

Virginia's Early Childhood Care and Education System

Virginia Commission on Early
Childhood Care and Education

July 20, 2023



OBJECTIVES AND AREAS COVERED

Objective:

Provide an overview of Virginia's early childhood care and education (ECCE) landscape, highlight best-in-class practices and share data insights on current trends

Areas Covered:

1. School Readiness in Virginia
2. Virginia's Birth to Five, Public-Private Parent Choice System
3. What Makes Virginia's System Best-In-Class
4. Opportunities and Challenges Ahead

School Readiness in Virginia

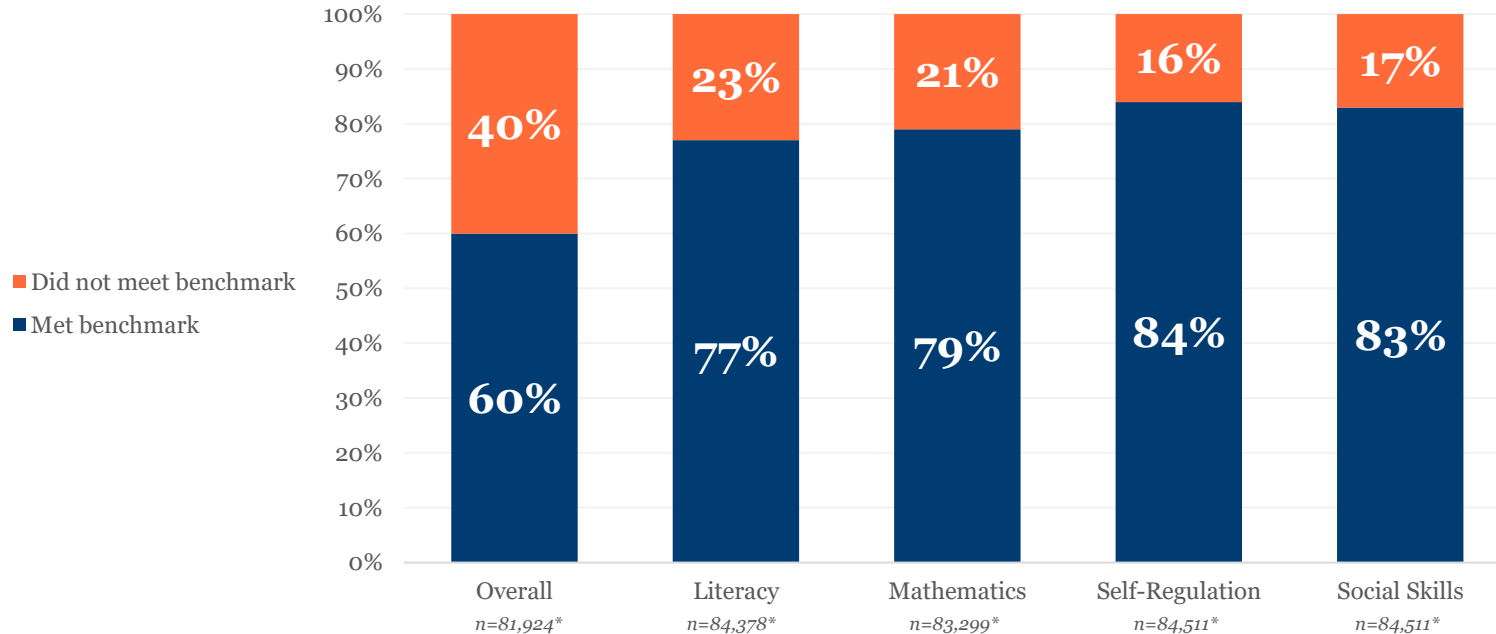
All children should have the opportunity to enter kindergarten ready

SCHOOL READINESS IN VIRGINIA



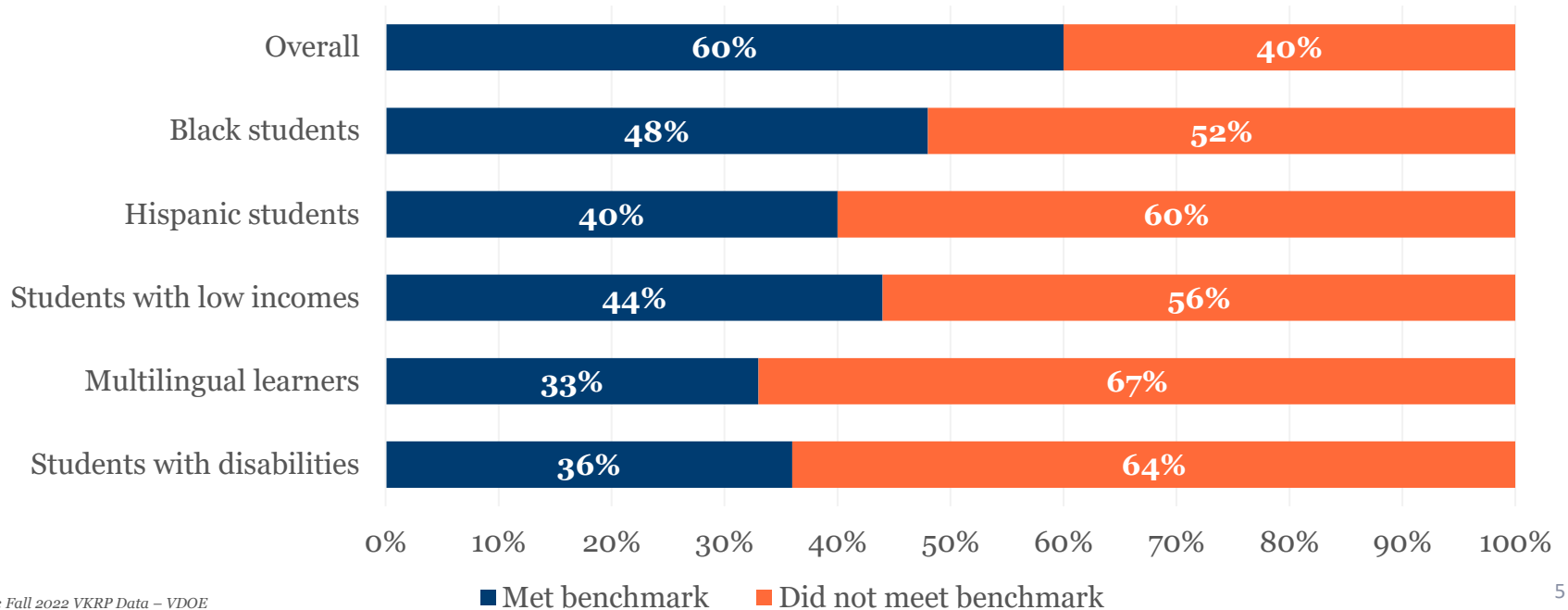
40%

of Virginia's kindergarteners began the 2022-2023 school year still needing to build skills in Literacy, Mathematics, Self-Regulation, and/or Social Skills.*



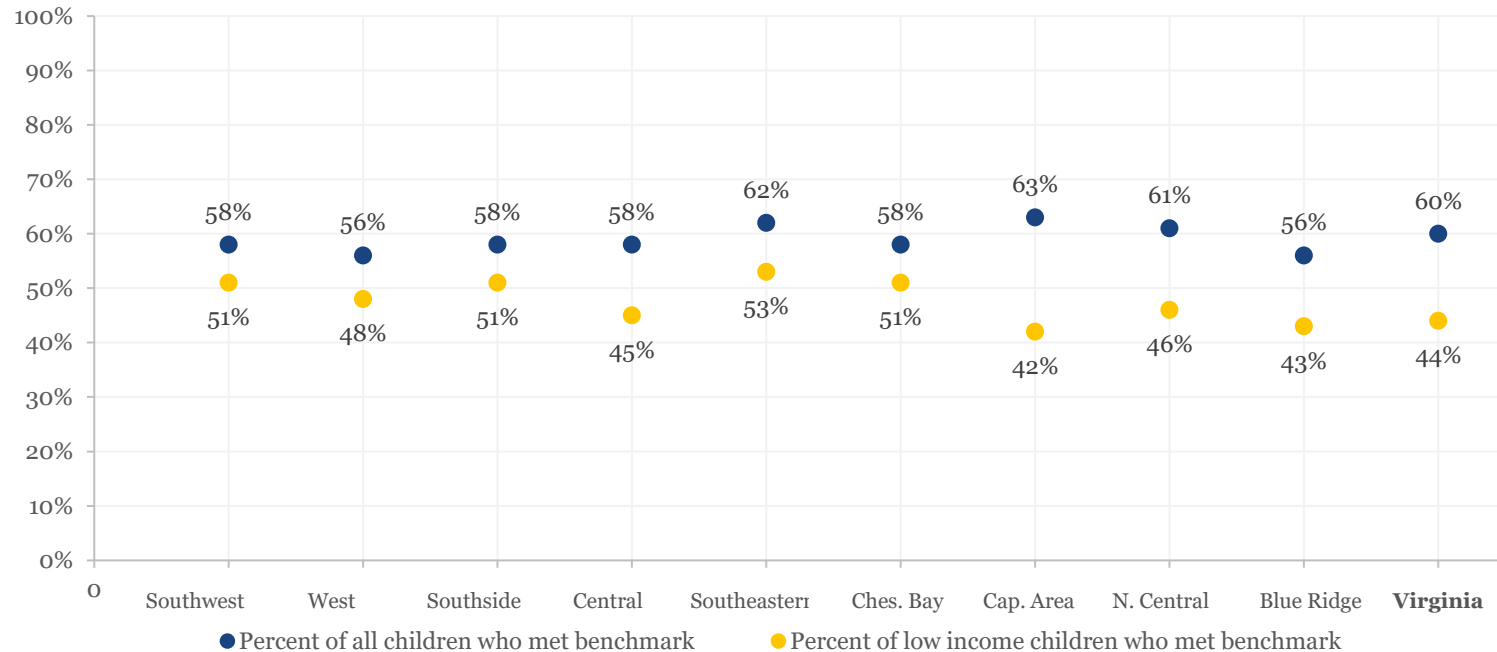
PERSISTENT DISPARITIES IN READINESS

Students who have historically faced barriers are less likely to enter kindergarten with the skills needed to succeed.



