



STATE OF TENNESSEE
TENNESSEE COMMISSION ON CHILDREN AND YOUTH

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May 8, 2020

The Honorable Bill Lee, Governor
Tennessee State Capitol
Nashville, Tennessee 37243

RE: Updated TCCY Budget Recommendations for Fiscal Year 2020-2021

Dear Governor Lee:

Tennessee Code Annotated Section 37-3-103(a)(1)(B), includes the following statutory duty for the Tennessee Commission on Children and Youth (TCCY):

On or before September 1 of each year, make recommendations for the state budget for the following fiscal year regarding services for children and youth and submit the recommendations to the governor, the finance, ways and means committee of the senate, the finance, ways and means committee of the house of representatives, the legislative office of budget analysis, and the affected state departments.

In light of the multiple challenges to children and families generated by the COVID-19 health and budget crises, the Commission is providing the attached update to this year's budget recommendations. Good public policies and strategic investments in public structures have led to improved outcomes for Tennessee children. In these trying times, we must not lose sight of the importance of maintaining this infrastructure to adequately serve children and families.

Sincerely,

Brenda Davis
Commission Chair

Richard Kennedy
Executive Director

cc: Stuart McWhorter, Commissioner, Department of Finance and Administration
Jennifer Nichols, Commissioner, Department of Children's Services
Penny Schwinn, Commissioner, Department of Education
Lisa Piercey, Commissioner, Department of Health
Danielle Barnes, Commissioner, Department of Human Services
Marie Williams, Commissioner, Department of Mental Health and Substance Abuse Services
Gabe Roberts, Commissioner, Bureau of TennCare
Deborah Taylor Tate, Administrative Director, Administrative Office of the Courts
David Thurman, Budget Director, Department of Finance and Administration
The Honorable Randy McNally, Lieutenant Governor
The Honorable Cameron Sexton, Speaker, Tennessee House of Representatives
Members of the Senate Finance, Ways and Means Committee
Members of the House Finance, Ways and Means Committee
Members of the 111th Tennessee General Assembly
Legislative Office of Budget Analysis



Tennessee Commission on Children and Youth Updated Budget Recommendations to the Governor and the General Assembly



Early Childhood

Maintaining current evidence-based home visiting services is essential. Eighty-five percent of brain volume is developed in the first three years of life, making infancy and early childhood the most important periods of development. Care and resources available in those first three years impact health and well-being in adulthood.

Tennessee must continue to support quality pre-K classrooms and services. Early childhood education is a wise public investment with a solid return of \$7 for every \$1 spent. Tennessee continues to improve the quality of pre-K classrooms, though the state currently serves less than 40 percent of prioritized children. We must not lose any existing access to high quality pre-K, and expanding access must remain a priority.

Maintain access to affordable, quality childcare. Working families need access to affordable, quality childcare if they are to be reliable employees. Childcare is key to our economic recovery. Research shows that Tennessee could potentially lose 44 percent of its total number of childcare slots because of the pandemic, reducing families' capacity to work and provide for their families.

Considerations due to COVID-19: The Department of Human Services (DHS) has instituted innovative programs to support Tennessee's child care infrastructure during restricted activity. Maintaining access to affordable child care is a high priority as Tennessee emerges from stay-at-home restrictions. For both younger and older children, DHS should increase outreach to ensure families newly eligible for supports like SNAP, TANF, CoverKids and TennCare apply for those services. These vary from two-thirds to completely federally funded. Food support is a special concern as unemployment rises.

K-12 Education

Tennessee should maintain supportive school climates and appropriate mental health and substance abuse services in the schools. Research indicates 20 percent of students have mental health issues significant enough to cause impairment to major life functions. Recent challenges with COVID-19-related school closures will increase the need for mental health support.

Provide enough funding to ensure each county has at least one school mental health liaison. During the pandemic, mental illness, substance abuse, domestic violence and likely child abuse have seen an uptick, meaning school mental health services will be more vital than ever when school reconvenes. Though students with disabilities, students of color and students from low-income families are more likely to experience poor outcomes when facing these challenges, they are less likely to receive the appropriate services. Despite the removal of the proposed mental health trust fund from the budget with other COVID-19 cuts, it is important that each county have the basic infrastructure to provide mental health services.

Considerations due to COVID-19: The Department of Education and the Local Education Agencies (LEAs) have scrambled to provide services to students during COVID-19-related closures. While online learning seemed the obvious choice, many districts lack the high speed, broadband internet connections needed to teach online successfully. Ensuring adequate broadband for all students will make dealing with this kind of crisis without missing substantial learning time more feasible in the future.

