

**APPENDIX M  
TENNESSEE**

**Survey Results on the Status of State Implementation Efforts  
October 1, 2002 to May 31, 2003**



## Southern Regional Initiative on Child Care: Action Plan to Improve Access to Child Care Assistance for Low-Income Families in the South

**Survey Results on the Status of Implementation Efforts  
Current Report Period: October 1, 2002 to May 31, 2003**

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**Goal 1 - Federal, State, Local and Private Funds Should Be Sufficient to Meet 100% of Need for Direct Child Care Assistance, Based on Initial Eligibility Levels at 85% of the State Median Income. Redetermination Levels Should Allow Families to Retain Child Care Assistance Until They Reach 100% of State Median Income.**

***(Action Step 1.1) - Educate federal and state policymakers on the need for action.***

**2003 Response:**

Once more, during the State's 2003 legislative session disseminated information to key Legislators on the needs and cost of child care assistance at these eligibility levels. However, based on the current economy, the state's budget issues, and the TN statutory requirement for serving all eligible TANF and Transitional Child Care customers, TN will most likely significantly lower our state median income eligibility requirements for low-income childcare.

**2002 Response:**

(1) During State's 2002 legislative session, developed and disseminated information to key Legislators on the needs and cost of child care assistance at these eligibility levels.  
(2) Through representation of APHSA (American Public Human Services Association) Tennessee-specific impact information shared with federal HHS officials and Congressional staff.

**2001 Response:**

(1) During State's 2001 legislative session, developed and disseminated information to key legislators on the needs and cost of child care assistance at these eligibility levels.  
(2) In July 2001, co-hosted with the Institute in the state follow-up meeting on the Southern Regional Task Force on Child Care Action Plan.

***(Action Step 1.2) - Educate the business community on the need for leadership in achieving state, federal and community resources to meet 100% of need.***

**2003 Response:**

The Department of Human Services continues to support the Corporate-Community Partnership Program, by providing matching funds to expand into Metro Nashville with a quality initiative partnership between local government and the local child care industry.

**2002 Response:**

Commissioner made presentations to business representatives of Rotary and Exchange Clubs, and through the Vanderbilt (University) Institute of Public Policy Studies.

**2001 Response:**

- (1) Business leaders included in Institute and State's July 2001 Action Plan meeting.
- (2) As designed by the Department and other partners, the Corporate-Community Partnership program was established by the legislature in Spring 2000 to develop child care resources and improve child care quality.

***(Action Step 1.3) - Increase federal funding for the Child Care and Development Fund to fulfill current policy allowing federal matching funds for child care assistance up to 85% of the state median income.***

**2003 Response:**

- (1) Though direct conversation with HHS officials and Congressional staffers, the state's child care funding and program needs were examined and discussed at length.
- (2) Additionally, information concerning TN's funding needs related to CCDBG reauthorization were shared with APHSA to assist in their advocacy efforts on behalf of the states.

**2002 Response:**

Through auspices of APHSA, federal HHS officials and Congressional staffers were apprised of state's funding needs and program issues connected to CCDBG reauthorization.

**2001 Response:**

NA

***(Action Step 1.4) - Increase state funding to provide child care subsidies to all eligible families who seek child care assistance.***

**2003 Response:**

Once again, state budget problems precluded additional funding.

**2002 Response:**

State budget problems precluded additional funding.

**2001 Response:**

Available state funds were shifted within the Department to fund 400 additional child care spaces for low-income eligible families.

***(Action Step 1.5) - Mobilize federal, state and community resources in support of families who need child care assistance.***

**2003 Response:**

No change.

**2002 Response:**

No change.

**2001 Response:**

Tennessee transfers maximum allowable TANF funds for child care, fully matches CCDF, and allocates a portion of SSBG for child care.

**Goal 2: States and Communities Should Broaden Their Child Care Eligibility and Subsidy Policies to Meet the Economic, Work and Education Needs of Families**

***(Action Step 2.1) - Establish co-payments not to exceed 10% of gross family income.***

**2003 Response:**

A new co-pay structure has been developed for the state that more equitably determines co-pay levels. This new structure will go into effect on 7/1/03.