REGIONAL VARIATIONS IN READINESS

Students from low-income families are less likely to enter kindergarten ready in every region of Virginia.

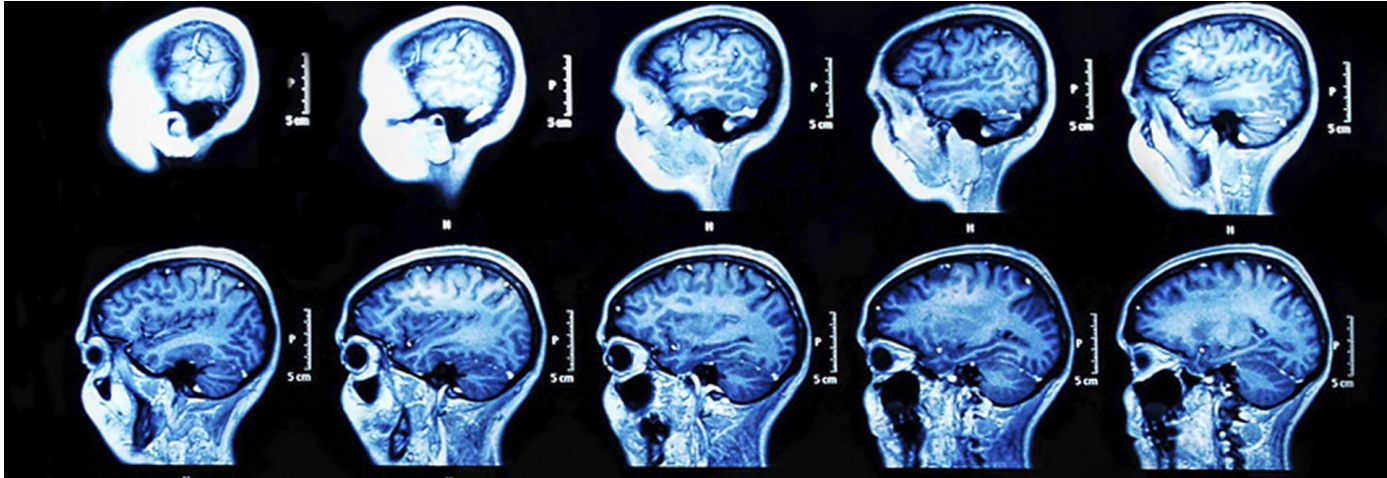


Why School Readiness?

*Increasing access, improving quality and promoting school readiness
helps ensure Virginia is the best state to live, work, and raise a family*

BRAIN DEVELOPMENT AND SCHOOL READINESS

Brain development in early childhood establishes the foundation for all cognitive, social-emotional and physical development.



1 million neural connections are formed every second in the first few years of life.

EARLY CHILDHOOD IS THE FOUNDATION

Quality ECCE programming leverages rapid birth-to-five brain development, enabling children to maximize their potential.

Babies are beginning to link language to core cognitive abilities at just **3 MONTHS.**



Gaps in children's vocabulary start to appear as early as **18 MONTHS.**



By the time children are **3 & 4 YEARS OLD** their vocabulary, attention, and general knowledge are predictors of **THIRD & FOURTH GRADE** reading comprehension.

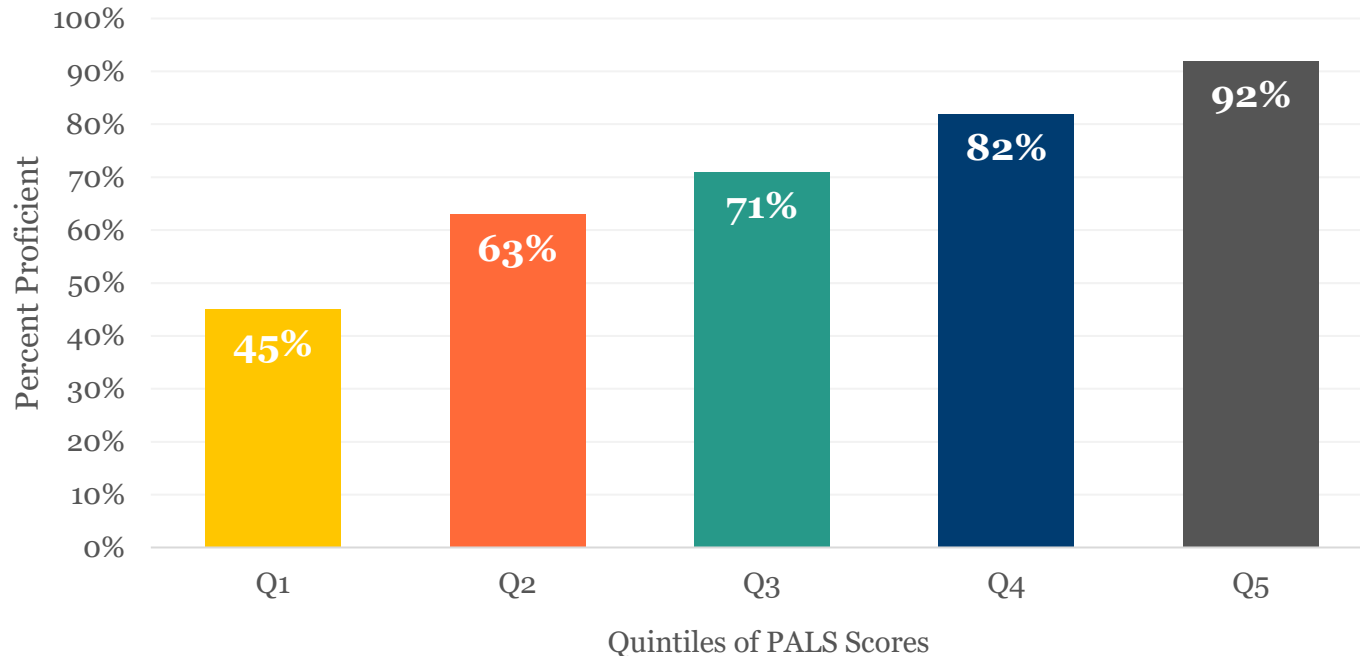


THIRD GRADE reading ability is one of the best predictors of **HIGH SCHOOL GRADUATION.**



LINKING READINESS TO 3RD GRADE READING

Virginia children who enter kindergarten ready are more likely to read on level in 3rd grade.



Source: Probability of Proficiency on Third-Grade SOL by Kindergarten PALS Quintile (All Children) – Bassok, Herring, McGinty, Miller, & Wycoff, 2019

BENEFITS PERSIST OVER TIME

Research shows high-quality early childhood is linked to better life outcomes:



Academic Achievement

- Less likely to be retained a grade
- Less likely to be placed in special education
- More likely to graduate high school
- More likely to pursue higher education
- More likely to achieve a post-secondary degree, license, or certification



Health and Well-being

- Fewer chronic health issues
- Lower rates of alcohol and tobacco use
- Lower rates of teen pregnancy



Employment and Earnings

- Lower rates of criminal justice involvement
- Higher rates of employment and employability
- Increased earnings

DEMONSTRATED IMPACT IN VIRGINIA

Preschool can have a significant impact on school readiness for Virginia students from low-income backgrounds. Research shows this pattern holds true for different public and private early childhood experiences.

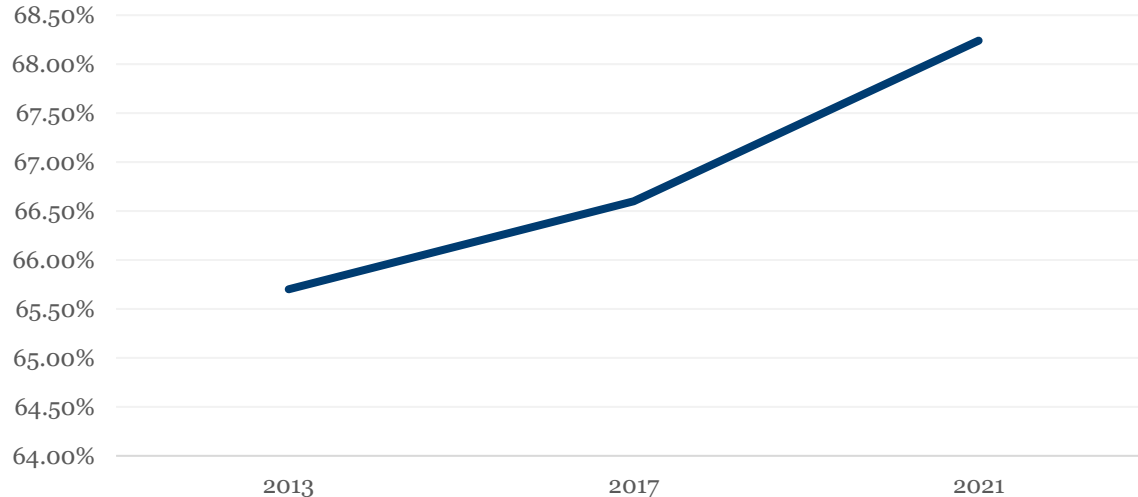


Only about **3** out of **10** students from low-income background with no preschool experience enter school ready.

SCHOOL READINESS AND WORKING FAMILIES

Parents remain children's first and most important teachers, but more Virginia families depend on ECCE so they can work, go to school or pursue greater self-sufficiency.