Maintain funding for Family Resource Centers (FRCs). FRCs are important state-local, often public-private, partnerships working to improve education opportunities and achievement among at-risk students and their families. These families will be at increased risk of poor outcomes after the challenges of COVID-19, and FRCs offer a point of contact to evaluate needs and provide services. The state funds 102 FRCs in 78 of its 142 school districts. We cannot afford to lose any of these FRCs.

Maintain funding for Coordinated School Health (CSH) and for school nurses. CSH is instrumental in improving student physical activity, promoting good health for students and staff and improving school climate. Nurses are also needed on site to care for increasing numbers of children with complex health needs. The stress on families and children related to COVID-19 school and program closures will further increase the need for health and mental health services in schools.

Maintain afterschool programming. Tennessee must maintain funding for out of school programming, which many families rely on to provide a safe, educational space for their children while they work. Afterschool and summer programs will likely require increased support as we emerge from COVID-19 activity restrictions. Like child care, maintaining this infrastructure is key to Tennessee's economic recovery and must be a priority.

Child Welfare

Tennessee should maintain placement resources at all levels of care. The current availability of placement resources is likely inadequate to safely reduce custody numbers. Among other factors, the Department of Children's Services (DCS) must have placement resources available to move children out of higher levels and into lower levels of care. Eliminating current placement resources will likely cause youth to remain in placement longer than needed or cause youth to be released prematurely.

Tennessee must move toward meeting the goals of the Families First Prevention Act and the Juvenile Justice Reform Act and reduce the number of children placed in youth development centers and other congregate care facilities. This will help ensure their safety in the current pandemic as well as improve their chances for long-term success by reducing time in non-family placements. Congregate care facilities for adults such as nursing homes and prisons have proven highly susceptible to outbreaks of COVID 19, and children's facilities are not immune as evidenced by the spike in cases at a youth program in Memphis.

The Department of Children's Services needs enough resources on hand to handle a surge in reported cases of abuse and neglect. School closures and stay-at-home orders put families are under increased stress. Family stress, particularly economic hardship, increases the likelihood of abuse. Since fewer outside reporters like teachers and extended family members currently have contact with children, reported instances of abuse will likely increase when children return to school and childcare. Children who have been enduring abusive conditions will need immediate services and cannot be left in unsafe situations due to a lack of resources.

Considerations due to COVID-19: Children in state custody and at risk of entering state custody are receiving fewer services than they normally would. Home visits have been reduced to only the most pressing situations and videoconferencing is used instead. The number of cases each caseworker has should not be adjusted to this level of service as a new normal. Physically visiting children and families is an important part of managing cases and should remain the standard of care.

Juvenile Justice

Tennessee has recently acknowledged the need to improve our juvenile justice system in many ways, including passage of the Tennessee Juvenile Justice Reform Act of 2018 and appropriation of funds to implement the legislation. We cannot afford to further damage an already struggling juvenile justice system by reducing current funding levels for the implementation of necessary, legislated reforms. Reductions now will only cause increased spending needs in the future as an inconsistent and inadequate system continues to push justice-involved youth away from productive futures.

Considerations due to COVID-19: Reform efforts already require that Youth Development Center populations decrease. COVID-19 adds to this with increased vulnerability for people in congregate care.

Transition-Age Youth

Tennessee should maintain funding and other resources for youth in state custody who age out of the child welfare and juvenile justice systems and want to further their education. Extension of Foster Care (EFC) services assist young people who age out of state custody in completing their high school diploma, GED or High School Equivalency Test, and post-secondary education. Only about 40 percent of qualified transitioning youth take advantage of EFC services, and those who do not may need additional resources. Limited social contact, loss of employment and recession will hit these already extremely vulnerable youth especially hard.

Considerations due to COVID-19: As a group, youth who transition from state custody to adult responsibility without a support system in place fare poorly. The stressors and economic hardship created by the COVID-19 pandemic will only exacerbate challenges.

Mental Health & Substance Abuse Services

Innovative accessibility methods and resources must be made available for children, adolescents and their families to address mental health needs during this critical period. Untreated mental health concerns beginning in childhood or adolescence can lead to ongoing health and social problems into adulthood. Schools often serve as a conduit for services, but they are not available now.

Considerations due to COVID-19: The intersection of the COVID-19 public health crisis, the need for social isolation and the economic downturn may worsen existing mental health concerns.