**2002 Response:**

We are currently revising our entire co-pay structure to more equitably determine co-pay levels. Implementation targeted for 7/1/03.

**2001 Response:**

We are currently revising our entire co-pay structure to more equitably determine co-pay levels. Implementation is targeted for 7/01/02.

***(Action Step 2.2) - Provide child care assistance to students who qualify under the income guidelines.***

**2003 Response:**

No change.

**2002 Response:**

No change.

**2001 Response:**

Full-time students and those with combinations of work and education have been eligible for child care assistance in Tennessee.

***(Action Step 2.3) - Explore broad use of income exemptions to address affordability of child care.***

**2003 Response:**

No change.

**2002 Response:**

No change.

**2001 Response:**

N/A (Income exemptions currently include food stamp benefits, loans and grants, and tax refunds.)

***(Action Step 2.4) - Eliminate asset testing (e.g. automobile or savings account) from criteria for child care assistance.***

**2003 Response:**

No change.

**2002 Response:**

We do not count resources in determining eligibility.

**2001 Response:**

N/A

***(Action Step 2.5) - Index income eligibility levels for inflation.***

**2003 Response:**

Income eligibility provisions were adjusted July 2003.

**2002 Response:**

Income eligibility provisions were adjusted July 2002.

**2001 Response:**

Income eligibility provisions were revised July 2001.

**Goal 3: Outreach Initiatives Should Be Designed and Aggressively Implemented to Assure That Families Have Accessible and Easy-To-Understand Information on Child Care Assistance and Are Provided Assistance in Applying.**

***(Action Step 3.1) - Provide information on child care subsidies through multiple sources, venues and the media.***

**2003 Response:**

We do not promote the program currently because of a waiting list of over 25,000.

**2002 Response:**

We do not promote the program currently because of a sizeable waiting list

**2001 Response:**

Brochures, flyers are used to inform the public on the Certificate program. Community based agencies and DHS offices are distribution points. We do not aggressively promote the program since we have a sizable waiting list.

***(Action Step 3.2) - Ensure that information is accurate, family friendly, employer friendly, culturally sensitive and provided in multiple languages, as appropriate.***

**2003 Response:**

Continued the statewide contract for telephone line interpreter services to include child care assistance program staff.

**2002 Response:**

Established statewide contract for telephone line interpreter services to include child care assistance program staff

**2001 Response:**

N/A

***(Action Step 3.3) - Present information in a manner that would remove the stigma associated with receiving subsidies.***

**2003 Response:**

No action taken.

**2002 Response:**

No change.

**2001 Response:**

N/A

***(Action Step 3.4) - Provide literature and assistance to help parents make informed provider choices.***

**2003 Response:**

No change.

**2002 Response:**

All parents receiving assistance are provided information and guidance on options, quality care, etc. through direct contact with staff, flyers, brochures, videos, and on our web site.

**2001 Response:**

The second phase of a statewide parent education campaign was conducted in Spring 2000, including public service announcements, paid announcements, billboards and brochures. Brochures were targeted to pediatrician offices and hospitals with birthing units.

***(Action Step 3.5) - Coordinate ongoing and strategic outreach activities among common organizations and providers.***

**2003 Response:**

No change.

**2002 Response:**

No outreach due to sizeable waiting lists.

**2001 Response:**

Limited on-going outreach is conducted.

***(Action Step 3.6) - Offer cross-training and information to providers, community organizations, faith organizations, and state agencies to inform them about child care assistance programs and how to assist families in filing applications.***

**2003 Response:**

No action taken.

**2002 Response:**

No change.

**2001 Response:**

N/A

**Goal 4: The Child Care Application and Redetermination Processes Should Be Uncomplicated and Family Friendly.**

***(Action Step 4.1) - Simplify applications for child care assistance.***

**2003 Response:**

No change.

**2002 Response:**

Application form is one sheet, front and back. However, assistance staff will also input application information directly into Management Information System (MIS) from interview with applicant.

**2001 Response:**

N/A

***(Action Step 4.2) - Allow filing by mail, phone, fax or internet.***

**2003 Response:**

No change.

**2002 Response:**

Mailed or faxed filings are accepted.

**2001 Response:**

N/A

***(Action Step 4.3) - Minimize requests for documentation at initial application and utilize documents already on file.***

**2003 Response:**

No change.