Percent of Virginia Children Under Age 6 With All Available Parents in the Workforce

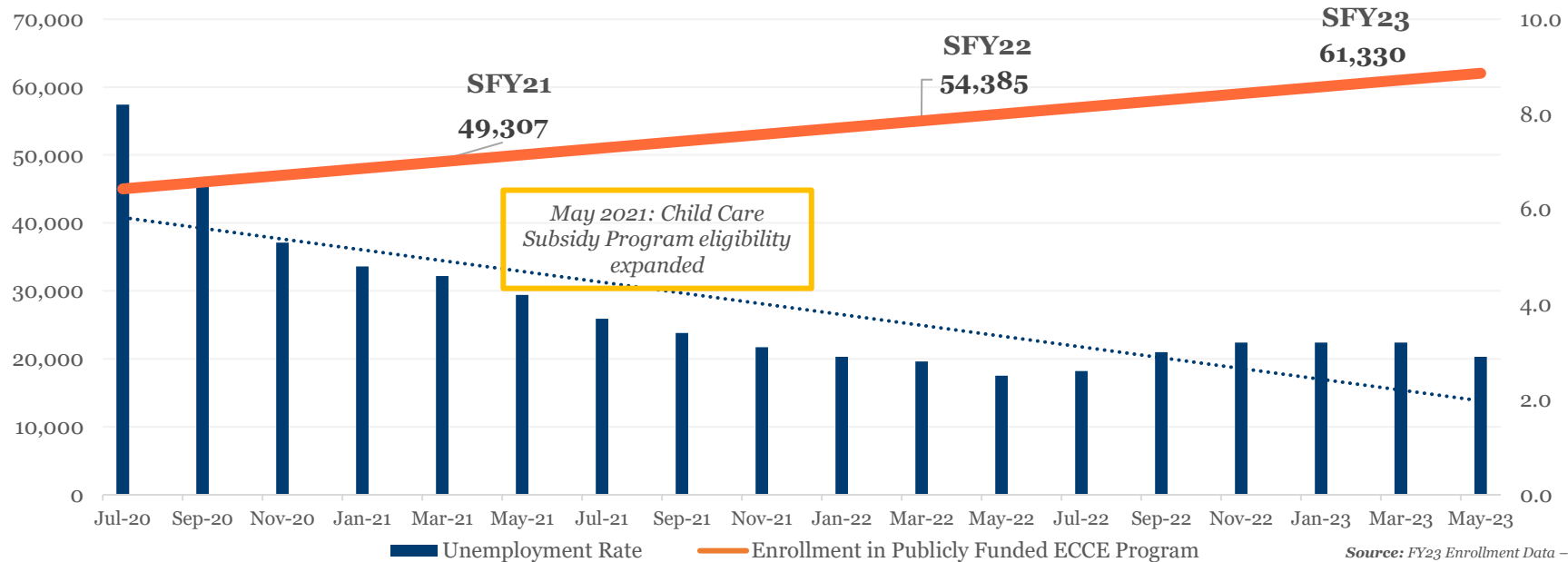


TWO OUT OF THREE
Virginia children under the age of 6 have all available parents in the **WORKFORCE**

ACCESS TO CHILD CARE DRIVES ECONOMIC GROWTH AND FAMILY SELF-SUFFICIENCY

Expanding access to ECCE in response to family demand has supported Virginia's economic recovery since the COVID-19 pandemic.

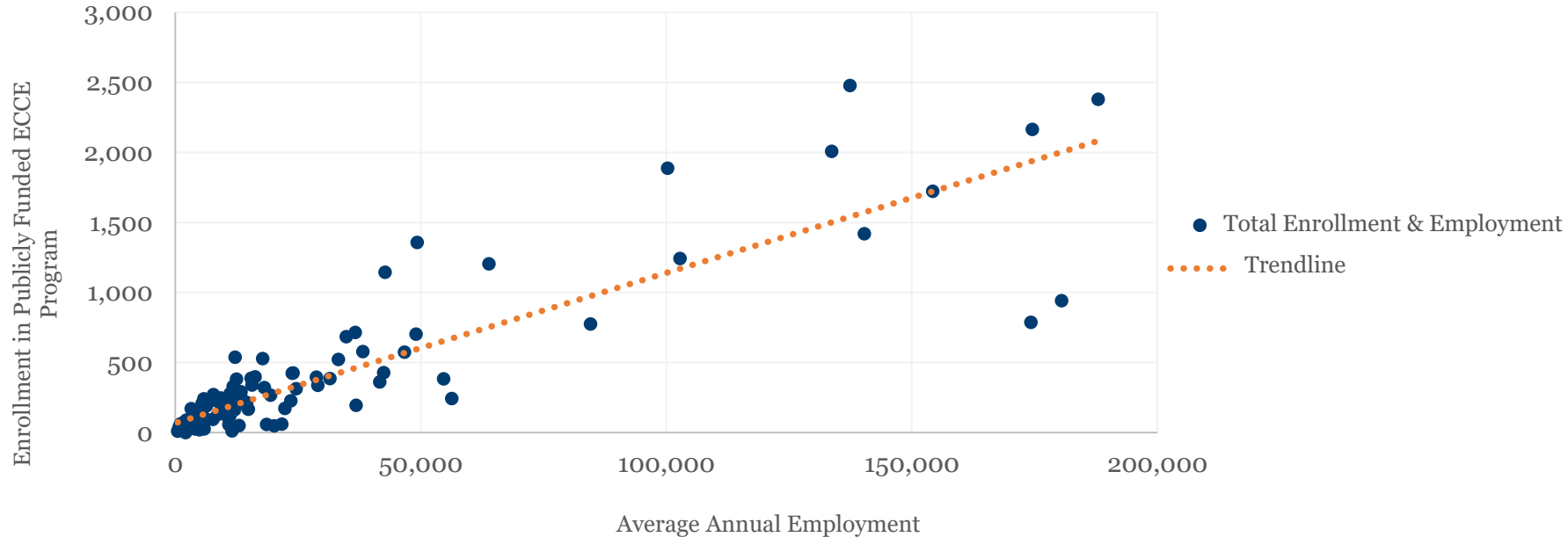
Unemployment Rate and ECCE Enrollment in Virginia, SFY 2021-2023



Source: FY23 Enrollment Data – VDOE & US Bureau of Labor Statistics

ACCESS TO CHILD CARE DRIVES EMPLOYMENT

Data shows a strong, positive and statistically-significant correlation between ECCE enrollment and employment in Virginia, meaning that communities with greater access to ECCE have higher rates of employment.



Virginia's Early Childhood Landscape

Building a premier birth-to-five, public-private parent choice system

PUBLIC-PRIVATE PARENT CHOICE SYSTEM

Virginia's early childhood system consists of multiple public and private providers that offer birth-to-five care and education across multiple settings.



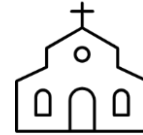
Over **1,900**
family child
care homes



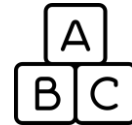
~2,700
licensed
child care
centers



946 public
schools



~870
religiously-
exempt child
care centers



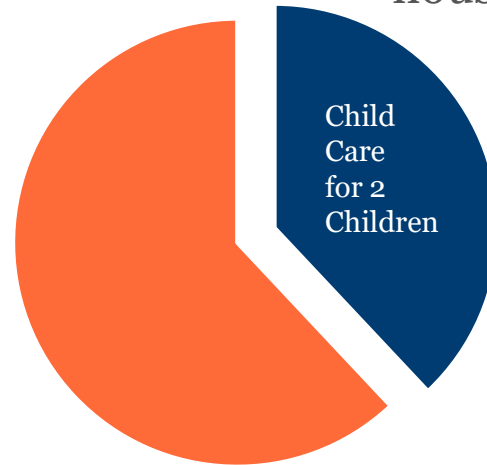
52 Head Start
and Early
Head Start
grantees
(across 364
sites)

Note: Site totals are not mutually exclusive and should not be summed. Additional site types include certified preschools, local government approved centers, and short-term child day centers (generally summer camps).

AFFORDABILITY LIMITS CHOICE

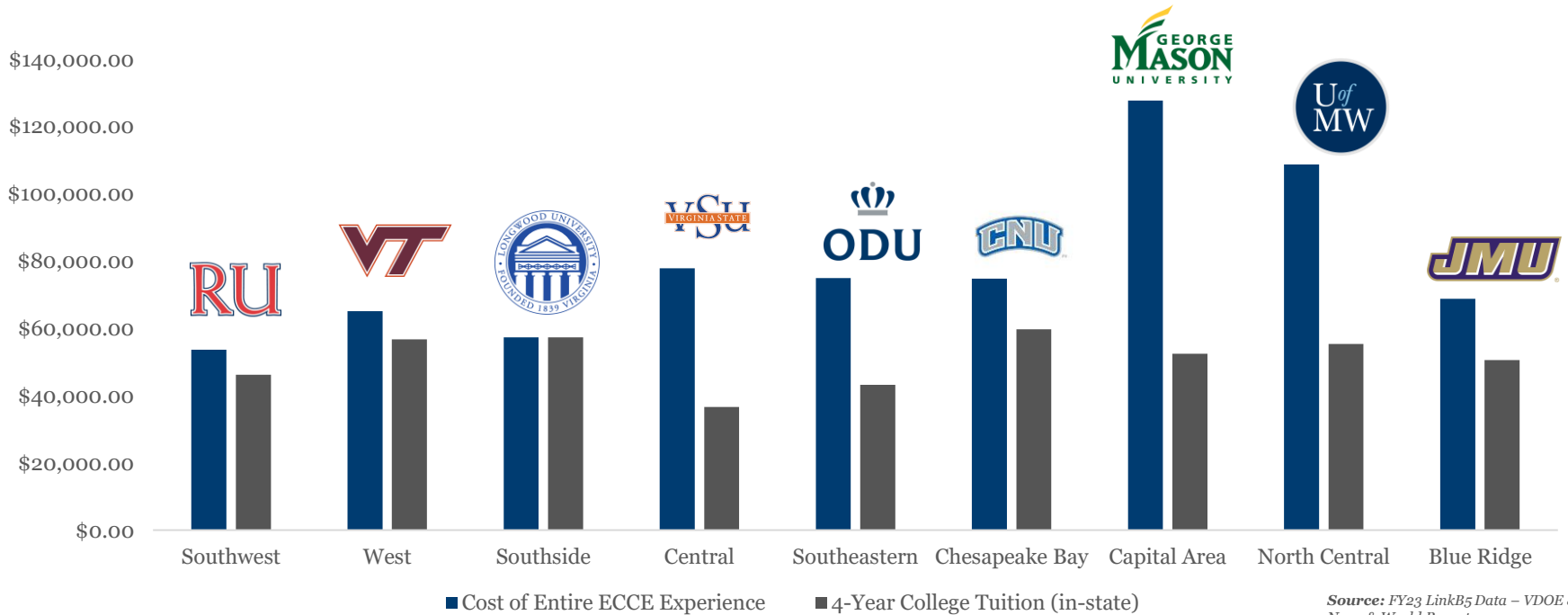
- In 2021, the annual median household income in Virginia was **\$80,615**.
- Tuition rates for infant care in Virginia average **\$16,723** each year.
- Tuition rates for a preschooler average **\$13,749**.

