established, which will have some shared services components. They have focused on family child care homes first, because this is where the greatest need is within North Carolina, particularly given the number of family child care home closures within recent years.

Drop-In Care

North Carolina is not hearing of a consistent need for short-term drop-in care for families. They are hearing that, overall, families need more care than is available. The conversations in this space have focused more on family, friend, and neighbor care. They have encountered some pressure related to weakening regulations to accommodate the crisis. This is not something they are willing to do and are sticking with their 3-star subsidy requirements.

Market Rate Analysis

North Carolina is working with the American Institute of Research (AIR), to essentially throw away the existing approach to cost modeling. They haven't found the innovation in existing cost calculators and have a strong desire to move the ball forward on restructuring their system entirely. There is a national advisory council underway that is beginning

PENNSYLVANIA

Governance

In Pennsylvania, the Office of Child Development and Early Learning (OCDEL) houses the State's early childhood education programs. OCDEL is a collaborative effort between Pennsylvania's Department of Education (PDE) and Department of Human Services (DHS). The programs it oversees include licensing, quality, child care subsidy as well as Family Support/Home Visiting programs, Infant/Toddler Early Intervention (IDEA Part C), and Preschool Early Intervention (IDEA Part B, 619), Pre-K Counts, and the Head Start Supplemental Assistance Program.

Data Systems

Pennsylvania has multiple systems that link together across different programs, with the core system being the Home and Community Services Information System (HCSIS), which further links to Pennsylvania's Enterprise to Link Information for Children Across Networks, or PELICAN, which has further systems that are linked under it specific to OCDEL. Each child has a unique identifier, and providers have an index number. This integrated system allows the State to bridge the gap of understanding between early years and school age.

Families who are private pay for child care are not required to be entered into the data system. For children receiving child care subsidy, the State can see what programs these children are enrolled in across Pennsylvania's Department of Human Services, and for which there are data sharing agreements. The State also has the functionality to see which programs they have participated in across the State. This level of inquiry depends on a user's clearance process. For deeper studies and evaluations, OCDEL has partnered with Penn State Institute for State and Regional Data on provider related data evaluations, however, much more of this work remains internal at this time.

One of the most commonly used functions of PELICAN is the public-facing www.findchildcare.pa.gov website, which serves as a statewide child care provider search portal. Additionally, representatives, advocates and other stakeholders can look up programs in their catchment areas to see if there were any complaints, the status of the provider's license, and more. They have also made changes to allow the user interface for this portal to be smart phone friendly and to engage through an app.

OCDEL is also closely working with the K-12 system to understand and support transition services between early childhood and K-12. This data exists to prepare and notify districts regarding the fact the child exists, and they can look ahead to what may be needed to support this child based on prior program participation.

One challenge the State experiences is that their batching process happens overnight, so sometimes the data they are seeing is not in real time, so updates are not available until the day after. The system is also unable to make payments. OCDEL suggested that anyone looking to invest in data systems look at what can be modified, and at which point in implementation. There are modifications they have made through their systems implementation, however sometimes changes can take 6-8 months to employ. Another consideration is electronic file storage, as they have prioritized moving away from paper. The Department has many clients that do not have access to technology, and it is challenging for them to get to community offices.

System and Data Governance

System and data governance and coordinated leadership is at the core of OCDEL's complex framework. There is a data governance process and coordinated leadership at the center of this. Bureau Directors are designated by the Deputy Secretary for OCDEL, who further designate key members of their teams to serve on the team engaging in planning and discussions. Each of the Bureau Directors prioritizes development or enhancements that they would like to see for their domain. From there, State leadership makes decisions about the priorities for future developmental cycles and discusses them with the development team for feasibility and timeline implications.

Using PELICAN, the agency and associated offices can pull information and develop reports or processes, such as dashboards that can then be vetted through DHS' enterprise case management (ECM) data governance framework ([Governance \(pa.gov\)](http://Governance.pa.gov)). A goal for this group is establishing a consistency process for inquiries, as well as establishing a process for record keeping, and ensuring information is consistent. These internal quality controls are challenging, and yet essential in ensuring that the State can rely on the quality of reports for press inquiries and legislative "asks". Another suggestion for system development is to configure front-end system components so that staff can use the system in self-sufficient ways. Also, determining the types of reports and data collection that is needed is an important part of the business

requirements process, building the system to collect and aggregate data in useful ways, ensuring needed functionality is present.

