

Fact Sheet for SB1378 / HB1238 (Watson / Haston)

Too many of Tennessee’s children start kindergarten significantly behind their peers in key developmental domains and struggle to catch up. Most children are in child care for an extended period prior to kindergarten where learning is either advanced or impeded depending on the quality of that care. Tennessee should concentrate its fragmented early care and education resources under one TDOE umbrella to best ensure those care settings support child learning and kindergarten readiness.

Expanded state investment in child care and early learning is desperately needed, both to support early educators to advance child learning outcomes and to make quality child care and preschool more affordable and accessible for working families. New investment by Tennessee policymakers is most likely when accompanied by a commitment to streamlined governance focused on learning outcomes.

Bill Summary

- Unifies child care and early learning programs and funding under one TDOE umbrella, establishing the new division of early care and education.
- Transition planning advisory council ensures smooth transition; establishes unified system.
 - Comprised of various TDHS, TDOE leaders, governor’s office, 3 non-government appointees
 - Engages contracted experts on state ECE governance
 - Requires a provider advisory council
 - Requires mechanisms to engage parents and local communities

Current dual governance >> silos, duplication, no cohesive strategy or single point of accountability

- TDHS oversees ~2,375 child care and early education programs. TDOE oversees ~1,800 child care and early education programs including those in the state’s Voluntary Pre-K Program, special ed Pre-K, and the Head Start Coordination office.
- Each agency has their own set of quality standards, measurement systems, monitoring teams, professional development resources, and data systems – with little to no working together.
- There have been attempts at a cohesive ECE plan between the two departments – most recently the federal PDG-funded Birth-5 plan -- but no unified plan has emerged.
- The Bipartisan Policy Center ranked TN 43rd among states for integrated and efficient early care and education systems.

Many states have unified governance to address fragmentation. States with goals for kindergarten readiness and early learning have unified under Education. AR, LA, VA, FL, MD, MO, and Washington D.C.

TN studies have pointed to silos, duplication and the need for a unified system

- TDHS/TDOE “Taking the Next Steps” Report – 2018
“Create a coordinated early childhood governance structure; Create a unified set of standards towards one statewide ECE approval/licensing system.”
- Legislatively established TN Child Care Task Force Interim Report – 2022
“Dual systems are confusing to providers and duplicative...Opportunities to create joint governance structures...TN should consider where TDHS and TDOE can better coordinate...”

Benefits of consolidating under one TDOE umbrella

- Resources aligned on delivering child learning outcomes to better prepare children for kindergarten and future grade level proficiency
- Cohesive strategy to deliver early care and education choice for families
- Single point of accountability for policymakers and the public
- Elevated perception by state policymakers and public as to the crucial role of child care and early educators in helping Tennessee meet education goals; and in turn, potential for greater state investment

FAQs

Will the bill eliminate DHS contractors including TECTA, CCR&R, WAGE\$, AimHi programs, and others? No. The bill will not eliminate any of those contractors or programs. They provide valuable services and this bill would unify under one umbrella all the good early care and education programs and services so that they work better together. This bill is about getting all "oars rowing in the same direction" so services can be made more widely available to children, families, and early educators.

Will the bill impose advanced teacher credentials on child care providers? No. The bill doesn't prescribe specifics of a unified licensing and accountability system. That system will be developed/refined by the department with the transition advisory council that includes a provider advisory council. TDOE doesn't impose advanced teacher credentials on child care providers today and that should continue. Like our neighbor Virginia which has unified governance under the department of education, Tennessee's unified system should not impose advanced credential requirements on providers. Rather it should encourage and support early educators to pursue further credentials and degrees if they choose.

Will this cost the state money? The unification is intended to be cost neutral – apart from a small cost to fund the experts that will support the transition planning.

Will this save the state money? Yes and No. This bill won't reduce overall costs - in fact the system needs MORE money to achieve quality, affordability and access. Rather, the bill is aimed at improving operational efficiency and using all the existing resources more effectively together. Once governance is streamlined and more efficient, policymakers will have more confidence that adding funding is a good investment.

Have other states unified governance? Yes, in fact this is a significant trend because there the fragmentation is common across many states. Some states have established a new, separate department of early childhood. Many states, especially those focused on kindergarten readiness, have unified under a department of education umbrella. Some of those include: AR, VA, LA, FL, MD, MO, and Washington D.C.

Will unified governance improve outcomes / has it done so in other states? Unifying governance cannot alone accomplish the child learning and child care outcomes we all want for children and families. Rather, it is a "precondition" for improving outcomes. There are many different variables besides governance that affect outcomes -- e.g. number of quality, affordable child care / preschool seats, how many families receiving tuition assistance, etc. So we can't make an apples to apples comparison.

Response to opponents' statements

Recently, opponents of the bill disseminated some message points. We respectfully disagree with the positions and have outlined our responses below.

Opponent: We should not seek to create a new problem by changing a departmental structure that is working. Efficient regulation and streamlined process are crucial in this industry.

Actually:

- The Bi-Partisan Policy Center ranked Tennessee 43rd in the nation for integrated and efficient state ECE systems.
- To claim the departmental structure is working seems to ignore that:
 - Many children in care outside the home prior to school age arrive kindergarten already significantly behind their peers
 - 80% of families report work disruptions due to child care challenges to do with affordability, quality and access
 - Only a small fraction of eligible children (and families) receive subsidy for child care
 - There is no cohesive ECE plan to address these challenges

Opponent: This change would not be a wise use of state resources, meaning significant costs and disruption of services to Tennesseans. The bill duplicates existing infrastructure at TDHS with no return on investment for taxpayer dollars.

