



Make clearing the SmartSteps waitlist the top educational priority for the upcoming fiscal year and pursue all available funding mechanisms while maintaining existing services.

Quick Facts

Tennessee's Child Care Waitlist

Tennessee had

9,546

families and

13,835

children on the SmartSteps
Waitlist as of June 2nd, 2026.^{1*}

Children Served Through Child Care Development Grant Funding

FY2023 average number of
Tennessee children served²

22,100

Children served through CCDF
by type of care³

Family Home

5%

Group Home

4%

Center

91%

Child Care Providers Accepting Subsidy

As of August 15th, 2026,

54.2%

of Tennessee licensed or
regulated child care providers
participated in the child care
certificate program.⁴

*Eligibility for SmartSteps is
determined once the child
receives a spot from the waitlist.
Children/families currently on
the waitlist may or may not be
eligible.

The Problem

Tennessee's child care tuition assistance program, SmartSteps, is an essential component to having a growing workforce, thriving children, and strong economically secure families. SmartSteps is primarily funded through federal funds through the Child Care Development Fund (CCDF). In FY2025, Tennessee's discretionary award was reduced by \$44.5 million.⁵ This loss of funding resulted in several funding changes throughout the child care space, potentially the most significant being the implementation of a waitlist for the SmartSteps program.⁵ The waitlist was implemented on August 26, 2025 and as of June 2nd, 2026 there were 9,546 families representing 13,835 children on the waitlist.^{5,1} While the FY2026 award amount for the state has increased approximately \$5 million, that still places the state at a net \$39 million shortfall compared to FY2024.⁶ A strong investment in child care is needed in the upcoming budget to make up for the shortfall and ensure Tennessee's child care infrastructure remains stable.

Why this Matters

Child care is a necessity for many Tennessee families. In 2024, 65% of Tennessee children under 6 had all available parents in the workforce, ranging by county from 40% - 85% in 2020-2024.^{7,8} In 2022, Tennessee parents reported access and affordability as the most significant challenges in finding child care.⁹ Both of these challenges are exacerbated by the current waitlist. Many parents, particularly those of infants, are already on a waitlist for a provider. Adding in another waitlist for the subsidy is another timing and logistical barrier to parents being able to engage in the workforce. The waitlist is negatively impacting providers across the state. Sometimes our problem isn't that the community lacks a physical seat; it's that a family cannot afford to use the seat that exists. In communities with a significant amount of families participating in SmartSteps, the provider loses tuition while the seat sits vacant. This has downstream impact on provider operations and educator wages. Clearing the assistance waitlist can turn existing capacity into actual access. Additionally, the uncertainty of timelines related to the waitlist make planning for both providers and families nearly impossible.

How we can fix it

CCDF discretionary awards are allocated on an annual basis. State allocations are based upon the number of children under age 5, the number of children eligible for free or reduced price lunch, and per-capita income.¹⁰ Evaluating available policy changes to allow the state to draw down a larger share of the CCDF appropriation is a long-term solution, but in the meantime families and providers need relief now. Clearing the waitlist through new state appropriations or other federal funds should be the top educational budget priority this year. In supporting access to child care, it is critical that the state doesn't weaken other support services for children and those that care for them. In the event that new state appropriations are not available, amending statute to permit a one-time withdrawal from the TANF reserve fund (TCA 71-5-1204) with a codified 7 year build back plan would allow for waitlist relief without impacting existing programs.

References

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