Early Learning Resource Centers

OCDEL has 19 Early Learning Resource Centers (ELRCs) that are regionally deployed across the Commonwealth. These serve as Child Care Resource & Referral (CCR&R) hubs for the catchment area, and their size is based upon population density and use. The ELRCs provide many other supports and functions on behalf of OCDEL, including the administration of the Child Care Works (CCW) Subsidized Child Care program for their specific area, assisting families in finding child care, and providing or partnering with other entities to provide professional development opportunities for child care providers.

Child Care Subsidy

The State has seen fluctuations in the number of children enrolled in the Child Care Works Subsidized Child Care program. They typically see fluctuations anywhere between 7,000 and 14,000 children. Currently, enrollments have not reached parity with pre-pandemic levels, and thus there is currently no waitlist to enroll, but OCDEL is actively monitoring these levels for changes. In Pennsylvania, it is not atypical for there to be a waitlist, which can consist of up to 3,000 children.

Funding is statewide, but then designated regionally to the ELRCs, making the funds management portion of the system critical. If the State allocated all the funds per region at the beginning of the year, accommodating family needs would be challenging. Prior to the enactment of the current budget, which started July 1, Childcare Works was eligible at 200% or less of the federal poverty guidelines, and eligibility ended when families exceeded 235% of the federal poverty guidelines. When the General Assembly wanted to increase that threshold to exit at 300% at redetermination, they were able to pull data from the system to estimate the impacts on enrollment and mitigate any potential cliff effects. The State was also able to cost modelling to set percentages in alignment with federal affordability percentages, reflecting the impact of making eligibility adjustments. For some families, this made the impact of several thousand per year. At this period of time, there is no wait list, so it takes about a day or two for funds to be authorized. The State continues to experience workforce and capacity issues that are causing programs to not be able to enroll to their maximum capacity.

Business Partnerships

In Pennsylvania, industry and businesses are affiliated with the Department of Community and Economic Development. There is coordination regarding where the State has industry hubs that would indicate pockets of need. In the CCDF State Plan, it asks states how they are prioritizing resources to areas that are both high poverty and have high unemployment, and through the data system, the State has developed a dashboard that analyzes child care program density to help target where additional resources may be needed.

The State has also made efforts to make data publicly available. The current Governor's priority was to make government transparent. As a result, Pennsylvania's Early Learning Dashboards have been made available to the public at: [Early Learning Dashboards \(pa.gov\)](https://www.pa.gov/early-learning).

Quality

There is a large amount of data available regarding Keystone STARS (Standards, Training/Professional Development, Assistance, Resources), and the State's Quality Rating and Improvement System (QRIS). Programs can earn 1 to 4 STARS, where at each level, programs meet higher requirements around staff education, learning environment, leadership management, and family and community partnerships.

Information on the Keystone STARS program can be found at: [KEYSTONE STARS – THE PENNSYLVANIA KEY \(pakeys.org\)](https://www.pakeys.org/)

Previously, the Environmental Rating Scale (ERS) tools and Classroom Assessment Scoring System (CLASS) were used to establish minimum threshold scores. Currently, external assessments are voluntary, and the State allows for use of several different tools, including the Classroom Assessment Scoring System (CLASS).

When a program is awarded a certificate of compliance, they are automatically awarded a STAR 1 in the Keystone STARS program. If providers choose to participate in STARS, then they can move up into the STAR2 through STAR4 ranking if they meet those requirements at each STAR level. Each level is built in with benefits in the State's child care subsidy system, with tiered reimbursement. For example, providers can receive \$13.00 a day more for an infant. The State has linked their licensing, QRIS, and subsidy payment system within the PELICAN data system.

An Internal Assessment Process (IAP) was implemented in FY21 for programs working toward STAR 3 or 4 designations as a response to COVID-19, where previously an external Program Quality Assessment (PQA), Environmental Rating Scale (ERS) or Classroom Assessment Scoring System (CLASS) assessment were required. OCDEL received positive feedback on the IAP, where stakeholders reported that it has supported Continuous Quality Improvement (CQI) planning and better collaboration between programs and other stakeholders and has continued its use. The State is also investing in an external evaluation that will measure both outcomes and quality.