**2002 Response:**

Required documentation limited to employment earnings and establishing hours of employment, training, or education.

**2001 Response:**

N/A

***(Action Step 4.4) - Provide applications at multiple sites.***

**2003 Response:**

No action taken.

**2002 Response:**

No action taken.

**2001 Response:**

N/A

***(Action Step 4.5) - Offer non-conventional hours of operation for eligibility offices and provide toll-free phone lines to include evening and weekend hours.***

**2003 Response:**

Required documentation limited to employment earnings and establishing hours of employment, training, or education.

**2002 Response:**

Extended hours of operation continue to be available, as demand requires.

**2001 Response:**

Extended hours of operation continue to be available.

***(Action Step 4.6) - Explore presumptive eligibility or otherwise provide immediate eligibility contingent upon final approval.***

**2003 Response:**

No change.

**2002 Response:**

We believe we have an appropriate balance struck between accountability and ease of application.

**2001 Response:**

NA

***(Action Step 4.7) - Eliminate requirements for a face-to-face interview both for initial application and for redetermination.***

**2003 Response:**

We now allow mailing or faxing of documentation for redetermination and dropped requirement for in-office interview.

**2002 Response:**

Policy changes have been drafted to allow mailing or faxing of documentation for redetermination and drop requirement for in-office interview.

**2001 Response:**

N/A

***(Action Step 4.8) - Provide consultation on making appropriate choices when excessive requests for provider changes are filed.***

**2003 Response:**

No change.

**2002 Response:**

No change.

**2001 Response:**

This activity continues to be a primary function of the child care assistance program.

***(Action Step 4.9) - Establish a 12-month redetermination period where there are no changes in income or job status.***

**2003 Response:**

Policy was revised to permit 12 month eligibility periods for low income parents. TANF families are approved on continuing basis up to 18-month time limit.

**2002 Response:**

The evaluation of pilot sites was completed and we are revising our policy now to permit 12-month eligibility period for low income eligible parents. TANF families are approved on continuing basis up to 18-month time limit.

**2001 Response:**

Initiated a pilot program to evaluate 12-month eligibility period.

***(Action Step 4.10) - Continue eligibility for full subsidy for 12 weeks if family loses employment but can document that a job search is underway.***

**2003 Response:**

No change.

**2002 Response:**

Current 30-day continuation provision can be extended to 90 days for residents in designated “economic hardship” counties.

**2001 Response:**

N/A

**Goal 5: Establish a Coordinated, Seamless Eligibility System So That Funding Sources Are Invisible to Families and Support Continuity of Child Care.**

***(Action Step 5.1) - Eliminate the need for families to reapply when eligibility categories change by automatically searching to exhaust all eligibility categories before closing cases.***

**2003 Response:**

No change.

**2002 Response:**

Tennessee currently pools funding sources and eligibility requirements are standardized for low-income eligible (non-TANF) families.

**2001 Response:**

N/A

***(Action Step 5.2) - Explore the potential for policy and procedural changes to achieve linkages with or combined applications for child care assistance, Head Start, Pre-K and Title I.***

**2003 Response:**

No action taken.

**2002 Response:**

No change.

**2001 Response:**

N/A

***(Action Step 5.3) - Continue eligibility in programs with multiple funding sources to assure continuity of care in the event that eligibility has expired or terminated in one program.***

**2003 Response:**

No change.

**2002 Response:**

No change.

**2001 Response:**

Tennessee currently pools funding sources and eligibility requirements are standardized for low-income eligible (non-TANF) families.

***(Action Step 5.4) - Work collaboratively with all public and private programs and funding sources to assure that children receive stable and consistent early child care services.***

**2003 Response:**

We do this on an ongoing basis.

**2002 Response:**

On-going.

**2001 Response:**

N/A (on-going).

**Goal 6: Establish Customer Service Outcome Goals and Set Standards to Ensure that All Families are Treated With Dignity and Respect and Are Served in an Efficient Manner.**

***(Action Step 6.1) - Provide professional and well-trained eligibility staff who are culturally and linguistically sensitive.***

**2003 Response:**

Contract for staff access to interpreter services is in place.

