

Commission on Early Childhood Care and Education

Annual Report October 2024

Overview

In this report, the Commission on Early Childhood Care and Education provides recommendations as requested by the Chairman of House Appropriations and in response to the evolving needs of Virginia’s dynamic, public-private early childhood care and education (ECCE) system. These recommendations are rooted in the Commission’s Guiding Principles and reflect extensive data analysis, collaboration and discussion.

Reiteration of Support for Commission Guiding Principles

In 2024, Commission members reviewed and slightly revised the key principles for a best-in-class ECCE system:

- **ACCESS/CHOICE:** Parents must have quality options, data, and information to choose quality care, and the ability to pay for their child’s care; and Virginia will continue to fund children, not systems, and prioritize working families for full day, full year options.
- **AFFORDABILITY:** Families should contribute to child care costs based on sliding scale according to household income so that they can choose high quality, early learning child care experiences that best meet their child’s needs.
- **QUALITY/EDUCATOR WORKFORCE:** ECCE programs have the resources to deliver engaging learning experiences that ensure school readiness and support multi-faceted workforce that have the opportunity to grow and deepen their ability to impact and deliver quality early learning experiences.
- **PUBLIC-PRIVATE PARTNERSHIP:** Employers must be an active part of this solution—including but not limited to helping to cover the cost of child care to their employees. Government and business partners help develop and implement innovative solutions that are nimble, cost effective and demonstrate impact, including addressing capital needs in order to build supply and eliminate child care deserts.
- **FULL COMMUNITY PARTICIPATION:** Local governments and communities have a vested interest in the success of our children and must contribute to solutions that fit their community needs. Attendance matters and communities, providers and families should collaborate to reduce barriers and ensure children are attending in order to benefit from ECCE.
- **ACCOUNTABILITY:** Quality and transparent data must be used to effectively facilitate parent decisions and to ensure that all child care focuses on early learning.

Response to Request from House Appropriations Committee

Following the 2024 General Assembly, the Chair of the House Appropriations Committee, Delegate Luke Torian, formally requested via letter that a selection of ECCE legislative proposals be reviewed by the Commission. See *Appendix E* for details. In response, the Commission established three study groups to analyze the proposal, review practices in other states and make general recommendations to the full Commission for deliberation on future action.

Study Group 1 – House Bill 372 (2024), Child Care Substitute Employee Pool Grant Fund

While there was consensus that there are significant systemic issues related to child care staffing, the Commission agreed that given limited resources, a child care substitute pool is not a recommended priority at this time. It was unclear whether this would be the best use of state resources given the broad scale of ECCE workforce challenges. Instead, there was alignment around the desire to continue to seek solutions that could build the capacity of providers to support adequate staffing and minimize the need for substitutes and encourage locally-generated solutions to support substitute staffing challenges. This model may work for some providers and the state should monitor where this is working and identify promising models for consideration for future expansion across the Commonwealth.

Study Group 2 – House Bill 408 (2024), Child Care Subsidy Payments Based on Enrollment

Considering new 2024 federal rules require states to shift to a pay-by-enrollment approach for the Child Care Subsidy Program, this study group found consensus that there is no clear legislative action Virginia needs to take at this time. Rather, the Commission should continue to further study the issue and monitor implementation, which is projected for July 1, 2026, while also finding a balance between a systemic effort to provide stable, consistent and predictable payments to private businesses or non-profits while also ensuring that families are incented to have their children regularly attend their chosen ECCE program – especially full day, full year placements. Addressing chronic absenteeism is especially important when there are waitlists with eligible families with children who want to attend but cannot. Recognizing consensus around the dual needs to ensure both stable and predictable payments and consistent ECCE attendance so children can benefit, the Commission will monitor implementation and continue to evaluate whether there are any recommended legislative actions.

Study Group 3 – House Bill 627 (2024), Expanding Child Care Subsidy Eligibility to Child Care Employees

While there was consensus that ECCE workforce vacancies and stability are a critical challenge, the Commission noted that funding utilized in other states was temporary and there were multiple trade-offs related to eligibility to consider, especially now that Virginia has a wait list for slots. In addition, this approach may also have the unintended consequence of subsidizing households with higher incomes than other eligible households and would not be inclusive for the broader early education workforce that includes employees without young children. This model may work for some states, and it was recommended that the study group continue to review the impact of similar programs in other states to see if the desired goals are achieved over time before implementing or piloting in Virginia.

Finally, new budget language requires the Commission to produce a second report to review and recommend updates to the current parent copayment schedule, parental work requirements, and attendance expectations applicable to the Child Care Subsidy Program and Mixed Delivery Grant Program by December 1. These recommendations are the charge of a fourth study group, described in a subsequent section, which is still ongoing.