Actually:

- This bill consolidates the duplicative and siloed infrastructure of two departments.
- The bill calls for a transition planning process that would ensure a cost-neutral consolidation and minimal disruption.

Opponent: It will cause unnecessary delays and a bureaucratic bottleneck for the small businesses, nonprofits, and churches who care for our youngest citizens.

Actually:

- The bill calls for a special advisory council of providers in the creation of the unified system and emphasizes minimizing red tape:
"An advisory council comprised of providers of early childhood care and education programs to

help ensure the early child care and education system protects child health and safety but otherwise prioritizes reducing regulatory burdens and simplifying regulatory processes for early childhood care and education providers”

Opponent: There have been 2 child care studies in the past 3 years (Child Care Task Force and the Tennessee Advisory Commission on Intergovernmental Relations), and both did NOT recommend combination in Tennessee.

Actually:

- A 2018 study commissioned by the TDOE and TDHS commissioners (McQueen and Barnes) to address the silos and duplication recommended “Create a coordinated early childhood governance structure; Create a unified set of standards towards one statewide ECE approval/licensing system.”.
- The 2022 Child Care Task Force study was chaired by TDHS Commissioner Carter and administered by TDHS. Recommendations opposed by TDHS were not included. However, the Task Force Interim Report notes: “Dual systems are confusing to providers and duplicative...Opportunities to create joint governance structures...TN should consider where TDHS and TDOE can better coordinate...”

Opponent: Research also says this change hasn’t worked in other states. The findings of the National Institute for Early Education Research’s Effective State Offices of Early Learning study from 2021 did NOT suggest that “structuring a State Office of Early Learning as a separate state agency is more advantageous or leads, in and of itself, to greater effectiveness.”

Actually:

- Streamlined governance is a precondition for success, but in and of itself, it does not lead to better outcomes for children. A significant variable is the extent to which states invest in the ECE system.
- A single vision and coherent plan, a single point of accountability, operational efficiencies – are all part of good governance; and good governance can lead to greater confidence by the public and policymakers in investing in the system

Opponent: While there are hurdles in the child care space (such as burdensome building codes, not enough providers, and tackling rising costs), this bill does nothing to address those existing issues. Instead, it disrupts the progress being made by duplicating efforts.

Actually:

- The bill calls for a provider advisory council “to help ensure the early child care and education system protects child health and safety but otherwise prioritizes reducing regulatory burdens and simplifying regulatory processes for early childhood care and education providers”

Opponent: The bill raises regulations on the roughly 1,700 providers licensed through the Tennessee Department of Education (TDOE). Meanwhile, current TDHS regulations are not overbearing. Licensure issues usually originate with fire marshal requirements and/or local building codes

Actually:

- The bill does not call for raising regulations on providers licensed through TDOE.
- In fact, the bill calls for a provider advisory council “to help ensure the early child care and education

system protects child health and safety but otherwise prioritizes reducing regulatory burdens and simplifying regulatory processes for early childhood care and education providers;”

Opponent: It would be less costly and disruptive to place the Office of Early Learning under TDHS because the funds are already administered there, and the partner network is in place.

Actually:

- The opportunity to consolidate under the TDOE umbrella is for all available early care and education resources and programs to be aligned on delivering kindergarten readiness outcomes for our children, and in turn aligned to the state’s education goals. With so many TN children arriving kindergarten behind their peers, and the majority of those in care outside the home, the opportunity is to focus on ensuring those settings promote early learning.
- As for the partner networks, the contracts can easily be transferred to TDOE.
- As for funds administration, TDHS has a recent history of not utilizing its federal funds fully. It has had the largest unobligated TANF balance in the nation and has forfeited unused federal child care (CCDF) funds. It is also concerning that such a small fraction of eligible children (~24,000 children) are receiving child care subsidy from TDHS.

Opponent: The Work Already Underway

- Tennessee is at the forefront of child care, and progress is being made through our current initiatives. Since 2021, 339 child care agencies have opened and remain open, creating 30,767 new child care slots.
- Progress in the child care industry has been achieved through existing partnerships and programs, such as Tennessee Child Care Resource & Referral (CCR&R), Child Care WAGE\$® Tennessee (WAGE\$®), TECTA, AIMHiTN, UT SWORPS and Childcare Tennessee.
- The CCR&R statewide network provides training, technical assistance, and coaching to all DHS-licensed child care agencies across all 95 counties in the state, at no cost to them.
- WAGE\$® addresses the key issues of under-education, poor compensation, and high turnover in the early childhood workforce. After 5 years, \$19.7 million has been distributed to more than
- 4,000 child care professionals.
- According to the most recent available data from the U.S. Department of Health and Human
- Services, the national turnover rate for child care centers is 43%. Conversely, the current WAGE\$ participant turnover rate sits at only 16%.

Nobody is disputing that there’s good work being done by TDHS and their contracted partners. That work can continue as part of a consolidated ECE system. Unification will bring all the best of what’s working together under one umbrella.

The opportunity is to combine the forces of the TDHS child care folks and TDOE early education folks to ensure operational efficiency, a single point of accountability, a cohesive strategy, and a focus on quality early learning and k-readiness (through developmentally appropriate practice).

Consolidating under a TDOE umbrella would ensure a new focus on child care and preschool as key to a strong early learning foundation for Tennessee’s children; and hopefully would also help elevate public



and policymaker perception of the child care workforce from babysitters to early educators.

Further, the hope is that a consolidated and streamlined governance would help inspire greater confidence by public and state lawmakers in making significantly larger state investments in Tennessee's youngest learners and their families.