Together, that's over **\$30,000 — almost 40%** of the median household income.



AS EXPENSIVE AS HIGHER EDUCATION


In nearly every region, it costs more to send one child to child care than to earn a bachelor's degree from a local public university.



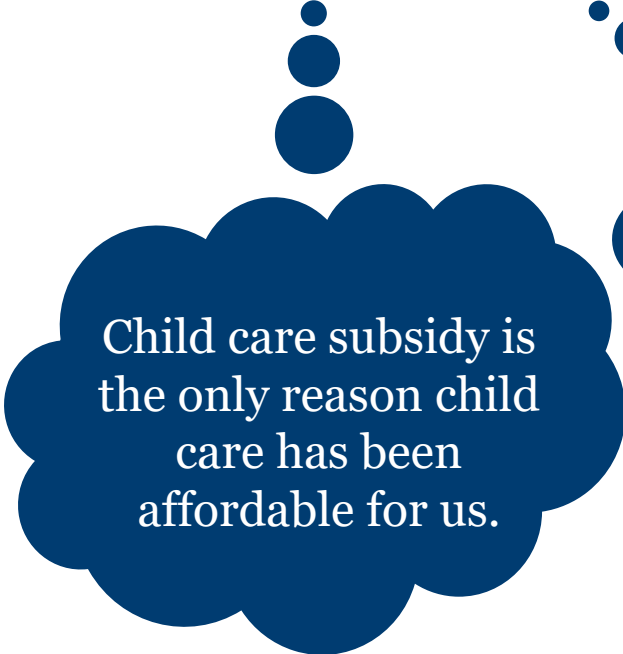
Source: FY23 LinkB5 Data – VDOE & US News & World Report

VIRGINIA FAMILIES STRUGGLE

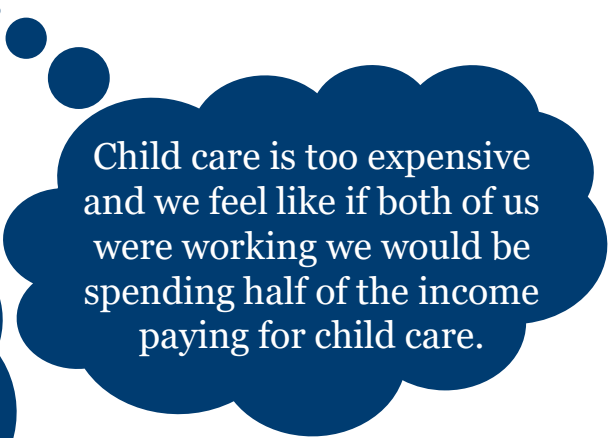
Parents across the Commonwealth report struggling to afford child care that meets their families' needs.



The cost of having our 2 children under 3 years old in the child care we use is more than the mortgage on our home.



Child care subsidy is the only reason child care has been affordable for us.



Child care is too expensive and we feel like if both of us were working we would be spending half of the income paying for child care.

ROLE OF PUBLIC FUNDING

Public funds enable choice and affordability in early childhood.

- Public funds enable families to choose options that meet their unique needs.
- All children are not guaranteed to be served like K-12. Different eligibility requirements are used to prioritize those in most need or who may benefit most.
- Public funds go to public and private settings in a system designed for 1) diverse providers and 2) diverse family preferences.

Across the public-private system, Virginia:

- Sets consistent expectations for health, safety, and quality, funds providers to meet expectations, and holds them accountable.
- Coordinates enrollment at the regional level to help families make informed choices.
- Captures consistent data down to the classroom level to promote continual quality improvement, support accountability and demonstrate impact.

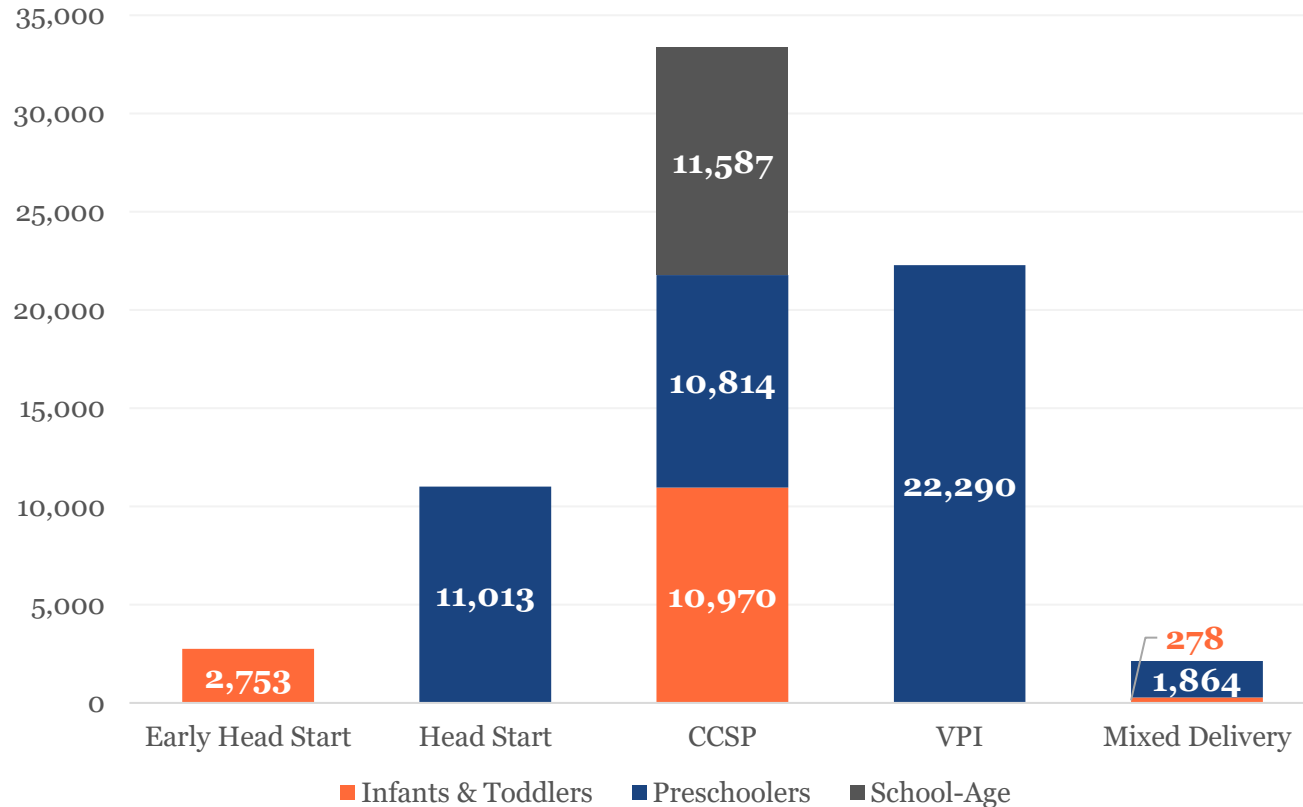
OVERVIEW OF PUBLIC FUNDING

Program	# of Children Served FY23*	Approx. Investment Per-Child, FY23	Typical Dosage	Family Expectations	Setting
Virginia Preschool Initiative (VPI)	22,290 (92% are 4-year-olds)	\$8,359 (\$6,353 in state funds) <i>(state funds and local match)</i>	990 hours/year	Child or family at risk; free to family; <u>not</u> connected to parental work status	Primarily schools; some child day centers
Mixed Delivery Preschool Grant Program (MDG)	2,142 (87% are 3- and 4-year-olds)	Between \$12,000-14,000 <i>(state and federal funds)</i>	Full-day, full year (~2,600 hours/year)	Child or family at risk; free to family; <u>not</u> connected to parental work status	Child day centers and family day homes
Early Head Start (EHS) and Head Start (HS)	13,766 (80% are 3- and 4- year-olds)	Between \$9,507-\$17,911 <i>(federal funds and local match)</i>	1,380 hours/year (EHS) 1,020 hours/year (HS)	Household income up to 130% FPG; free to family; <u>not</u> connected to parental work status	Schools, child day centers, and family day homes
Child Care Subsidy Program (CCSP)	37,249 (58% are under age 5)	Average ~\$11,000 <i>(federal funds and state match)</i>	Up to full-day, full year (~2,600 hours/year)	Household income up to 85% SMI; family contribution of \$0-180 child/month; dependent on parental work status	Child day centers and family day homes

*Source: Winter 2023 Enrollment Data – VDOE

Note: Early Childhood Special Education serves 13,000 children through federal funds; dosage, funding and setting vary based on children's needs.