Moving Forward: Early Childhood Care and Education Priorities for 2024-2025

To continue to strengthen Virginia’s ECCE system, the Commission has refined the following strategies and recommendations that Virginia should consider for 2024-2025, listed in order of

priority:

1. Use Family Demand and Choice to Drive Funding and Slots: Virginia should continue to maximize all available public and private funding sources – including parental contributions up to the federal benchmark of 7% – and explore multiple new funding mechanisms outside of the General Fund to systematically address family demand and preferences. This will help stimulate business engagement as well as align incentives for the private sector to adapt programming and grow supply in response to family needs -- including building supply in underserved areas -- while meeting all state accountability expectations. In 2024-2025, Virginia should consider:

- Using waitlists to quantify parent demand and preferences while also acknowledging that availability of child care supply (e.g., child care deserts) will artificially hinder or limit parent demand.
- Prioritizing working families for slots and consider limiting how much time families can look for work while also providing flexibility for extraordinary circumstances.
- Increasing awareness of waitlist data and projections across sectors including the business and local government sector so that this data can be used to address child care deserts and better support economic development efforts.
- Continually refining the methodologies that are used to accurately predict the number of eligible working families will need care and direct funding to match demand, including accounting for the growth needed to address child care deserts and support the broader Virginia economy.
- Exploring how adjusting parent copayments up to the federal 7% cap can help support more families while ensuring that any changes do not result in burdens for families or private businesses.
- Implementing a modern attendance tracking system to better capture child-level attendance across publicly-funded providers and understand how attendance impacts children's growth and outcomes as well as the extent to which chronic absenteeism is limiting access for other families and children.
- Conducting analysis to measure the impact that ECCE attendance has on kindergarten readiness, chronic absenteeism, and early elementary outcomes in Virginia.
- Exploring innovations to support working families to upskill and earn more income while reducing the impact of a benefits cliff that could disincent work.
- Continuing to explore mechanisms to leverage private business and local contributions to support family demand through approaches like the digital wallet and Ready Together pilot.

2. Address Workforce Challenges: Maintain and expand effective initiatives that directly address birth to five teacher shortages and other persistent workforce challenges. This includes measuring the impact of investments in [RecognizeB5](#), [FastTrack](#), and other innovative public-private efforts for progress in industry modernization including to reduce turnover, eliminate shortages, expand existing professional development opportunities, and build the educator pipeline. In 2024-2025, Virginia should consider:

- Refining key strategies that would most benefit the early childhood workforce, including a focus on strategies to address staff retention/turnover, career pathways and training, and benefits for child care.
- Reducing red tape to enable providers to quickly hire, upskill and retain talent, including

- continuing to provide flexibility on ratios, especially at the beginning and end of the day.
- Continuing to analyze barriers faced by potential child care educators including the need for child care for educators' and other ECCE staff's children; this would include analyzing models in other states as well as surveying Virginia educators to better understand the extent to which access to child care is a barrier.
- Exploring workforce attraction and retention strategies for the broader early education workforce that includes employees without young children.
- Continuing to use innovative cost of quality analysis to set reimbursement rates in order to maximize private sector participation and support competitive compensation.
- Continuing to analyze staffing levels and the impact of rates on educator compensation and the extent to which compensation, benefits and turnover impact classroom quality as measured by VQB5.
- Pursuing sustainable approaches to supporting educator retention that do not rely on short-term or temporary funding, including sustaining financial incentives for child care educators such as RecognizeB5.
- Exploring efforts to elevate the early educator profession as well as make it easy to become an early childhood educator, employing lessons learned from the FastTrack Initiative.
- Recognizing that adequate staffing levels are needed to address the typical variations in employee attendance, including covering for when employees are sick, on vacation, need to attend training or are otherwise on leave or not on site. Substitute pools may provide short-term relief, but all centers need to be supported to address typical variations without having to close classrooms or send children home.

3. Pursue Public-Private Funding Mechanisms: Pursue multiple public and private partnerships and financing mechanisms to close the gap between the price of high quality ECCE and what Virginia families can afford to pay. Businesses and local communities can play a meaningful role, developing and implementing innovations and funding approaches to help secure ECCE and defray costs for their employees. In 2024-2025, Virginia should consider:

- Creating pathways for Virginia businesses to understand their potential for impact through cost sharing and utilization of tools such as the digital wallet which makes it easy, seamless and trackable for businesses, philanthropy and other entities to contribute toward the costs of high quality ECCE.
- Continuing to pilot and share lessons learned from current Virginia public-private innovations such as cost-sharing, tri-share Ready Together Model.
- Promoting more sustainable public-private models that maximize all possible funding sources, including parents providing copayments up the 7% federal benchmark, to help ensure families can afford quality child care and businesses can attract and retain top talent.
- Exploring ways to secure capital funds and maximize and retrofit underutilized spaces to address child care deserts and sustainably and creatively increase child care supply.
- Identifying local government initiatives to support ECCE (e.g., Fairfax vouchers) and determine how to incent other localities to increase support for ECCE, including through the new digital wallet.
- More accurately funding and addressing parent demand, especially in communities that are child care deserts and have innovated to increase supply, through use of a growth-based funding formula.