Mixed Delivery

The State has supported providers blending child care subsidy and State Pre-K funds, as well as having providers use subsidy for before and after school care. In Pennsylvania, Head Start does not have to be licensed, they are license exempt if only offering Head Start. The data system is available to them, but they are not robustly used by the Head Start Supplemental Assistance Program. Currently, there are about 6,700 slots for Head Start. These enrollments are entered differently into PELICAN, and it's not until during a subsidy or State Pre-K enrollment, when a family is asked about other services they participated in, that this information is collected.

APPENDIX 2.F PEER STATE INTERVIEW PROTOCOLS

GEORGIA

Out of State Stakeholder Interview

Key Informant Interview Protocol

Georgia

Interview date: _____

Person interviewed: _____

Organization: _____

Person conducting interview: _____

Through this interview, we would like to better understand the processes, culture, and other factors impacting the development and sustainability of Bright from the Start, Georgia's Department of Early Care and Learning (DECAL).

First, we'd like to find out about your role.

1. Please describe your role at DECAL.
2. What tasks do you spend the most time on?
3. What is the most challenging aspect of your role?

Next, we'd like to find out about the establishment and sustainability of DECAL.

4. We see that DECAL houses a wide range of early learning programs, including Pre-k, licensing, child parent services, nutrition, QRIS, Head Start and more. Can you explain some of the history of DECAL's founding and its ongoing development?
5. What challenges did the state have in establishing DECAL, if you know them.
6. Have any of the single departments (i.e., Licensing, child parent services, QRIS, Head Start) struggled with the transition into a single cabinet, if so, how did the state support the department assimilate into the new department?
7. Since GA has a single department for all of these programs, what successes has the state of GA experienced?
8. Aside from the challenges and successes for the implementation of DECAL that you shared, are there any additional pros or cons that the state has experienced through the transition and are there pros or cons with maintaining of the single department that houses all of these programs?
9. What challenges or barriers has the state of GA experienced with the sustainability of DECAL.

Now we would like to learn more about how DECAL interacts with policy and legislature.

10. How has the establishment of DECAL helped with the efficacy regarding policy and the legislature?
 - a. Follow-up : What challenges and successes has the state experienced?

11. As a cabinet-level department, do you think DECAL is heard or responded to differently by the governor or legislature now compared to when it was not yet a single unified office?

- a. Follow up: How has it changed?
- b. Follow up: Is the change positive or negative?

12. Do you feel the DECAL has open lines of communication with the governor or legislature when it is needed?

13. Do you feel there is enough communication between DECAL and the governor or legislature?

- a. Follow up: If not, what strategies have you used to try to increase communications?

Moving on, we'd like to find out about how DECAL has impacted families and child care/learning centers in GA.

14. How has DECAL been able to impact families with young children in GA?

15. Have there been studies conducted eliciting input from families on their experience with DECAL?

- a. Follow up: If yes, what was the general response provided by families?

16. Has there been an increase in families applying or using child care assistance?

17. Is there anything else on DECAL that we haven't covered that you would like to add?

IOWA

Out of State Stakeholder Interview

Key Informant Interview Protocol

Iowa

Interview date: _____

Person interviewed: _____

Organization: _____

Person conducting interview: _____

PCG is the consultant for the Tennessee Child Care Task Force that is funded through a contract with the TN Department of Human Services.

We work with the Tennessee Child Care Task Force to collect data on the current land scape of child care in the state of Tennessee. Through data collection and research review, recommendations will be provided to increase access, availability, and affordability for high quality child care across the state.

The Tennessee Child Care Task Force was created by Public Chapter 474 of the Acts of the 112th Tennessee General Assembly to develop this strategic action plan for increasing the availability of high quality, affordable, and accessible child care in Tennessee, specifically in the context of the impact on families, child care providers, employers, and communities.

Through this interview, we would like to better understand the processes, activities, culture, and other factors impacting the development and sustainability of the current child care system in Iowa, as well as the child care task force assembled by the state. The interview should take an hour and is specifically focused Child Care in your state.

