

Child Care & Early Learning in Tennessee

In Tennessee, federal and state early learning opportunities serve more than **75,259** children,¹ or **15%** of children ages 5 and under.²

High-quality child care and early learning programs support children's healthy development while giving parents peace of mind as they work or attend school.

While several federally funded programs help working families access quality child care, limited funding leaves many eligible children unserved. These challenges not only affect families but also employers and the broader economy. Each year, child care shortages across the country impose significant economic costs on families, businesses, and state tax revenues.

Tennessee's early learning landscape operates through a mixed-delivery system of diverse programs, each with distinct eligibility requirements, funding structures, and service delivery models designed to maximize parental choice.

TENNESSEE AT-A-GLANCE

NEED

494,865

Children 5 & Under³

62%

Children 5 & Under with All Available Parents in the Workforce⁴

22%

Gap in Supply of Child Care vs. Potential Need⁵

COST

\$13,926

Annual Price of Center-Based Care (\$1,161 per month)⁶

\$9,538

Annual Price of Home-Based Care (\$795 per month)⁷

IMPACT

\$3.3B

Estimated Annual Economic Impact of the Child Care Crisis⁸

TENNESSEE INCOME ELIGIBILITY

CDCTC

Available to families of all income levels (higher credit for lower incomes)

CCDBG

85% of state median income, families earning up to **\$70,236** for a family of 3⁹

HEAD START

100% of the federal poverty level, **\$27,320** for a family of 3⁹

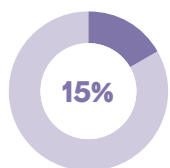
TENNESSEE PROGRAM REACH

Existing federal child care and early learning programs, combined with state-funded pre-K, form a mixed delivery system that aims to meet children's individual needs. However, at current funding levels, only a fraction of eligible families are served.

CHILD CARE & DEVELOPMENT BLOCK GRANT (CCDBG)

132,052 CHILDREN 5 & UNDER ELIGIBLE¹¹

20,332 CHILDREN 5 & UNDER SERVED¹²

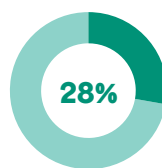


ELIGIBLE CHILDREN 5 & UNDER SERVED¹³
Based on federal eligibility (85% SMI)

HEAD START PRESCHOOL

49,237 CHILDREN ELIGIBLE¹⁴

13,597 CHILDREN ENROLLED¹⁵

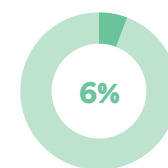


ELIGIBLE CHILDREN SERVED¹⁶

EARLY HEAD START

49,237 CHILDREN ELIGIBLE¹⁷

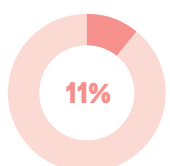
2,808 CHILDREN ENROLLED¹⁸



ELIGIBLE CHILDREN SERVED¹⁹

STATE-FUNDED PRE-K

17,501 CHILDREN ENROLLED²⁰



3- & 4-YEAR-OLDS SERVED²¹

IDEA PART C (EARLY INTERVENTION)

9,454 CHILDREN SERVED²²

IDEA PART B, SEC. 619 (PRESCHOOL SPECIAL EDUCATION)

10,032 CHILDREN SERVED²³

MATERNAL, INFANT, & EARLY CHILDHOOD HOME VISITING (MIECHV)

1,535 CHILDREN SERVED²⁴

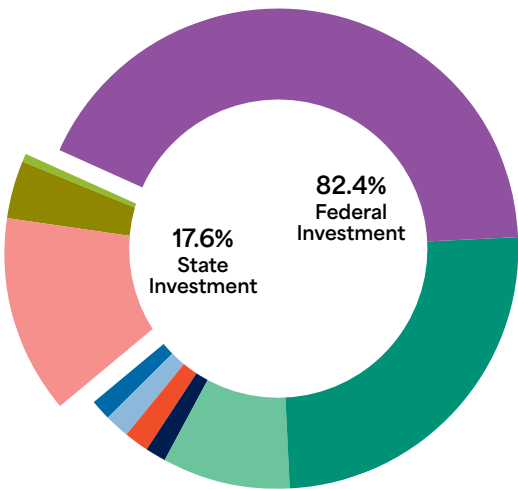
CHILD & DEPENDENT CARE TAX CREDIT (CDCTC)

