Virginia’s Early Childhood Care and Education System

Virginia Commission on Early Childhood Care and Education

July 20, 2023
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
of Virginia’s kindergarteners began the 2022-2023 school year still needing to build skills in Literacy, Mathematics, Self-Regulation, and/or Social Skills.*

* Students with complete data on each individual measure were included to obtain these estimates.
Students who have historically faced barriers are less likely to enter kindergarten with the skills needed to succeed.

Source: Fall 2022 VKRP Data – VDOE
Regional Variations in Readiness

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

Source: Fall 2022 VKRP Data – VDOE
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 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.

Source: https://pn3policy.org/resources/why-do-we-focus-on-the-prenatal-to-3-age-period-understanding-the-importance-of-the-earliest-years/
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.

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
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 |
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 \( \frac{3}{10} \) out of \( \frac{10}{10} \) students from low-income background with no preschool experience enter school ready.

Source: Fall 2022 VKRP Data – VDOE
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.

Source: US Census
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

May 2021: Child Care Subsidy Program eligibility expanded

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
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).*

*Source: 2023 ECCE Site Data – VDOE*
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.

Source: VDOE LinkB5 data system, 2022-2023 and US Census
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
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.
<table>
<thead>
<tr>
<th>Program</th>
<th># of Children Served FY23*</th>
<th>Approx. Investment Per-Child, FY23</th>
<th>Typical Dosage</th>
<th>Family Expectations</th>
<th>Setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Preschool Initiative (VPI)</td>
<td>22,290 (92% are 4-year-olds)</td>
<td>$8,359 ($6,353 in state funds) (state funds and local match)</td>
<td>990 hours/year</td>
<td>Child or family at risk; free to family; not connected to parental work status</td>
<td>Primarily schools; some child day centers</td>
</tr>
<tr>
<td>Mixed Delivery Preschool Grant Program (MDG)</td>
<td>2,142 (87% are 3- and 4-year-olds)</td>
<td>Between $12,000-14,000 (state and federal funds)</td>
<td>Full-day, full year (~2,600 hours/year)</td>
<td>Child or family at risk; free to family; not connected to parental work status</td>
<td>Child day centers and family day homes</td>
</tr>
<tr>
<td>Early Head Start (EHS) and Head Start (HS)</td>
<td>13,766 (80% are 3- and 4-year-olds)</td>
<td>Between $9,507-$17,911 (federal funds and local match)</td>
<td>1,380 hours/year (EHS) 1,020 hours/year (HS)</td>
<td>Household income up to 130% FPG; free to family; not connected to parental work status</td>
<td>Schools, child day centers, and family day homes</td>
</tr>
<tr>
<td>Child Care Subsidy Program (CCSP)</td>
<td>37,249 (58% are under age 5)</td>
<td>Average ~$11,000 (federal funds and state match)</td>
<td>Up to full-day, full year (~2,600 hours/year)</td>
<td>Household income up to 85% SMI; family contribution of $0-180 child/month; dependent on parental work status</td>
<td>Child day centers and family day homes</td>
</tr>
</tbody>
</table>

*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.
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)

*Source: FY23 Enrollment Data – VDOE*
• 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.

Source: FY23 Enrollment Data – VDOE & US Census
For every child served in a publicly-funded birth-to-five slot...

...three potentially-eligible children lack access.

Source: FY23 Enrollment Data – VDOE & US Census
What Makes Virginia's System Best-in-Class
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
The School Readiness Committee was established to provide strategic guidance for state ECCE policy.

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

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

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

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

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

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

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
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.
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.

- Children are affiliated with classroom experiences, not funding sources
- Children may have multiple birth-to-five classroom experiences
- Nearly all publicly-funded children will enter K-12 system

- Classroom is the driver of greatest variability
- Relevant quality indicators are associated with classrooms (e.g., CLASS scores, use of curriculum, educator turnover, credential)

- Track 1) knowledge and skills at entry 2) annual growth and 3) school readiness
- Virginia Longitudinal Data System will enable tracking of long-term growth and outcomes (e.g., SOLs, graduation rates)
From Data Entry to Data Action

Site Administrators

Teachers

CLASS Observers

LinkB5

Sites
Classrooms
Students
Teachers
CLASS Observations

Site & Classroom Characteristics
Completion Reports
CLASS Score Reports
Teacher Characteristics

Guidelines, Policy, & Legislation
Allocating Supports & Resources
VQB5 Rating
RecognizeB5: Teacher Incentive Program
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](https://example.com).
- 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.
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 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
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.

Source: FY19 and FY23 Enrollment Data – VDOE
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

Source: ECCE Enrollment Data – VDOE
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.

Source: ECCE Site Data – VDOE
Opportunities and Challenges Ahead
Family demand for public-private ECCE will soon exceed available funding in Virginia.

Source: ECCE Enrollment Data – VDOE
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.
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.

Small businesses close and families struggle.
Questions?
Appendices
## FY23 Annual Appropriations for ECCE

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<th>Program</th>
<th>State General Fund</th>
<th>Federal Funding</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Preschool Initiative (VPI)</td>
<td>$107,698,615</td>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>Child Care Subsidy Program (CCSP)</td>
<td>$38,707,424</td>
<td>$128,808,302</td>
<td>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. 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.</td>
</tr>
<tr>
<td>Mixed Delivery grant program</td>
<td>$8,221,900</td>
<td></td>
<td>FY23 funding for Mixed Delivery also included $19.4 million in time-limited COVID relief funds for child care.</td>
</tr>
<tr>
<td>Head Start/Early Head Start</td>
<td>$151,962,333</td>
<td></td>
<td>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. Note: most recent year of total funding available is FY21.</td>
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</table>
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
Unique IDs are assigned to publicly-funded students at the beginning of their academic career.

Ages 0-2
- Infant CLASS scores
- Toddler CLASS scores
- ECCE experiences

Grades 3-4
- PreK CLASS scores
- ECCE experiences

Grades K-2
- Literacy screener outcomes
- VKRP scores

Grades 3-8
- Literacy screener outcomes
- SOL scores

Grades 9-12
- SOL scores
- High school graduation
- PSAT/SAT scores
- AP test scores

Adulthood
- Higher education enrollment
- Workforce participation
- SNAP/TANF recipiency