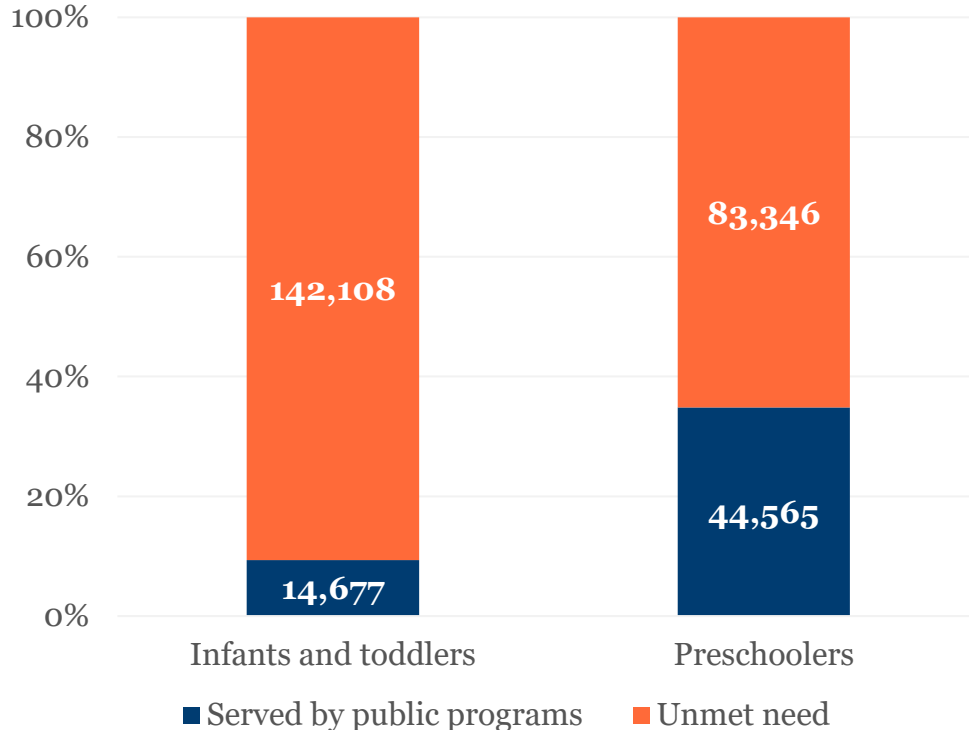
MOST PUBLIC FUNDS SUPPORT PRESCHOOL



Which children do publicly-funded early childhood slots support?

- **20%** support infants and toddlers (ages birth–3)
- **64%** support preschoolers (ages 3-5)
- **16%** support school-age children (kindergarten entry through age 12)

UNMET NEED IN ECCE



- Approximately half of eligible preschoolers in Virginia lack access to publicly-funded early childhood education.
 - Most are 3 year-olds.
- Unmet need is greatest among the youngest Virginians, with more than 90 percent of eligible infants and toddlers lacking access to ECCE.

AVAILABILITY LIMITS CHOICE

For every child served in a publicly-funded birth-to-five slot...



... three potentially-eligible children
lack access.

What Makes Virginia's System Best-in-Class

7 BEST-IN-CLASS ASPECTS

Here are seven aspects of the Virginia system that make it best-in-class:

1. Strong foundation with **dynamic public-private partnerships**
2. **Bipartisan** and **business** support
3. Nation-leading **quality measurement and improvement system (VQB5)** with robust data infrastructure
4. Established statewide **regional infrastructure**
5. **Data-driven decision making** at each level of the system
6. Innovative approaches to **addressing workforce challenges**
7. **Family demand** driving record participation in Virginia's system

1. Strong Public-Private Foundation

STRONG PUBLIC-PRIVATE FOUNDATION

July 2016

The **School Readiness Committee** was established to provide strategic guidance for state ECCE policy.

April 2020

The **2020 School Readiness Act** mandated the establishment of a unified public-private ECCE system, implemented by VDOE.

July 2022

Virginia's network of regional coordinating entities for ECCE, the **Ready Regions**, officially launched.

July 2023

The **Commission on Early Childhood Care and Education** is established to establish recommendations for financing Virginia's public-private system.

November 2015

The Virginia Chamber of Commerce begins including the ECCE workforce as a priority in **Blueprint Virginia**.

December 2018

Received **federal Preschool Development Grant Birth-to-Five** funding to strengthen its ECCE system and begin establishing regional ECCE infrastructure.

July 2020

The **Joint Subcommittee for Early Childhood Care and Education** was established to provide ongoing oversight of Virginia's ECCE system.

November 2022

Fall enrollment for the 2022-2023 school year at **historic highs** for state-administered programs.

August 2023

Full implementation of VQB5 begins.

2. Bipartisan and Business Support

BIPARTISAN AND BUSINESS SUPPORT

Virginia has a long tradition of bipartisan and business support for early childhood.

- Bipartisan General Assembly support has enabled the passage of key laws and budget items, including this Commission.
- [VECF](#) was created as a nonpartisan public-private partnership for statewide early childhood efforts.
- Virginia Chamber of Commerce [Blueprint 2030](#) includes early childhood as a key priority.
- [75% of Virginia employers](#) said it's important that the state support and invest in child care.
- [78% of Virginia voters](#) – including 72% of Republicans and 91% of Democrats – say it is extremely or very important for elected officials to take action to make child care more affordable and accessible.
- National organizations such as the [Bipartisan Policy Center](#) and [Alliance for Early Success](#) have recognized Virginia in 2023.

3. Nation-Leading Quality Measurement and Data System

STATEWIDE QUALITY MEASUREMENT

In response to bipartisan state law, Virginia has established a unified measurement and improvement system (VQB5). VQB5:

- Measures experiences that are most strongly linked to children's outcomes in *every* classroom:
 1. Adult-child interactions
 2. Curriculum
- In the fall 2023, all publicly-funded birth-to-five programs will be required to participate in VQB5, with the first ratings published in fall of 2024. This will include ~3,600 schools, child care, and family day home programs with ~12,000 "classrooms."
- Initial data suggests that interactions are improving and use of approved curriculum has increased with the greatest improvement in family day homes and child care.

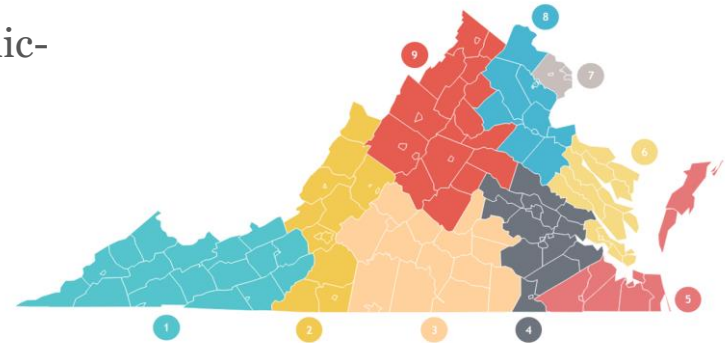
4. Regional Infrastructure

REGIONAL INFRASTRUCTURE IN PLACE

Ready Regions are established and provide VQB5 coordination, accountability, and family engagement statewide.

Since their launch in July 2022, Ready Regions, which are administered by VECF, have:

- Recruited and engaged 2,600+ sites;
- Established regional structures, staffing teams and public-private partnerships;
- Completed ~25,000 local CLASS observations;
- Supported more than 22,800 users to use LinkB5;
- Hired staff to lead family engagement and coordinated enrollment efforts;
- Established family councils in every region; and
- Collaborated with partners to align professional development and prioritize supports for sites that need support the most.

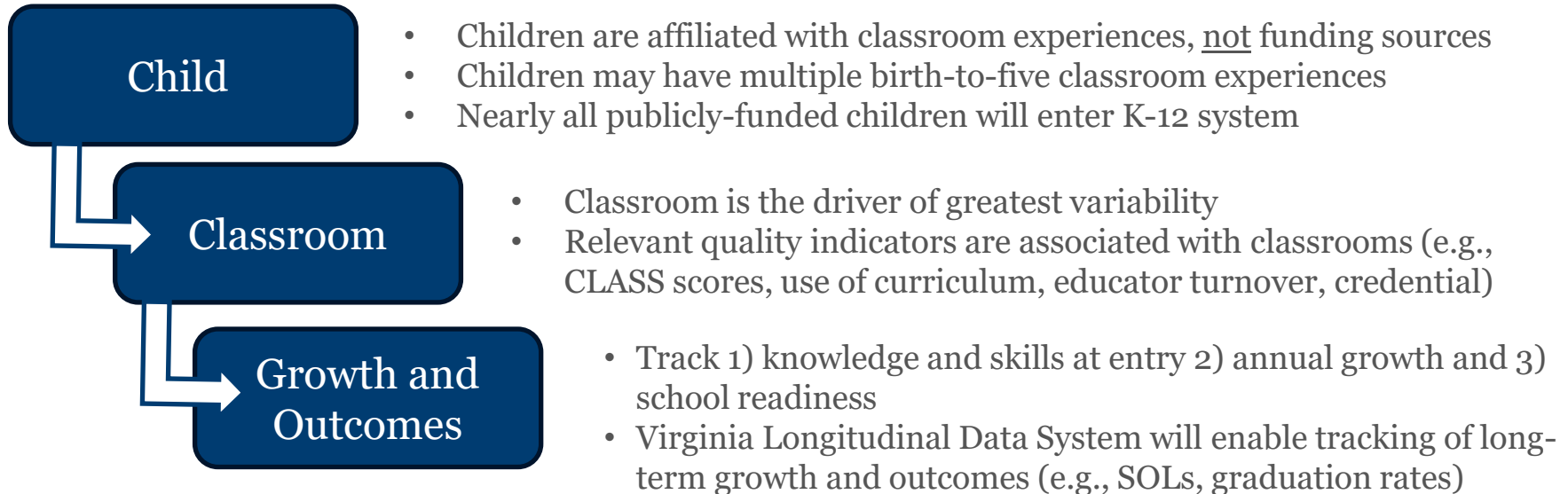


[Ready Regions Website](#)