117,690 FAMILIES RECEIVED²⁵

TENNESSEE
FEDERAL & STATE
CHILD CARE AND
EARLY LEARNING
FUNDING

STATE INVESTMENT

- \$85.5M State-Funded Pre-K²⁶
- \$25.5M CCDBG State Match²⁷
- \$2.7M PDG B-5 State Match²⁸



FEDERAL INVESTMENT

- \$275.7M CCDBG and Mandatory Funds²⁹
- \$161.6M Head Start Preschool³⁰
(includes AIAN when applicable)
- \$56.0M Early Head Start³¹
(includes AIAN when applicable)
- \$9.0M PDG B-5³²
- \$11.5M MIECHV³³
- \$11.3M IDEA Part C³⁴
- \$7.6M IDEA Part B, Sec. 619³⁵
- \$1.4K TANF Early Care and Education³⁶
- \$0 TANF Transferred to CCDBG³⁷

CCDBG

CCDBG allows states to provide child care assistance to low-income working families with children under age 13, helping parents access child care in a setting of their choice.

- Income eligibility: **85% of state median income** (\$70,236 per year for a family of 3)^{38,39}
- Monthly cost of center-based infant care
 - No subsidy: **\$1,161**⁴⁰
 - Maximum copayment with subsidy: **\$268**⁴¹
 - Potential savings: **\$893**
- 1,841** child care providers accept CCDBG subsidies⁴²
- Child care workers' median wage: **\$14.77 per hour** (\$30,720 per year)⁴³

States must establish child care licensing requirements, including staff-to-child ratios, to ensure children are cared for in safe, quality environments. Different rules may apply depending on the setting (e.g., center- or home-based), and some providers may be exempt from licensing requirements (e.g., faith-based programs).

The state has set the following ratios for licensed center-based care:⁴⁴

INFANT	1:4
TODDLER	1:6
PRESCHOOL	1:7 for age 2 1:9 for age 3 1:13 for age 4 1:16 for age 5

EARLY HEAD START/HEAD START

Early Head Start and Head Start provide high-quality early learning and comprehensive services – including health, nutrition, and family support – at no cost to eligible families. Programs are federally funded and locally administered.⁴⁵ Children are eligible based on family income, if they receive TANF, SNAP, or SSI benefits, or if they are in foster care or experiencing homelessness. Head Start programs must reserve at least 10% of enrollment slots for children with disabilities.

- Income eligibility: at or below the federal poverty level (\$27,320 for a family of 3)⁴⁶
- In Tennessee: **29 Head Start grants** fund **331 program sites**, serving **16,405 children**.^{47, 48, 49}
- This includes **81 children** through Migrant and Seasonal Head Start.⁵⁰

PDG B-5

To date, Tennessee has been awarded **\$31 million** in funds through Preschool Development Grant Birth through Five (PDG B-5).⁵¹

PDG B-5 is a competitive federal grant program designed to improve states' early childhood systems. Tennessee's PDG B-5 accomplishments include:⁵²

- Implementing four model district programs that served as the main vehicles for gathering insights into the needs of different programs and communities across the state.
- Creating a scholarship program to help all teaching assistants obtain their Child Development Associate (CDA) certification.

CDCTC

In 2022, **117,690** Tennessee families claimed the CDCTC.⁵³

The CDCTC directly helps working parents offset the cost of child care. In 2025, the CDCTC was permanently updated for the first time since 2001. Many filers could see their credit increase by as much as \$450 (for one child) or \$900 (for two or more children) in tax year 2026.⁵⁴



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