1. Tell us about Iowa's child care task force and its process – what did it uncover and what has come out of the task force's work?
 - a. Were there any particular innovations or novel ideas that came out of the task force?
 - b. Tell us about the shared services project recommended by the task force and what is currently in process?
 - c. Tell us about the Future Ready Iowa child care challenge grants.
 - d. What measurements did the task force identify as indicators of success in supporting child care in Iowa?
2. What strategies do you have in place to address child care 1. Access, 2. Quality and 3. Affordability?
 - a. Related to access, has your state focused on increasing the supply of available child care and what approaches are you taking to do so?
 - b. Has your state updated any regulations or quality standards in recent years? If so, what changes were made and why?
 - c. How has your state worked to address child care affordability for families? Do you have a definition of "affordable", and if so, how did you land upon this definition?
3. What funding streams are used to support these areas?
4. What changes have you made to address the challenges of Access, Affordability and Quality since the start of the COVID-19 pandemic?
5. Do you have any public-private partnerships? How has your state engaged the private/business sector in child care, and in what ways have they been involved to address child care access, affordability and quality?
6. In what ways do the state agencies within your state coordinate? Do you have formal MOU's, consolidated agency programs etc.?
7. Have you/how have you worked to align programs, policies and procedures across your state (for example, QRIS and State Pre-K requirements)?

LOUISIANA

Out of State Stakeholder Interview

Key Informant Interview Protocol

Louisiana

Interview date: _____

Person interviewed: _____

Organization: _____

Person conducting interview: _____

PCG is the consultant for the Tennessee Child Care Task Force that is funded through a contract with the TN Department of Human Services.

We work with the Tennessee Child Care Task Force to collect data on the current landscape of child care in the state of Tennessee. Through data collection and research review, recommendations will be provided to increase access, availability, and affordability for high quality child care across the state.

The Tennessee Child Care Task Force was created by Public Chapter 474 of the Acts of the 112th Tennessee General Assembly to develop this strategic action plan for increasing the availability of high quality, affordable, and accessible child care in Tennessee, specifically in the context of the impact on families, child care providers, employers, and communities.

1. We see Louisiana implemented a point-based QRIS system for rating purposes – Tennessee is in the process of doing the same.
2. How has using this point-based QRIS system impacted the state from what it's used in the past?
3. How did you implement your point QRIS system? What was your governance strategy in implementing it?
4. What were your challenges and successes with it? Do you encourage non-publicly supported programs to adopt it as well?
5. How were you able to maintain/sustain it?
6. How has it impacted families' selection services?
7. How has it improved/shifted communication with legislature, governor, and the public at large?
 - a. We noticed that you offer a free, mandatory teaching credential for child care teachers that emphasize teacher-child interactions as well as a set of tax credits for teachers and programs to celebrate high CLASS scores or growth in CLASS scores. Can you tell us more about that?
 - b. Tell us about your coordinated enrollment model: what led to the decision to implement it and what outcomes have you seen from doing so?
8. How did you implement the coordinated enrollment system?
9. What were challenges in getting everyone on board with coordinated enrollment? What challenges are you running into with healthy communication among all partners?
10. What suggestions do you have for other states that want to create a coordinated intake system to help them successfully implement?
11. What tactics did the state use or is currently using to disseminate information about the coordinated enrollment system?
12. How are you maintaining it? What are the challenges?
 - a. We have found in Tennessee that there are zoning complications as a major barrier to opening new ECE programs. We know New Orleans as a city has made progress in addressing similar issues – are you familiar with their work and/or has the state conducted similar efforts?

NORTH CAROLINA

Out of State Stakeholder Interview

Key Informant Interview Protocol: NC

Interview date: _____

Person interviewed: _____

Organization: _____

Person conducting interview: _____

Through this interview, we would like to better understand the processes, activities, culture, and other factors impacting the development and sustainability of North Carolina Data Governance approach. The interview should take an hour and is specifically focused Child Care in your state.

First, I'd like to find out about your role.

1. Please describe your role in the development and sustainability of the current data governance implemented in NC.

a. What activities do you spend the most time on?

2. Please describe your data governance processes and governing bodies included (i.e., governing board, data stewardship committees, community advisory boards, data or other resources hubs).