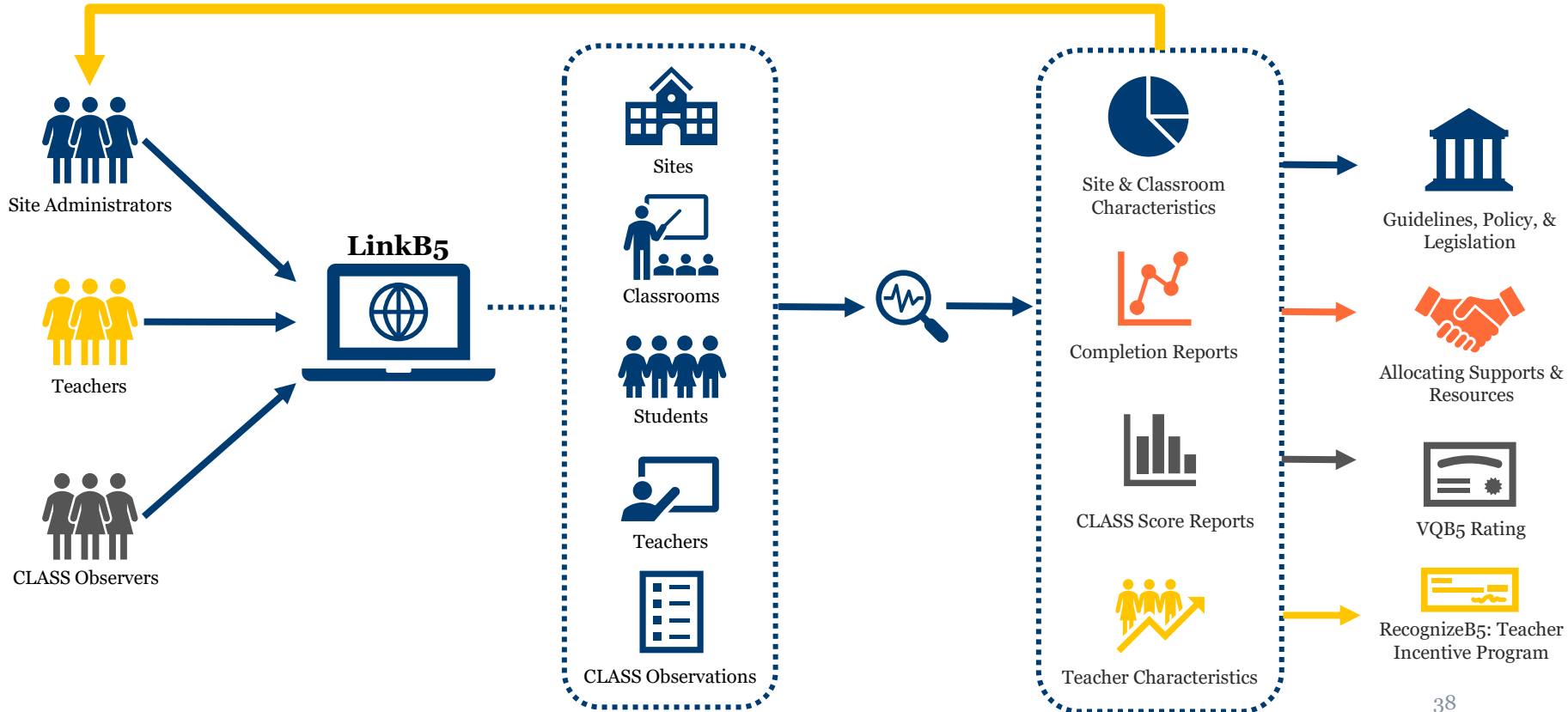
5. Data-Driven Decision Making

DATA-DRIVEN DECISION MAKING

LinkB5 is a statewide data system that enables Virginia to correlate key quality factors with child-level growth and outcomes across all publicly-funded classrooms statewide and use insights to shape policy and practice.



FROM DATA ENTRY TO DATA ACTION



RESEARCH-POLICY PARTNERSHIPS

Virginia has built unique research-policy partnerships that enable site, regional and state leaders to use multiple forms of data to inform decisions:

- Has published 25+ briefs that have informed state and national best-practices with the [Study of Early Education through Partnerships at the University of Virginia](#).
- Has received 3+ rounds of competitive federal funding based on its strategic partnerships with VECF and UVA and uses these resources to conduct surveys of families, educators and leaders as well as pilot and evaluate innovations.
- Is currently developing a statewide needs assessment with 9 unique regional snapshots to support Ready Regions to use data to inform and shape regional decision-making.
- Is integrating LinkB5 with other key data portals, including VKRP and early literacy.

6. Using Innovation to Address Workforce Challenges

CURRENT STRATEGIES

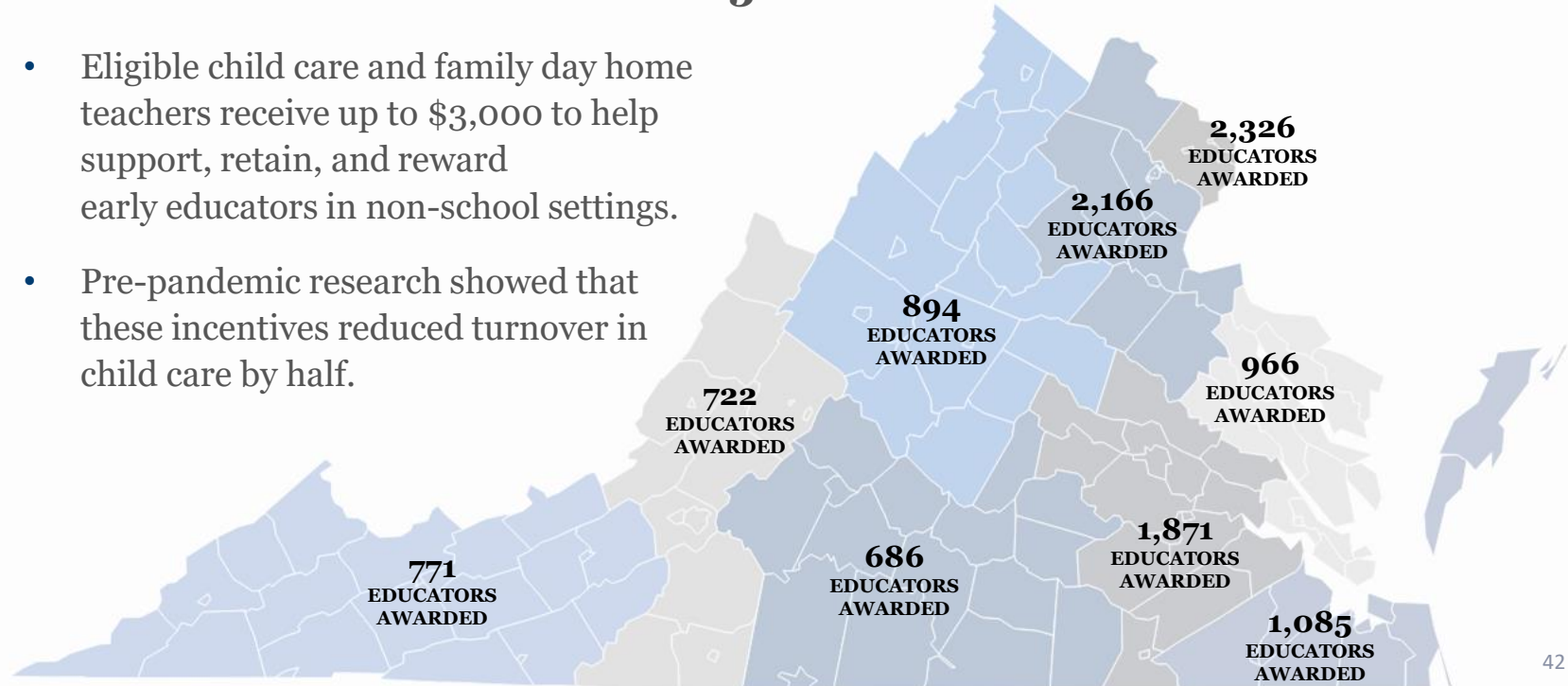
To address workforce challenges, Virginia has increased funding, flexibility and choice and piloted multiple innovations. Specifically, Virginia has:

- Increased eligibility and per-child funding to help build supply and enable families to work.
- Implemented an innovative, nation-leading funding methodology based on the true costs..
- Prioritized expanding slots in private, mixed-delivery or community-based settings based on family demand.
- Recognized wait lists as unmet family demand and focuses on eliminating wait lists as the best way to scale growth and increase supply where most needed.
- Piloted and then scaled an innovative child care educator incentive (RecognizeB5).
- Piloted FastTrack to support rapid training and onboarding of new educators, increase retention and provide competitive compensation.

USING INCENTIVES TO INCREASE RETENTION

RecognizeB5 distributed approximately \$25M to over 11,400 early childhood educators in 2022-2023.