Tennessee Code Annotated Section 37-3-103(a)(1)(B), includes the following statutory duty for the Tennessee Commission on Children and Youth (TCCY): On or before September 1 of each year, make recommendations for the state budget for the following fiscal year regarding services for children and youth and submit the recommendations to the governor, the finance, ways and means committee of the senate, the finance, ways and means committee of the house of representatives, the legislative office of budget analysis, and the affected state departments. This May update reflects changes due to COVID-19.

COVID-19 Budget Recommendations Update

The state budget is the instrument we use to plan for the future, and it reflects our shared priorities. Over the past two decades Tennessee has established public-private and state-local partnerships to implement essential “infrastructure” services for children and families. These basic public supports developed in our child welfare, education, health, human services, juvenile justice, mental health, disability and home- and community-based services systems are interrelated; therefore weakening public structure resources in one system erodes the strength of the foundation in all systems. By improving health and educational opportunities and reducing child abuse and involvement with child welfare and juvenile justice systems, these services and supports provide children with opportunities to thrive, become productive citizens, remain with their families, succeed in school and become part of Tennessee’s economic engine of the future.

Over the past two generations, elected leaders in Tennessee wisely established substantial Rainy Day and TennCare Reserve funds, not only to restore and maintain the state’s AAA bond rating, but also to prepare for unforeseen “black swan” events such as the COVID-19 pandemic. In response to the Great Recession, Tennessee used its healthy reserves to maintain basic services and supports, to continue providing children with opportunities to thrive and become productive citizens until the economic turmoil subsided. **These state reserves should be used to maintain services once again.** Projections indicate it will likely be several years before the health and economic fallout from the COVID-19 pandemic is behind us, reducing the current challenges faced in making budget decisions. Legislators over the last twenty years have made critical decisions, taking difficult votes, conserving scarce tax dollars to extend Tennessee’s current prosperity to future generations. To honor their careful planning, we must be diligent in identifying ways to maintain the services and supports they created and protected.

Our legacy cannot be one of dismantling public-private and state-local partnerships supporting the infrastructure of services for children and families in Tennessee. Many endangered partnerships provide essential services and supports to help children be healthy and supported in their homes, families and communities. Many providers of these essential services are small, non-profit and not-for-profit organizations without the financial wherewithal to access emergency Paycheck Protection Act funding or withstand an event such as the COVID-19 outbreak. If infrastructure services and resources are not maintained and these providers do not survive, our system of supports for child and family services will crumble and the results will hamper the success today’s children and youth enjoy throughout their lives.

The future of Tennessee depends on its ability to foster the health and well-being of the next generation. Appropriately supported children are the bedrock of a prosperous and sustainable Volunteer State. Sound policies have been instrumental in improving outcomes for Tennessee children, and adequate services and supports are essential to ensure our children are healthy and educated for success in the workforce of tomorrow.

Early Childhood

Maintaining current evidence-based home visiting services is essential. Eighty-five percent of brain volume is developed in the first three years of life, making infancy and early childhood the most important periods of development. Care and resources available in the first three years of life impact health and well-being in adulthood.

Working families need access to affordable, quality childcare to be reliable employees. Quality childcare also provides important opportunities for children to develop the cognitive, social and emotional competencies needed to succeed in school. **Childcare is key to our economic recovery.** Research shows that Tennessee may lose 44 percent of its total childcare slots because of the pandemic, reducing families' capacity to work. Tennessee has several childcare deserts, and **COVID-19 will increase the number of childcare closures** further challenging availability.

Early childhood education is a wise public investment with a solid return of \$7 for every \$1 spent. Tennessee must continue to support quality pre-K classrooms and services. Tennessee continues to improve the quality of pre-K classrooms, though the state currently serves less than 40 percent of prioritized children. We must not lose any existing access to high quality pre-K and expanding access must remain a priority.

K-12 Education

Tennessee should maintain supportive school climates and appropriate mental health and substance abuse services in the schools. Research indicates 20 percent of students have mental health issues significant enough to cause impairment to major life functions. **Recent challenges with COVID-19-related school closures will increase the need for mental health support.** During the pandemic, mental illness, substance abuse, domestic violence and likely child abuse have seen an uptick, meaning school mental health services will be more vital than ever when school reconvenes. **Though the proposed mental health trust fund was removed from the budget with other COVID-19 cuts, it is important that funds for the infrastructure required to have a school-based mental health liaison in every county remains.**

Family Resource Centers (FRCs) are important state/local, often public-private, partnerships working to improve opportunity and achievement among at-risk students and their families. **These families will be at increased risk of poor outcomes after the challenges of COVID-19, and FRCs offer a point of contact to evaluate needs and provide services.** The state funds 102 FRCs in 78 of its 142 school districts. We cannot afford to lose any of these FRCs.