3. How has having a robust data governance improved the efficacy and efficiency of data overall?

a. What are the benefits/successes that the state has experienced?

4. How has the data governance enabled the state to achieve its goals, specifically its child care goals?

5. More specifically, in what ways has having a powerful data governance improved programing?

a. Has the state seen an increase/adjustment in funding being allocated to programming, if so what programming has received more funding?

6. How has the data governance impacted funding allocated towards child care programming?

7. How has the robust data governance impacted the quality, access, and availability of child care in your state?

8. In what ways has having a strong data governance impacted the states communications with policy makers and legislature?

9. How has having a robust data governance improved resources for families?

a. Has there been an increase of families utilizing resources?

10. What challenges has the state experienced in implementing, using, and maintaining the current data governance?

11. Does NC have a Wage Scale? If so, what was your process for developing it and how are you rolling it out?

12. Is there anything that we haven't covered that you would like to add?

PENNSYLVANIA

Out of State Stakeholder Interview

Key Informant Interview Protocol

Pennsylvania

Interview date: _____

Person interviewed: _____

Organization: _____

Person conducting interview: _____

PCG is the consultant for the Tennessee Child Care Task Force that is funded through a contract with the TN Department of Human Services.

We work with the Tennessee Child Care Task Force to collect data on the current landscape of child care in the state of Tennessee. Through data collection and research review, recommendations will be provided to increase access, availability, and affordability for high quality child care across the state.

The Tennessee Child Care Task Force was created by Public Chapter 474 of the Acts of the 112th Tennessee General Assembly to develop this strategic action plan for increasing the availability of high quality, affordable, and accessible child care in Tennessee, specifically in the context of the impact on families, child care providers, employers, and communities.

Through this interview, we would like to better understand the processes, activities, culture, and other factors impacting the development and sustainability of Pennsylvania Data Governance approach. The interview should take an hour and is specifically focused Child Care in your state.

First, I'd like to find out about your role.

1. Please describe your role in the development and sustainability of the current data governance implemented in Pennsylvania.

a. What activities do you spend the most time on?

2. Please describe your data governance processes and governing bodies included (i.e., governing board, data stewardship committees, community advisory boards, data or other resources hubs).

3. How has having a robust data governance improved the efficacy and efficiency of data overall?

a. What are the benefits/successes that the state has experienced?

4. How has the data governance enabled the state to achieve its goals, specifically its child care goals?

5. More specifically, in what ways has having a powerful data system improved programming?

a. Has the state seen an increase/adjustment in funding being allocated to programming, if so what programming has received more funding?

6. How has the data governance or data sets impacted funding allocated towards child care programming?

7. How has the robust data system impacted the quality, access, and availability of child care in your state?

8. In what ways has having a strong data governance impacted the states communications with policy makers and legislature?

9. How has having a robust data governance improved resources for families?

a. Has there been an increase of families utilizing resources?

10. What challenges has the state experienced in implementing, using, and maintaining the current data governance?

11. Is there anything that we haven't covered that you would like to add?

Peer State Key Interview Informants

State	Specific Focus	Participants
Georgia	Governance, Pandemic Recovery, Workforce	Amy Jacobs, Commissioner of Bright from the Start, Georgia's Department of Early Care and Learning (DECAL)
Iowa	Child Care Task Force	Ryan Page, Child Care Regulatory Program Manager/Team Lead Child Care Bureau Iowa Department of Health and Human Services
Louisiana	Act 3 Legislation, QRIS movement to a point-based system, and State Pre-K implementation	Jenna Chiasson, Assistant State superintendent at the Louisiana Department of Education and Catasha Edwards, Deputy Chief of Staff for Teaching and Learning at the Louisiana Department of Education
North Carolina	Governance, Regional Coordinating Structures, and Post Pandemic Recovery	Ariel Ford, Director of the Division of Child Development and Early Education for the Department of Health and Human Services
Pennsylvania	Data Systems, Regional Coordinating Structures	Trace Campanini, Commissioner of Office of Early Childhood Development and Learning (OCDEL)

APPENDIX 3. ADDITIONAL RESEARCH AND RESOURCES

In addition to detailed study of peer states that were selected in collaboration with the CCTF and what child care currently looks like in Tennessee, PCG engaged in a national literature review focused on the following topics:

- Impacts of COVID-19 on Child Care Demand and Availability in Tennessee
- Strategies to Support Existing Child Care Providers
- Strategies to Increase the Supply of High Quality, Affordable, and Accessible Child Care in Communities of Need
- Effective Strategies Adopted by Other States to Support Existing Child Care Networks

Below, we have included those specific resources that were reviewed and their respective key themes, which were used to provide additional context and support around the CCTF's final recommendations.