**2002 Response:**

Developing contract for staff access to interpreter services through telephone contact.

**2001 Response:**

N/A

***(Action Step 6.2) - Facilitate quick eligibility determination through reasonable caseloads and/or administrative structure.***

**2003 Response:**

No change.

**2002 Response:**

Tennessee Department of Human Services administers all child care assistance services for the State in a standardized manner.

**2001 Response:**

N/A

***(Action Step 6.3) - Conduct periodic, independent and thorough consumer satisfaction assessments, assuring the confidentiality of information collected.***

**2003 Response:**

Due to budget constraints, the annual survey of parents, providers, and staff will be discontinued.

**2002 Response:**

Continue to conduct annual survey with providers, clients and staff, which measures both consumer and provider satisfaction and administrative performance. Added feature this year will be measures to identify minimum performance standards.

**2001 Response:**

Continue to conduct annual survey with providers, clients and staff, which measures both consumer and provider satisfaction and administrative performance.

***(Action Step 6.4) - Provide adequate support for child care resource and referral services.***

**2003 Response:**

TN is currently creating a localized system of CCR&R.

**2002 Response:**

Updating web-based child care resource and referral directory to allow search by provider name as well as by zip code.

**2001 Response:**

Established a comprehensive, web-based child care resource and referral directory. This web-based Resource and Referral directory allows for quick and easy access to child care provider information by child care consumers and other interested parties.

**Goal 7: Design the Subsidy System So That Rate Structures Assure That Families Receiving Child Care Assistance Have Access to All Types of Child Care and Disallow Charges Above Established Co-Payments.**

***(Action Step 7.1) - States should cap reimbursement rates at no less than the 75th percentile based on a market rate survey conducted every two years that accurately reflects the price of all types of care in communities across the state.***

**2003 Response:**

Due to the economy and budget restraints, no provider fee increases were provided in 2003. Therefore, the state will no longer be reimbursing at the 70<sup>th</sup> percentile.

**2002 Response:**

State conducts an annual market rate survey and caps reimbursements at 70<sup>th</sup> percentile. 2002 Legislature did not fund a rate increase for state fiscal year 2002-03. However, a tiered reimbursement rate structure has been established to add bonus quality payments to the rates for subsidy providers based upon a quality child care rated licensing evaluation system.

**2001 Response:**

State conducts an annual market rate survey and caps reimbursements at 70<sup>th</sup> percentile. However, a tiered reimbursement rate structure has been established effective October 2001 to pay higher rates to subsidy providers based upon a quality child care rated licensing evaluation system.

***(Action Step 7.2) - Establish and evaluate reimbursement policies that encourage provider participation and are responsive to family needs.***

**2003 Response:**

See above.

**2002 Response:**

State conducts an annual market rate survey and caps reimbursement at 70<sup>th</sup> percentile. 2002 Legislature did not fund a rate increase for state fiscal year 2002-03. However, a tiered reimbursement rate structure has been established to add bonus quality payments to the rates for subsidy providers based upon a quality child care rated licensing evaluation system.

**2001 Response:**

A bonus reimbursement rate program has been established effective October 2001 to pay higher rates to subsidy providers based upon a quality child care rated licensing evaluation system.

***(Action Step 7.3) - Prohibit providers from charging above the established co-payments.***

**2003 Response:**

No action taken.

**2002 Response:**

No change.

**2001 Response:**

N/A

**Goal 8: Create Partnerships With Employers to Expand Child Care Assistance for Working Families.**

***(Action Step 8.1) - Educate employers about the bottom line benefits associated with public and private child care assistance.***

**2003 Response:**

No change.

**2002 Response:**

No change.

**2001 Response:**

The Tennessee Child Care Facilities Corporation (TCCFC) fosters private-public sector partnerships to improve the availability and quality of child care. For example, through the corporate partnership grant program, TCCFC provided matching grant funds to child care agencies who had partnered with local communities, corporations or companies to provide child care services.

***(Action Step 8.2) - Enlist business leaders to champion the involvement of southern businesses and to serve as mentors to other businesses.***

**2003 Response:**

No action taken.

**2002 Response:**

No change.

