

Resource Mapping 2026

LEGISLATIVE BRIEF · FY 2024–25 DATA

Tennessee Commission
on Children and Youth

Submitted April 15, 2026

\$1.71

RETURN PER \$1 INVESTED

\$15.3B

TOTAL EXPENDITURE

300

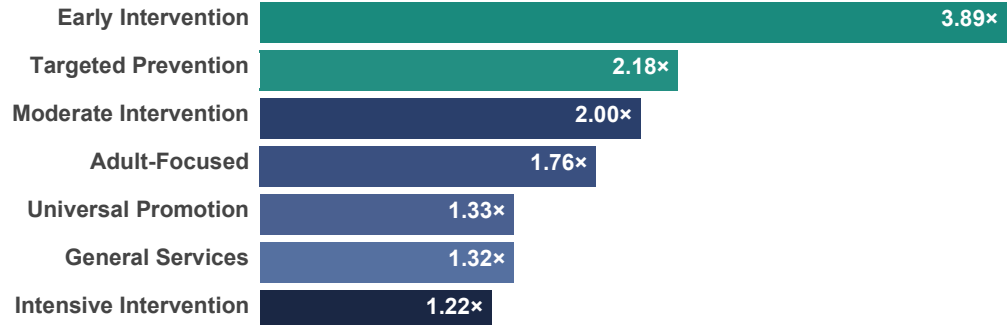
PROGRAMS · 26 AGENCIES

3.32×

UNDER-6 RETURN PER \$1
INVESTED

The Prevention Gradient

Programs that reach children **before** problems develop generate the strongest returns. The gradient holds across all seven programmatic focus categories. In 10,000 simulated scenarios, the portfolio exceeded breakeven every time.



SROI: 224 programs, \$8.28B analyzed. Bias-corrected bootstrap, 10,000 iterations. 12 of 13 program groups above breakeven.

Early Childhood: Highest Return, Slowest Growth

Programs serving children under six produce an estimated **3.32×** return — nearly double the rest of the portfolio (1.61×). Yet Under-6 programs receive only 7.5% of total expenditures, while children under six represent 26% of the child population. Median cost per child for Under-6 programs **fell** from \$904 (FY15) to \$773 (FY24) while the rest of the portfolio rose from \$302 to \$518. This gap persists across every time window tested.

The State Is Stepping Up

Since FY 2021, Tennessee has absorbed a cumulative **\$2.2 billion federal retreat**. In FY 2025: state expenditures grew **+\$471 million (+5.5%)** while federal expenditures declined **-\$576 million (-9.0%)**. State share rose from 47% (FY21) to 59% (FY25). Non-TISA state spending grew \$207M, led by DCS (+\$80M), DOH (+\$39M), TennCare (+\$58M), and DMHSAS (+\$25M, a 34% increase supporting 87 mental health programs).

Federal Disruption Is Already Here

\$44.5 Million Child Care Funding Cut

DHS reported this CCDF reduction will trigger a **waitlist for child care subsidies beginning August 26, 2025**, directly restricting the number of Tennessee families who can access the Smart Steps program. Other disruptions include loss of CDC technical staff (3 DOH programs operated months without guidance), competitive rebids halving available slots, and grant terminations eliminating coordination infrastructure. Agencies with \$3.6B in federal children's funding did not respond to this first-year optional question. The full scope is almost certainly larger.

The Pandemic Precedent

The ESSER winddown offers a direct preview of what broader federal disruption produces. Pandemic relief peaked at **\$1.43 billion across 50+ programs and 6 agencies** in FY 2021 and fell to \$261 million by FY 2025. The state successfully replaced funding for several high-profile programs—most notably converting CCTE Innovative School Models to \$142.6M in state funds. But the overall pattern was **selective replacement, not comprehensive backfill**: Reading360 shrank from \$40M to \$12M, at least 8 programs ended entirely, and ~30 programs that received one-time supplements simply lost the added capacity when funding expired. The programs most likely to lose funding were the smaller, less visible ones closest to the communities they served.

SEVEN FINDINGS AND NINE RECOMMENDATIONS ON REVERSE →

Major Findings

#	FINDING	KEY DATA POINT
1	Tennessee's investment generates positive returns. First-ever SROI analysis confirms the portfolio produces measurable economic and social value.	\$1.71 return per dollar; breakeven exceeded in 100% of 10,000 simulations
2	Prevention and early intervention produce the highest returns. The gradient holds across all categories and all tested assumptions.	Early Intervention: 3.89x; Under-6: 3.32x; both exceed Intensive (1.22x) by 3:1
3	The state has absorbed \$2.2B in federal retreat since FY 2021. State expenditures grew \$471M while federal declined \$576M.	State share: 47% → 59%. Non-TISA state spending +\$207M
4	State and federal dollars purchase different things. State programs operate through community partnerships; federal as benefit transfers.	46% of state dollars flow through contracted community providers
5	Early childhood programs are losing ground. Despite 2x the return, Under-6 programs grew slower across every measure over the past decade.	Median CPC fell \$904 → \$773 while rest rose \$302 → \$518
6	Federal disruptions are already here. 26 programs reported impacts; agencies with \$3.6B in federal funding did not respond.	\$44.5M child care cut → waitlist Aug 2025; 7 disruption pathways identified
7	Data infrastructure is producing results. Five first-year analyses each yielded actionable findings despite partial coverage.	59 historical corrections (most ever); 90 FY25 flags resolved

Recommendations

#	RECOMMENDATION	WHAT THIS WOULD DO
1	Shift new investment toward prevention and early childhood.	Reduce the number of children who eventually need intensive services while generating more value per dollar—Under-6 programs return 3.32x vs. 1.61x for the rest
2	Build state resilience to federal funding disruption.	Ensure Tennessee can sustain critical children's services if federal funding contracts—protecting \$5.8B (66% of non-TISA spending) from disruption
3	Strengthen the partnership infrastructure.	Preserve the contracted community networks through which 46% of state dollars reach children—the delivery mechanism the state's investment depends on
4	Close health coverage gaps.	Protect and strengthen the returns on the state's \$3.8B health investment (SROI: 2.35x) by keeping eligible children and caregivers covered
5	Protect program infrastructure in rural and small counties.	Prevent the loss of entire service categories in small counties where 3–4 programs are all that stand between families and no access
6	Maintain TISA's equity weights and inflationary adjustments.	Protect \$6.5B in K–12 base funding from inflation erosion that would shift cost pressure onto already-lagging targeted education programs
7	Invest in grant-writing and managing capacity.	Capture federal and competitive dollars Tennessee is currently leaving on the table—97%+ of programs did not identify unused sources
8	Strengthen program reach reporting.	Give the General Assembly the data TCA 37-3-116 requires to identify service delivery gaps—currently only 28.5% of programs report usable reach data
9	Continue investing in the Resource Mapping data infrastructure.	Maintain the analytical capabilities that produced this year's five first-year analyses, each of which yielded actionable findings for policy and budget decisions

The Bottom Line

Tennessee's children's programs are working. The data are clear on the direction: **investing earlier in a child's trajectory generates stronger returns.** The policy questions are how to sustain prevention investment, protect the partnership infrastructure that delivers services, and build resilience against federal funding disruption. The full report, methodology supplements, and program-level data are available at tn.gov/tccy/resourcemaping.