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_BUILDDPDGB-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).
- 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
- Shares examples of success stories in Vermont, Colorado, Tennessee (Chambliss Center for Children), and Virginia

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 percent 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.
- 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>.

- The well-being of the child care workforce is an important consideration. 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.
- 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” (p. 1)

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>.

- Examines what works to boost childcare workers' ability to thrive in their jobs.
- Findings 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 4. ACKNOWLEDGEMENTS

The following groups, individuals, organizations, and departments are recognized in appreciation for their participation and contribution for the 2022 Tennessee Child Care Task Force (CCTF) Report.

Tennessee Child Care Task Force Members:

Commissioner Clarence Carter (Chair) of Tennessee Department of Human Services, Blair Taylor (Vice-Chair) of Memphis Tomorrow President, Pat Sheehy (2nd Vice-Chair) of Tennessee Business Roundtable President, Commissioner Jeff McCord of Tennessee Department of Labor and Workforce Development, Assistant Commissioner Jamie Stitt of Tennessee Department of Economic & Community Development (Designee), Assistant Commissioner Misty Moody of Tennessee Department of Education, Tennessee Department of Health Designee Dr. Sophia Kostelanetz, Senator Becky Massey, Representative Patsy Hazlewood, Jeremy Biggs of Oak Ridge Methodist Medical Center President & CAO, Ryan Hughes of Boys and Girls Club in Tennessee Executive Director, Chloe Hakim-Moore of NEXT Memphis Director, Phil Acord of Chambliss Center for Children President & CEO.

Tennessee Department of Human Services Staff:

Suzanne Carr Senior Policy Advisor, Eric Dunn Executive Administrative Assistant, Trevor Lauri Executive Administrative Assistant, Cherrell Campbell-Street Deputy Commissioner, Jude White Assistant Commissioner Child Care and Community Services, Gwen Laaser Program Director of Child Care Services, Destiny Brown Policy and Research Coordinator, Dakota Simpson Director of Strategic Initiatives, and Michelle Joyner Supplemental Nutrition Assistance Program (SNAP) Director.

Tennessee Focus Groups Participants:

As part of the research process to develop a strategic action plan, Public Consulting Group LLC (PCG), in coordination with the CCTF, held three in-person focus groups, each two hours long across the state of Tennessee. The focus groups were conducted to understand the barriers, challenges, successes, and experiences members of the community have faced related to child care, associated to the three pillars of quality, access, and affordability as defined in the Interim Progress Report. The table below represents each region where a focus group was held and the makeup of each focus group by participant type.

Location	# of Participants that are Parents and have other associations*	# of Parent Specific – no other associations	# of Child Care Providers	# of Task Force Members	Other	Total
Murfreesboro (Middle TN)	3	0	1	1	1 Attorney 1 Nashville Policy Chamber member 1 Hospital/Employer 1 Pre-licensing Unit Program Manager 1 University Employee	7
Knoxville (East TN)	13	0	7	4	2 Businesses	13
Jackson (West TN)	9	1	2	1	4 Businesses 1 Family Doctor 1 shared services	10

* # of Participants that are Parents and have other associations: Are the total number of participants that participated in a dual role, of being a parent and speaking for their organization and do not count towards the total final attendance of focus groups

Peer-State Interview Participants:

The results of the Peer State Interviews are intended to inform Task Force members in having a stronger understanding of what other states are doing with regard to the three pillars of child care: access, quality and affordability. PCG conducted five peer state interviews with

- **Pennsylvania**, Tracey Campanini, Commissioner of Office of Early Childhood Development and Learning (Ret.)
- **Georgia**, Amy Jacobs, Commissioner Early Care and Learning
- **Iowa**, Ryan Page, Child Care Regulatory Program Manager/Team Lead, Child Care Bureau, Iowa Department of Health and Human Services
- **North Carolina**, Ariel Ford, Director of the Division of Child Development and Early Education for the Department of Health and Human Services, and
- **Louisiana**, Jenna Chiasson, Assistant State superintendent at the Louisiana Department of Education and Catasha Edwards is the Deputy Chief of Staff for Teaching and Learning at the Louisiana Department of Education.

