In 2018, the Bipartisan Policy Center examined how states oversee federal and state funding dedicated to early childhood education, or ECE, programs. Now in 2021, we revisit each state system to understand enacted improvements and emerging challenges in state governance.

As the country adjusts to a new reality of work and home life amid the pandemic, American families are faced with the challenge of finding and affording quality child care, now more than ever. Early learning operates within a fragile business model, in which services cost more than most families can afford to pay. For this reason, states must administer funding with efficiency and effectiveness to ensure families are able to access programs and to maximize the reach of federal and state investments.

States are now responsible to distributing recent COVID-19 relief funding for child care—allocated through three successive relief packages by Congress in 2020—in addition to established funding streams that support multiple early childhood programs. The relief packages are intended to stabilize the fragile system that challenged access to affordable, reliable care. State governments are tasked with coordinating and combining the many different ECE funding streams allocated to them.

For all but one federal program, governors have wide discretion with regard to the administration and coordination of early childhood funding. The Bipartisan Policy Center set out to re-examine the issues of state governance, coordination, and integration by reviewing how states are meeting requirements set by federal statutes and agencies, as well as how states are capitalizing on the opportunity to create efficiency through their governance structures.

With this in mind, BPC is making recommendations at the federal and state level with an eye towards further reducing duplication and improving results for families. These recommendations are summarized in the full report. The following summarizes the findings for Tennessee.

More state data, including funding levels and demographic information, can be found at https://bipartisanpolicy.org/report/national-child-care/.
Flow of Federal Early Childhood Funds: Tennessee

**KEY:**
- Funding mandated for State Departments of Education
- Funding provided directly to local organizations
- State does not receive funding

**Tennessee Office of the Governor**

- Department of Health and Human Services
  - Office of Head Start
  - Office of Child Care and Community Services - Child Care Licensing, Subsidy and Quality Rating Improvement System
    - CCDF
    - CACFP
- Department of Agriculture
  - Office of Family Assistance and Child Support
    - TANF
- Department of Human Services, Deputy Commissioner of Programs and Services
- Department of Intellectual and Developmental Disabilities
  - Division of Family Assistance and Child Support
    - TANF
  - Tennessee Early Intervention System
    - Part C
    - SICC (State Interagency Coordinating Council)
- Department of Education
  - Office of Special Education and Rehabilitative Services
    - Part B, Section 619
    - Part C
- Office of Postsecondary Education
  - CCAMPIS
- Office of Family Assistance
  - TANF

**To Institutions of Higher Education in the State**

**Local Institutions**

- Early Head Start-Child Care Partnership
  - Grants to local organizations
- Local Head Start Programs

**State does not receive funding**

- Early Head Start-Child Care Partnership
- Local Head Start Programs

**Quality Rating Improvement System (QRIS)**
Tennessee's QRIS is transitioning from a 3-Star level rating system to a numeric rating system in which all licensed centers, group homes, and family child care homes will participate.

**Tennessee Early Childhood Quality and Supports Office**

**Division of Special Populations, Early Childhood Special Education**

**State Advisory Council (SAC)**
The Tennessee Young Child Wellness Council operates under an independent state agency, the Tennessee Commission on Children and Youth, and advises the state on unmet needs, initiatives of the Council, and consults with the governor and other state leaders.
BPC Reviewed

BPC reviewed the following federally-funded programs to assess the efficiency and integration of Tennessee’s early care and education system.

- Child Care and Development Fund (CCDF)
- Head Start
- Child Care Access Means Parents in School (CCAMPIS)
- Early Intervention Program for Infants and Toddlers with Disabilities (IDEA Part C)
- Preschool Development Grant Birth-5
- Preschool Grants for Children with Disabilities (IDEA Part B, Section 619)
- Promise Neighborhoods
- Striving Readers Comprehensive Literacy
- Child and Adult Care Food Program (CACFP)
- Temporary Assistance for Needy Families (TANF)
- Early Head Start - Child Care Partnership (EHS-CCP)
- Race to the Top, Early Learning Challenge

ECE Funding in Tennessee

<table>
<thead>
<tr>
<th>Funding from Nine GAO-Identified Programs</th>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCDF Expenditure</td>
<td>$152,847,722</td>
<td>$285,812,648</td>
<td>$1,344,637,559</td>
</tr>
<tr>
<td>Transfer from TANF</td>
<td>$0</td>
<td>$57,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Head Start</td>
<td>$171,569,868</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Early Head Start</td>
<td>$9,134,253</td>
<td>$9,268,221</td>
<td>$13,677,779</td>
</tr>
<tr>
<td>IDEA Part C, Allocation (infant/toddler)</td>
<td>$7,132,248</td>
<td>$7,213,589</td>
<td>$10,822,401</td>
</tr>
<tr>
<td>IDEA Part B, Section 619 Allocation (3–5 years)</td>
<td>$886,587</td>
<td>$886,587</td>
<td>$1,018,792</td>
</tr>
<tr>
<td>CCAMPIS Grants</td>
<td>$9,134,253</td>
<td>$9,268,221</td>
<td>$13,677,779</td>
</tr>
<tr>
<td>Head Start</td>
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</tr>
</tbody>
</table>

Additional ECE Funding Streams

<table>
<thead>
<tr>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANF Child Care Expenditure (Direct)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>TANF Pre-K / Head Start Expenditure</td>
<td>$82,092,010</td>
<td>$83,206,692</td>
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<tr>
<td>CACFP Allocation</td>
<td>$64,949,207</td>
<td>$49,080,985</td>
</tr>
</tbody>
</table>

Number of Children Under Age 6

- UNDER 3: 233,232
- 3–4 YEARS OLD: 164,026
- 5 YEARS OLD: 85,920

Percentage of Children in Poverty: 18.1%