Future discussions will focus on designing a funding roadmap to ensure sustainability, taking the lessons learned from ongoing pilots, new infrastructure such as the digital wallets, to establish a long-term plan, recognizing that this may require greater copayments from families and other public-private contributions.

- 4. Address Child Care Deserts through Innovative Capital Initiatives:** Virginia should explore the potential for an infrastructure or capital fund to support the ECCE sector by both retrofitting and refurbishing excess or vacant/underutilized space, including at institutions of higher education, government buildings, or commercial real estate and also planning for new supply as part of community redevelopment and business/economic site development initiatives. In 2024-2025 Virginia should consider:
 - Identifying regions with child care deserts and support them to design and implement public-private innovations to re-utilize existing space to increase supply.
 - Working with economic and site development agencies and planning district commissions to identify opportunities to incorporate child care supply goals as housing communities and/or businesses/tech parks are developed or redeveloped.
 - Elevating and identify best practices of public-private partnerships that are renovating and retrofitting spaces to increase child care supply, including in Southwest Virginia.
 - Analyzing what levels of and types of funding would be needed to retrofit, renovate or build adequate facilities based on the age, needs and family preferences within regions.

- 5. Streamline Regulations:** The state should continue to simplify its regulatory oversight, making it easier for families to find and choose the ECCE services that best match their needs and preferences and for ECCE providers to receive payments on families' behalf via public funds to deliver those services. Analyzing the impact and use of new state laws that enable commercial spaces to be transformed into child care spaces, increasing supply and reducing deserts.
 - Assessing regulatory changes that will support a strong ECCE system while encouraging the start-up of new businesses, particularly in areas where child care deserts remain the primary challenge for families.
 - Reducing regulatory burdens and duplication and ensure all ECCE regulations moving forward are clear, consistent, and streamlined and reflect private sector input as part of the regulatory process.
 - Additional regulatory strategies that will encourage existing programs to expand offerings and serve more families.
 - Identifying additional regulatory revisions that could support the challenges related to child care staffing, including hiring and training of new candidates.
 - Strengthening public-private reimbursement practices, including timeliness and predictability, to maximize the private business participation in the ECCE system.

Throughout the remainder of the 2024 meetings, the Commission will continue to identify implementation strategies that support the above priorities, with a specific focus on the review of recommend updates to the current parent copayment schedule, parental work requirements, and attendance expectations, as required by the Virginia General Assembly as well as on innovative approaches and solutions for early childhood capital needs.

Achieving these goals will require the ongoing collaboration of key stakeholders, including families, businesses, philanthropy, community leaders, and government agencies. The Commission recommends that these key principles and strategies continue to inform the development of policy and practical solutions in the coming year. Doing so will strengthen Virginia’s best-in-class early childhood system and support the Commonwealth’s position as the best state to live, work and raise a family.

Chapter 1: Overview of the Commission on Early Childhood Care and Education

The Commission on Early Childhood Care and Education (Chapter 8 [§ 2.2-208.1](#) of the *Code of Virginia*) was established in 2023 for the purpose of providing recommendations and for tracking progress on the financing of a comprehensive birth-to-five early childhood care and education (ECCE) system. The [Commission](#) is comprised of Virginia legislators and representatives of business, economic development, local government, school divisions, parents and early care and education programs, as outlined in the *Code of Virginia*.

The Commission is charged with providing recommendations and with the following duties:

1. Expand access to and the quality of child care statewide;
2. Analyze existing and potential new financing opportunities, with a focus on data-driven outcomes;
3. Retain, grow, and strengthen the quality of the ECCE workforce;
4. Gather and study information and data to accomplish its purposes;
5. Gather and analyze data on current and projected availability, quality, cost, and affordability of ECCE services; determine needs and priorities; and develop funding recommendations focused on family choice, access, affordability, and quality;
6. Annually report on specific expenditures, outcomes, and impact, including children served, demographics, child-level assessments, classroom-level assessment data, educator turnover and retention, and parental employment;
7. Support the development of an integrated early childhood longitudinal data process to capture and link access, quality, and educator data with child outcomes, and facilitate the integration of this data with other longitudinal data systems; and
8. Monitor and support ongoing research and evaluation conducted by Virginia Department of Education (VDOE), University of Virginia (UVA), and Virginia Early Childhood Foundation (VECF), and any other high education or research institutes deemed relevant, to continuously improve ECCE quality.