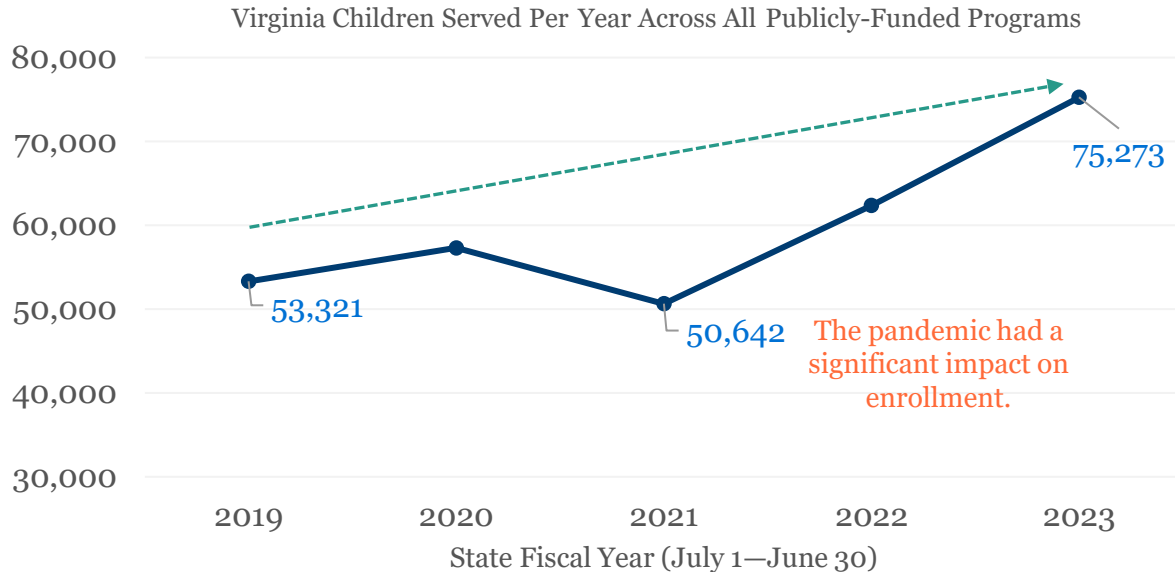
- Eligible child care and family day home teachers receive up to \$3,000 to help support, retain, and reward early educators in non-school settings.
- Pre-pandemic research showed that these incentives reduced turnover in child care by half.



7. Family Demand Driving Increased Participation

MORE CHOICES FOR MORE FAMILIES

More families are seeking to participate in Virginia's publicly-funded early childhood system.



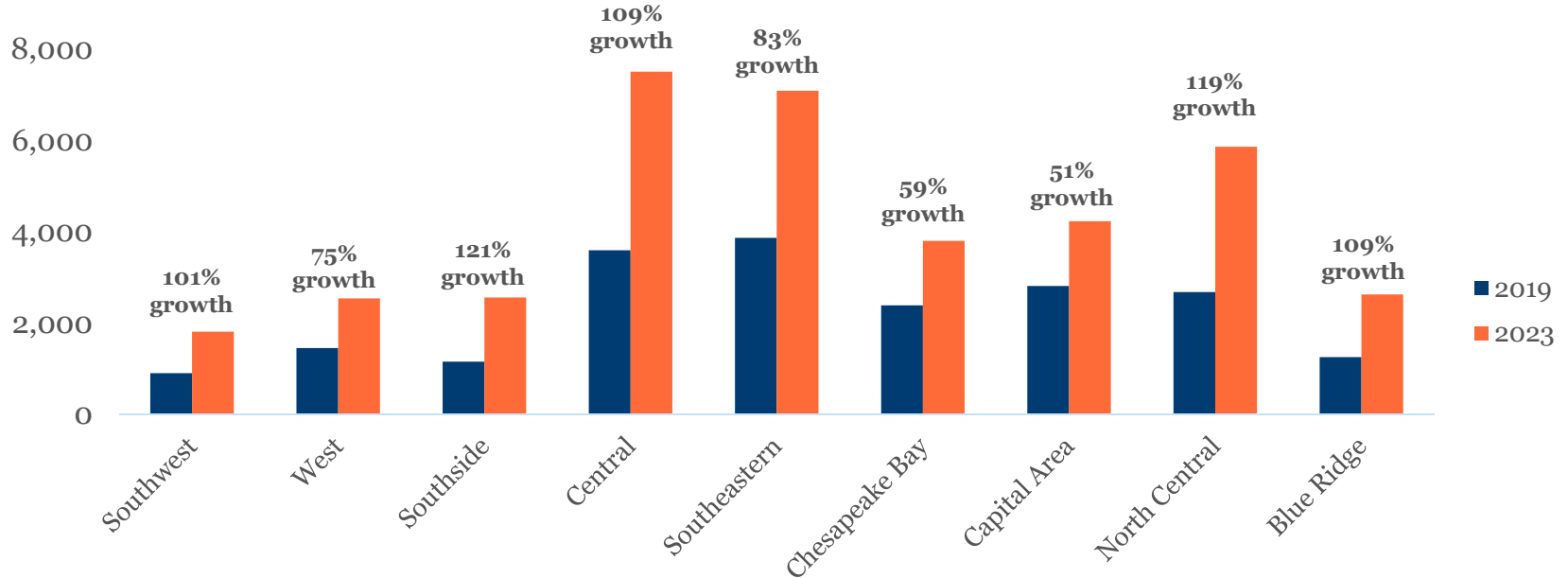
The pandemic had a significant impact on enrollment.

41% INCREASE
in enrollment compared to pre-pandemic

Source: FY 2019-2023 Enrollment Data – VDOE

GROWTH IN DEMAND EVERYWHERE

Children served in Mixed Delivery and the Child Care Subsidy Program increased in every region between 2019 and 2023, ranging from 51% in Capital Area to 119% in North Central.



ACCESS FOR UNDERSERVED FAMILIES

As Virginia continues to respond to family demand for ECCE, publicly-funded programs are reaching more children in historically underserved age groups and communities since 2019.



3,819

3-year-olds received publicly-funded preschool through VPI

Note: 3-year-olds were not served in VPI until FY 2021.



62%

more infants and toddlers participated in Early Head Start, Mixed Delivery, and Child Care Subsidy



51%

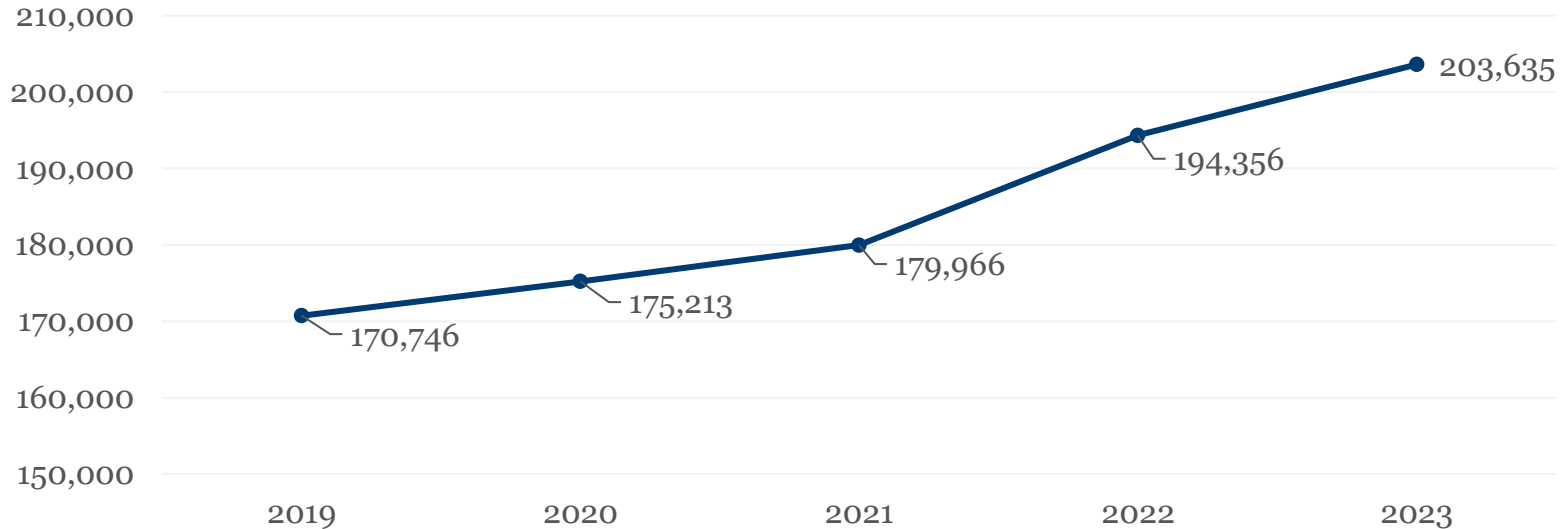
more children participating in publicly-funded programs in rural communities*

**as identified by the Office of Rural Health Policy through the 2010 Census*

MORE PROVIDERS TAKE PUBLIC FUNDS

More private and non-profit providers are choosing to take public funds, participate in VQB5, and serve more children in need.