**2001 Response:**

N/A

***(Action Step 8.3) - Provide information to employers on all available tax benefits related to child care assistance, including deductions for donations to tax-exempt child care organizations, capital costs for constructing a child care center and establishing a pre-tax dependent care assistance plan.***

**2003 Response:**

No change.

**2002 Response:**

No change.

**2001 Response:**

The Tennessee Child Care Facilities Corporation has shared information on these issues with employers at workshops, in newsletters, and in working with local Chambers of Commerce and civic organizations.

***(Action Step 8.4) - Facilitate collaborative initiatives that enable employers to share ideas as well as pool their resources to address child care needs.***

**2003 Response:**

No further action taken.

**2002 Response:**

The Corporate-Community Partnership program was established by the legislature in Spring 2000 to develop child care resources and improve child care quality. In 2002, a second application has been made for the program by community collaborative in Metropolitan Nashville to improve the quality of child care within this county.

**2001 Response:**

The Corporate-Community Partnership program was established by the legislature in Spring 2000 to develop child care resources and improve child care quality. In 2001, this program will work with a community collaborative in Anderson County made up of local government, corporations, civic organizations, and higher education institutions to improve the quality of child care within this county.

***(Action Step 8.5) - Provide matching funds or other tax or financial incentives for employers to invest in child care.***

**2003 Response:**

No change.

**2002 Response:**

No change.

**2001 Response:**

Tennessee Child Care Facilities Corporation provides dollar for dollar matching funds for employers to invest in child care through the Corporate/Community Grant program.

***(Action Step 8.6) - Establish incentives for employers to create child care benefit programs for their employees or to contribute to child care purchasing pools in their state or community.***

**2003 Response:**

See above responses.

**2002 Response:**

Continuing. The first program approved for the Corporate-Community program mentioned in Action Step 8.4 includes child care benefits for employees and child care purchasing pool in its model.

**2001 Response:**

The Anderson County initiative mentioned in Action Step 8.4 includes child care benefits for employees and child care purchasing pool in their model.

***(Action Step 8.7) - Reduce the administrative burden on employers participating in any joint public/private child care assistance program.***

**2003 Response:**

No action taken.

**2002 Response:**

No change.

**2001 Response:**

N/A

**Goal 9: Provide Child Care Assistance to Working Families Through Federal and State Tax Laws.**

***(Action Step 9.1) - Make the federal child dependent care tax credit refundable.***

**2003 Response:**

Not applicable to states.

**2002 Response:**

N/A

**2001 Response:**

N/A

***(Action Step 9.2) - Establish refundable child and dependent care tax credits in states with income taxes.***

**2003 Response:**

We do not have state income taxes.

**2002 Response:**

N/A

**2001 Response:**

N/A

***(Action Step 9.3) - Raise federal and state child care tax credit expense limits to accurately reflect the price of quality care.***

**2003 Response:**

We do not have state income taxes.

**2002 Response:**

N/A

**2001 Response:**

N/A

***(Action Step 9.4) - Index for inflation the state and federal child and dependent care tax credit income eligibility and expense limits.***

**2003 Response:**

We do not have state income taxes.

**2002 Response:**

N/A

**2001 Response:**

N/A

***(Action Step 9.5) - Ensure that child and dependent care tax credits are clearly identified and easy to claim by filers using either the short or long form.***

**2003 Response:**

We do not have state income taxes.

**2002 Response:**

N/A

**2001 Response:**

N/A

***(Action Step 9.6) - Encourage the use of effective state tax strategies to provide financial support for child care.***

**2003 Response:**

We do not have state income taxes.

**2002 Response:**

N/A

**2001 Response:**

N/A

**Goal 10: States Should Have Effective, Coordinated Systems to Guide Child Care and Early Childhood Policy Decisions and Direct Use of Resources.**

***(Action Step 10.1) - Facilitate greater coordination in eligibility policies across child care and early childhood education programs at state and local levels.***

**2003 Response:**

These programs already have the same eligibility policies.

**2002 Response:**

N/A

**2001 Response:**

N/A

***(Action Step 10.2) - All southern states and the District of Columbia should participate in a collaborative effort to develop and collect common data elements across states.***

**2003 Response:**

No action taken other than participating in the surveys of the Southern Institute.

**2002 Response:**

N/A

**2001 Response:**

N/A