Tennessee should maintain funding for Coordinated School Health (CSH) and for school nurses. Coordinated School Health (CSH) is instrumental in improving student physical activity, promoting good health for students and staff and improving school climate. Nurses are also needed on site to care for increasing numbers of children with complex health needs. **The stress**

on families and children related to COVID-19 school and program closures will further increase the need for health and mental health services in schools.

Tennessee must maintain funding for out of school programming, which many families rely on to provide a safe, educational space for their children while they work. **Afterschool and summer programs will likely require increased support as we emerge from COVID-19 activity restrictions.** Like child care, maintaining this infrastructure is key to Tennessee's economic recovery and must be a priority.

Child Welfare

Tennessee should maintain placement resources at all levels of care. The current availability of placement resources is likely inadequate to safely reduce custody numbers. Among other factors, the Department of Children's Services (DCS) must have placement resources available to move children out of higher levels and into lower levels of care. Eliminating current placement resources will cause youth to remain in placement longer than needed or cause youth to be released prematurely.

Congregate care facilities for adults such as nursing homes and prisons have proven highly **susceptible to outbreaks of COVID 19, and children's facilities are not immune as evidenced by the spike in cases at a youth program in Memphis.** Tennessee must move toward meeting the goals of the Families First Prevention Act and the Juvenile Justice Reform Act and reduce the number of children placed in youth development centers and other congregate care facilities. This will help ensure their safety in the current pandemic as well as improve their chances for long-term success by reducing time in non-family placements.

School closures and stay-at-home orders put families under increased stress. Family stress, particularly economic hardship, increases the likelihood of abuse. Since fewer outside reporters like teachers and extended family members currently have contact with children, reported instances of abuse will likely increase when children return to school and childcare. DCS resources for this expected increase must be in place. **Children who have been enduring abusive conditions will need immediate services and cannot be left in unsafe situations due to a lack of resources to investigate the expected surge in reported instances of abuse.**

Juvenile Justice

Tennessee has recently acknowledged the need to improve our juvenile justice system in many ways, including passage of the Tennessee Juvenile Justice Reform Act of 2018 and appropriation of funds to implement the legislation. Training judges, juvenile court staff, law enforcement, DCS staff and schools on provisions of the Juvenile Justice Reform Act, having adequate staff to administer validated risks and needs assessments in juvenile courts across the state and ensuring availability of evidence-based community alternatives to detention are necessary to successfully

implement this legislation. Development of a consistent data system in juvenile courts across the state is also necessary to measure implementation progress.

We cannot afford to further damage an already damaged juvenile justice system by reducing current funding levels for the implementation of necessary, legislated reforms.

Reductions now will only cause increased spending needs in the future as an inconsistent and inadequate system continues to push justice-involved youth away from productive futures.

Transition-Age Youth

Tennessee should maintain funding and other resources for youth in state custody who age out of the child welfare and juvenile justice systems and want to further their education. Extension of Foster Care (EFC) services assist young people who age out of state custody in completing their high school diploma, GED or High School Equivalency Test, and post-secondary education. These young people are no longer in state custody, but voluntarily agree to remain under juvenile court supervision, continuing to receive needed services from DCS, while completing their education. Many of these youth were required to leave dormitories during the pandemic, but, because they had developed and maintained relationships with caring adults while aging out of state custody, were able to find shelter with former foster parents. The services provided to these young people and the relationships they foster are vital for these youths' future success.

Only about 40 percent of qualified transitioning youth take advantage of EFC services, and those without access to such supports may need additional resources. Limited social contact, loss of employment and recession will hit these already extremely vulnerable youth especially hard. **As a group, youth who transition from state custody to adult responsibility without a support system in place fare poorly. The stressors and economic hardship created by the COVID-19 pandemic will only exacerbate existing challenges.**

Mental Health and Substance Abuse Services

According to the American Medical Association, most children and adolescents are generally healthy and do not require much medical intervention aside from routine checkups and immunizations, but addressing mental health in this population is a priority to ensure needs are identified early and treated appropriately during the important developmental years. Untreated mental health concerns beginning in childhood or adolescence can lead to ongoing health and social problems into adulthood. **The intersection of the COVID-19 public health crisis, the need for social isolation and the economic downturn may worsen existing mental health concerns and create need for identifying and addressing new issues as they arise during this time.** Schools have historically served as the main conduit for mental health services for many children and adolescents, but those services are now unavailable for easy access.

Innovative accessibility methods and resources must be made available for children, adolescents and their families to address mental health needs during this critical period.