APPENDIX 5. ADDITIONAL RESEARCH FOR REFERENCE

Tennessee Employer Child Care Tax Credit

Tennessee repealed an employer child care tax credit in 2009, which read as follows:

67-4-2009 Credits – the tax imposed by this part shall be in addition to all other taxes and there shall be no credit allowed upon it except the following

(3)-(B) There shall be allowed a credit for any taxpayer against the tax imposed under this part for any income year, in an amount equal to 25% of total expenditures paid or incurred by such taxpayer in such income 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 or appliances are necessary in the use of such facility for purposes of child day care; provided, that such facility is operated under the authority of a license issued by the department of human services, and the amount of tax credit allowed any taxpayer under the provisions of this section for any income year may not exceed \$25,000. If two (2) or more taxpayers share in the cost of establishing such a 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 income year. If the amount of such tax credit allowed any taxpayer for any income year exceeds the amount of tax, without reduction for such tax credit, any balance of the credit remaining may be claimed against the tax imposed for any of the three income years next succeeding; provided, that any such balance of credit may not be claimed for any such succeeding income year in which the child day care facility is operated for purposes of child day care for less than six (6) months.

(3)-(b) the credits permitted under subdivision shall be allowed only under the following conditions:

- i. The credits shall only apply for projects for which an application for a building permit for the project is made after May 2, 1994.
- ii. Applications as submitted to the department of revenue for the credit shall be approved in the order that applications for building permits are filed;
- iii. For each application approved for credit, it shall be assumed that credit will be \$25,000 for the fiscal year in which the application is approved and the ensuing two fiscal years for purposes of limiting credits as set forth in 3Biv; and,
- iv. Applications shall be limited to those that would result in no greater credit in any fiscal year than \$100,000 based on the assumption set forth in subdivision (3)(B)(iii)

Example Other State Child Care Tax Credits

Additional Research (per the Center for Economic Development of The Conference Board):

State	Code Section	Employer Child Care Tax Credit Description	Link
Alabama	No	Alabama does not have an employer child care tax credit. However, it is possible that child care programs could take advantage of the following tax credits in Alabama: Enterprise Zone Credit or Exemption, Investment Credit, Growing Alabama Credit, Opportunity Zone Investment Incentives, and the Apprenticeship Tax Credit. For additional	

State	Code Section	Employer Child Care Tax Credit Description	Link
		information: https://revenue.alabama.gov/tax-incentives/about/income-tax-incentives/	
Arkansas	§ 26-51-507	Employer-provided child care. 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.	https://law.justia.com/codes/arkansas/2018/title-26/subtitle-5/chapter-51/subchapter-5/section-26-51-507/
Arkansas	§ 26-51-508	Employer-provided child care. 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.	https://law.justia.com/codes/arkansas/2018/title-26/subtitle-5/chapter-51/subchapter-5/section-26-51-508/
Arkansas	§ 26-52-516	Employer-sponsored child care. 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.	https://law.justia.com/codes/arkansas/2017/title-26/subtitle-5/chapter-52/subchapter-5/section-26-52-516/
Arkansas	§ 26-53-132	Employer-sponsored child care. 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.	https://law.justia.com/codes/arkansas/2016/title-26/subtitle-5/chapter-53/subchapter-1/section-26-53-132/
Georgia	§ 48-7-40.6	Tax credits for employers providing child care. 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	https://law.justia.com/codes/georgia/2010/title-48/chapter-7/article-2/48-7-40-6