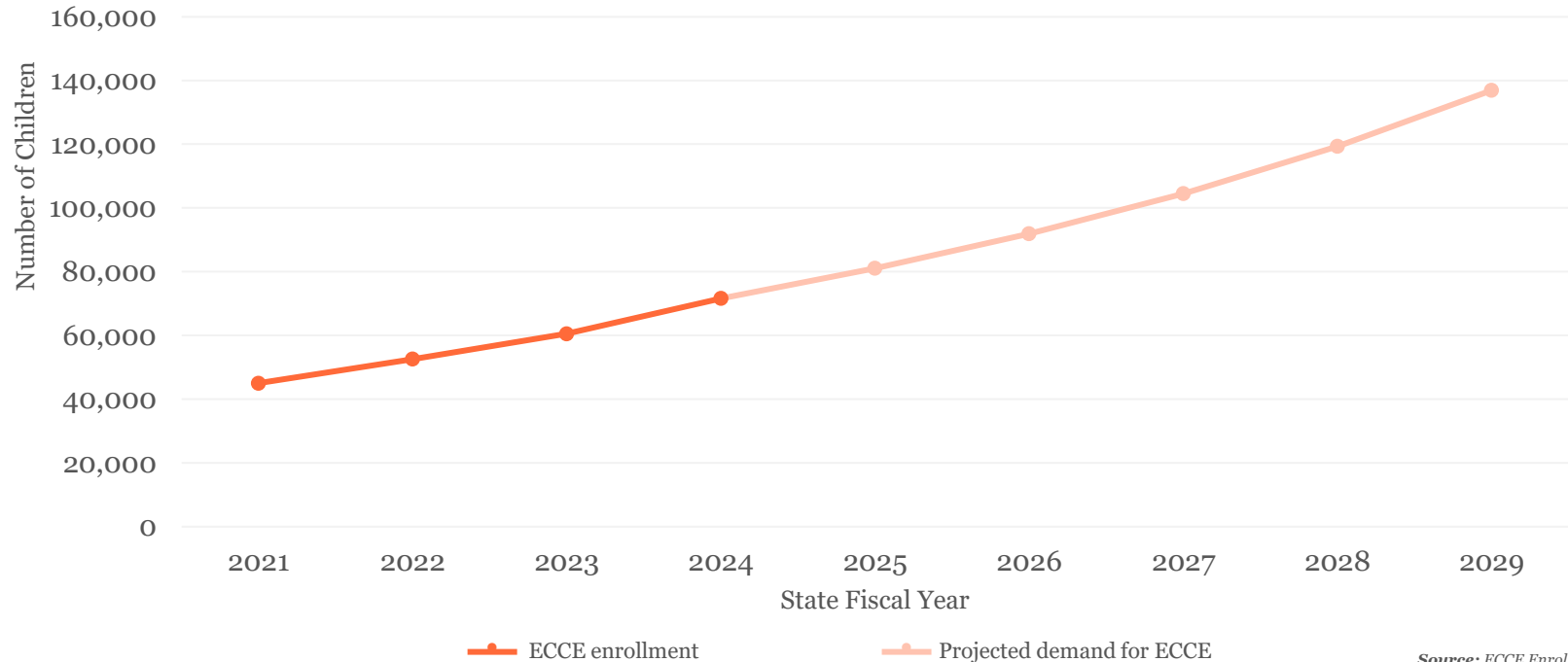
Change in Capacity to Serve Publicly-Funded Children in Private Settings in Virginia, 2019-2023



Opportunities and Challenges Ahead

FAMILY DEMAND FOR ECCE IS INCREASING

Family demand for public-private ECCE will soon exceed available funding in Virginia.



WORKFORCE SHORTAGES LIMIT SUPPLY

Teacher shortages continue to limit supply, access, and choice for families.

- Competitive compensation is necessary to recruit and retain qualified staff—particularly in a tight labor market. Current [turnover rate](#) in Virginia for child care assistant teachers is ~50%.
- Virginia educators are paid more now but actual real wages have declined due to inflation.
- Benefits (e.g., health insurance, retirement) remain unavailable for most Virginia teachers.
- Many sites report struggling to staff classrooms. According to the 2022 Provider Survey:
 - 8 out of 10 publicly-funded providers reported at least one vacancy;
 - 1 in 3 of all providers reported they had to close classrooms; and
 - Nearly half reported turning away families.
- Tracking Virginia child care teachers between 2019 to 2022, [researchers](#) found that:
 - Concerns about finances and food insecurity declined exceed pre-COVID levels in 2022.
 - Rates of depression increased sharply in 2020 and remained elevated.

ENDURING PANDEMIC IMPACT

Early childhood will have to address the pandemic's impact on young children.

- Children born in the pandemic have significantly reduced verbal, motor and overall cognitive performance compared to children born prior to the pandemic.
- 80% of speech-language pathologists report seeing more children with delayed language, language disorders and social-communication difficulties than before the pandemic.
- Virginia has seen historic drops in early literacy results with only a slight rebound since 2021. Similar trends are found in early math results.
- Educators and families continue to report challenges for children with special needs, developmental delays and/or behavioral issues.

POTENTIAL IMPACT OF UNMET FAMILY DEMAND

Without funding to sufficiently respond to family demand for ECCE, there may be a negative impact on Virginia families, private businesses and the broader economy.



Fewer children enter school ready.

Virginia data shows at-risk children that attend preschool are more likely to enter school ready than their peers who don't attend any early childhood experience.



Small businesses close and families struggle.

Child care providers increasingly depend on public funds, especially in underserved areas with lower-income families. Reduction in public funds may force businesses to close their doors or reduce the number of children served.



Fewer parents — particularly mothers—in the workforce.

Every publicly-funded slot supports the employment of one parent in the Commonwealth. Every slot reduced will have an equivalent negative impact.

Questions?

Appendices

FY23 ANNUAL APPROPRIATIONS FOR ECCE

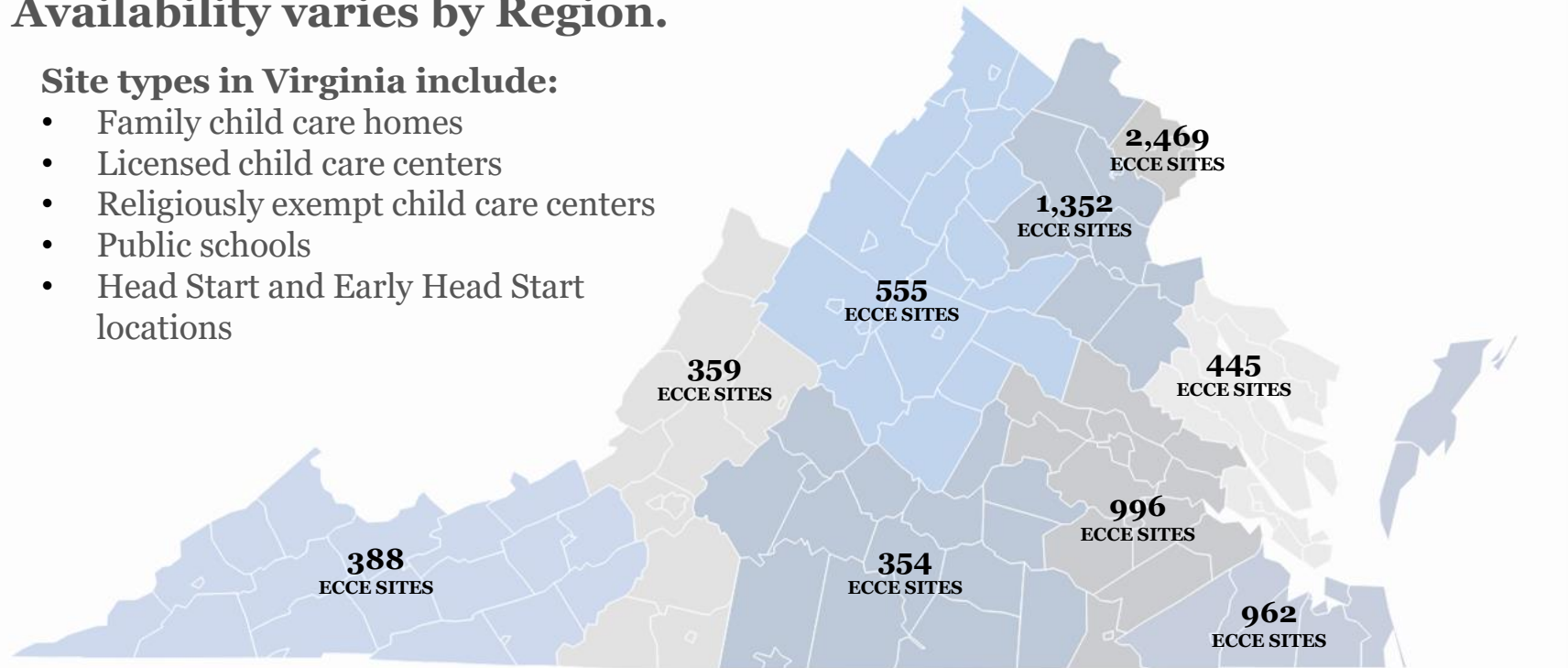
Program	State General Fund	Federal Funding	Notes
Virginia Preschool Initiative (VPI)	\$107,698,615		VPI funds are appropriated in the biannual state budget and allocated to local school divisions via a funding formula. Funds are then passed through VDOE to local school divisions based on actual enrollment. Beginning in FY 2024, VPI funding is rebenchmarked every two years. Local school divisions are required to provide matching funds based on the composite index, capped at 50% of the total award. Local funding in FY23 for VPI totaled \$68,000,308
Child Care Subsidy Program (CCSP)	\$38,707,424	\$128,808,302	<p>The Child Care Subsidy Program is primarily funded through the federal Child Care and Development Block Grant (CCDBG), which includes three funding streams (mandatory, matching, and discretionary) and requires state Maintenance of Effort (MOE) and Matching funds. VDOE uses SGF appropriated to VDSS for direct services and local eligibility and enrollment activities as part of its state match. VPI spending covers remaining match and MOE. Each stream of funding has different obligation and liquidation deadlines. Discretionary funds may be spent over a period of up to 3 years.</p> <p>CCDBG supports activities across Virginia's public-private ECCE system, including but not limited to direct services. Federal law establishes spending requirements for direct services, which is reflected in the federal funding column for FY23. FY23 funding also included \$137 million in time-limited COVID relief funds for child care.</p>
Mixed Delivery grant program	\$8,221,900		FY23 funding for Mixed Delivery also included \$19.4 million in time-limited COVID relief funds for child care.
Head Start/Early Head Start		<p>\$151,962,333</p> <p><i>Note: most recent year of total funding available is FFY21</i></p>	Head Start funding is federal-to-local, meaning grants are awarded directly to recipient agencies. The state does not directly administer funding, set eligibility, or select recipient agencies. VDOE houses the Head Start State Collaboration Office, which is responsible for coordinating the availability of Head Start services with other publicly-available programs across the state.

AVAILABILITY OF PUBLICLY-FUNDED ECCE, BY READY REGION

There are 7,860 publicly-funded sites across the Commonwealth. Availability varies by Region.

Site types in Virginia include:

- Family child care homes
- Licensed child care centers
- Religiously exempt child care centers
- Public schools
- Head Start and Early Head Start locations



USING ECCE DATA TO INFORM LONGITUDINAL EXPERIENCES IN VIRGINIA