State	Code Section	Employer Child Care Tax Credit Description	Link
		care within 14 years after the property is placed in service. For more information, refer to O.C.G.A. §48-7-40.6.	
Mississippi	§ 57-73-23	Income tax credit for employers providing dependent care for employees. A 50% income tax credit is granted to any employer providing dependent care for employees during the employee's work hours. Credit is applied to the net cost of any contract executed by the employer for another entity to provide dependent care; or, if the employer elects to provide dependent care itself, to expenses of dependent care staff, learning and recreational materials and equipment, and the construction and maintenance of a facility. Additional eligible expenses include net costs assumed by the employer which increase the quality, availability and affordability of dependent care in the community used by employees during the employee's work hours. This cost is net of any reimbursement. A deduction shall not be allowed for any expenses which serve as the basis for an income tax credit. The credits allowed under this section shall not be used by any business enterprise or corporation other than the business enterprise actually qualifying for the credits.	https://law.justia.com/codes/mississippi/2013/title-57/chapter-73/section-57-73-23
Mississippi	§ 27-7-22.37	Income tax credit for qualified prekindergarten program support contributions. The Prekindergarten Credit is a state income tax credit for contributions made to qualified prekindergarten programs during calendar year 2013 or any calendar year thereafter. In order to qualify for the credit, contributions shall support the local match requirement of approved providers, lead partners or collaborative as necessary and must be approved by the State Department of Education. The credit shall not exceed \$1,000,000 by any individual, corporation or other entity during any calendar year. Any unused portion of the credit may be carried forward for three (3) years. The credit went into effect July 1, 2013.	https://advance.lexis.com/documentpage/?pdmfid=1000516&crd=e0c2db1d-7736-44e4-b43a-387f00df5fd6&config=00JABhZDIzMTViZS04NjcxLTQ1MDItOTIiOS03MDg0ZTQxYzU4ZTQKAFBvZENhdGFsb2f8inKxYiqNVSihJeNKRlUp&pddocfullpath=%2Fshared%2Fdocument%2Fstatutes-legislation%2Furn%3AcontentItem%3A8P6B-81N2-8T6X-73P4-00008-00&pdcontentcomponentid=234190&pdteaserkey=sr0&pditab=allpods&ecomp=c5w_kkk&earg=sr0&prid=9e0618ca-b8c1-4d4c-9593-2b5982574faf

Coordinated Enrollment

Coordinated enrollment for early care and education (ECE) programs allows families to apply for child care, and single a single application to apply for multiple program types and options, including Head Start, state preschool, and child care programs. This joint application reduces redundancies experienced for families when trying to access care. Coordinated enrollment can help build a unified system of early childhood education in order to maximize the use of available ECE seats in a geographic area (U.S. Department of Human Services, 2021⁴⁴). Opportunities related to coordinated eligibility and enrollment were documented through the Peer State Discussions. For example, the state of Louisiana has established such a [system](#) through its Act 3 implementation.

SRI Education (2021). A Summary of PDG B-5 Grantee's Coordinated Eligibility and Enrollment Activities and the Impact of COVID-19. Retrieved from: [A Summary of PDG B-5 Grantee's Coordinated Eligibility and Enrollment Activities and the Impact of COVID-19 \(hhs.gov\)](#)

Coordinated enrollment has been a significant area of focus in recent years, among states and participating Preschool Development B-5 grantees. The Administration for Children and Families Office of Child Care and Office of Head Start, have published a myriad of resources and information to support states and grantees in considering these practices. IN addition, some municipalities have undergone these efforts at the local level. Additional information to inform the Tennessee Task Force regarding Coordinated Enrollment can be found below.

[Coordinated Enrollment Across Early Care and Education Settings | ECLKC \(hhs.gov\)](#)

[Coordinating Eligibility & Enrollment | Child Care Technical Assistance Network \(hhs.gov\)](#)

[A Summary of PDG B-5 Grantee's Coordinated Eligibility and Enrollment Activities and the Impact of COVID-19 \(hhs.gov\)](#)

State Examples:

- Nebraska [Child Care Enrollment - NECC \(nebraskaeearly.org\)](#)
- Michigan [Michigan Coordinated Eligibility and Enrollment Landscape](#)

Local Examples:

- New Orleans [New Orleans Early Education Network Coordinated Enrollment Framework \(agendaforchildren.org\)](#)

⁴⁴ U.S. Department of Human Services (2021). Coordinated Enrollment Across Early Care and Education Settings. Retrieved October 31, 2022 from: [Coordinated Enrollment Across Early Care and Education Settings | ECLKC \(hhs.gov\)](#)