The legislation charges the Virginia Early Childhood Foundation (VECF) with facilitation of the Commission's work under the direction of the Secretary of Education or designee. This planning is completed with the guidance of a steering committee that includes the Secretary of Education, Secretary of Labor, one legislative member, one executive-level representative of the private business sector, one representative of the Virginia Early Childhood Foundation, and one parent or guardian of a child who is age-eligible or was recently age-eligible to participate in ECCE in the Commonwealth. The Commission must meet at least four times a year at the call of the chairman or whenever the majority of members so request.

Chapter 2: Impact of the Commission Recommendations on the 2024 General Assembly

Insights, strategies and recommendations from the Commission’s 2023 meetings and Annual Report (*Appendix D*) informed several key budget and legislative priorities during the 2024 General Assembly.

- Governor Glenn Youngkin’s proposed biennial budget for state fiscal years (FY) 2025 and 2026 included a commitment to sustain and support Virginia’s ECCE system. Through his initiative, *Building Blocks for Virginia Families*, Governor Youngkin began the 2024 Legislative Session with a proposed state budget that reflected a commitment to sustain access to care for families by using state general funds (SGF) to address the expiring federal COVID relief funding. The Governor’s proposal also included several innovative workforce proposals, including capital incentives, a digital wallet, and an investment in the RecognizeB5 program.
- The final FY2025-2026 Virginia Biennial Budget (Virginia Appropriation Act, 2024 Special Session I) includes over \$1.1 billion in investments in ECCE slots for low- to moderate-income families over the biennium. This includes:
 - Appropriating \$366 million of SFG in FY25 and \$461 million in SGF in FY26 to support the Child Care Subsidy Program (CCSP), Mixed Delivery, and the Virginia Preschool Initiative.
 - Maintaining the FY24 CCSP parent co-pay rates, and requirements for work and job search, now extending these requirements to the Mixed Delivery program.
 - Increasing funding for RecognizeB5 to \$20 million in SGF for FY25.
 - Appropriating \$1 million to Reynolds Community College to establish a child care facility for the benefit of state employees in Richmond, with a requirement to report by November 1, 2024, the status of the center and by November 1, 2025, recommendations on how additional state resources may be beneficial to assist in retrofitting spaces on community college campuses in the future.
- The 2024 Virginia General Assembly Session included many legislative efforts aimed at supporting ECCE, including several that were directly recommended by the Commission, including flexibility with hiring educators and address zoning barriers. Several key pieces of legislation were approved by the General Assembly, with others tabled for the 2025 legislation session. A complete list of legislative efforts related to ECCE from the 2024 Virginia General Assembly Session can be found in *Appendix A* along with relevant private-sector innovations.

In 2023, the Commission identified eight key priorities for Virginia. These priorities included: 1) Build on strong fundamentals, 2) Explore public-private funding mechanisms, 3) Apply innovative business sector approaches, 4) Streamline regulation, 5) Address workforce challenges, 6) Use family demand and choice to drive funding, 7) Recognize early childhood as essential economic

development, and 8) Ensure data-driven decision making. Through the 2024 Commission meetings, members identified areas where significant progress was made during the 2024 Legislative Session:

- Successes in building on fundamentals and sustaining access: The historic state investment of over \$1.1 billion dollars in the 2024 Virginia Biennial Budget is a key success. This funding supports the most fundamental goal of Virginia’s ECCE system by providing access to high-quality care for working families in low- to moderate-income households.
- Supporting family choice and demand: Virginia’s goal of supporting parent choice and measuring demand has now been codified, with a requirement for ECCE programs to report on waitlists and the ability to reallocate dollars to match family preferences. This success will inform future state funding and reflect parent preferences.
- Expanding the role of businesses and the public-private system: New innovative strategies are being piloted, with the goal of demonstrating the important role of business in supporting a strong public-private early childhood system. Innovations such as the digital wallet, Shovel Ready Virginia, and the cost-sharing pilot are embracing the important role of businesses in a strong ECCE system.
- Regulations and workforce challenges: The 2024 Virginia Legislative Session included several wins in reducing burdensome regulations and maintaining supports for the workforce. This included the passing of legislation that allows additional flexibility for provisionally hiring new teachers, empowers localities to reduce zoning and regulatory barriers, and exempts certain providers from redundant licensure. The Virginia State Budget committed to sustaining one year of the RecognizeB5 program as a support for early childhood workforce wages.
- Focusing on driven decision making: Virginia is now using a best-in-class early childhood data system, LinkB5, to launch the new VQB5 family-friendly website. This is a critical step towards ensuring all families have access to the data and information they need to make the best choice for them and support the strength of the public-private ECCE system.

More details on the eight key priorities and the subsequent accomplishments can be found in *Appendix B*.

Chapter 3: Additional Charges for the Commission on ECCE

In response to the establishment and influence of the Commission, the General Assembly assigned new responsibilities for this body for FY25. This means that the Commission will produce updated findings and recommendations by October 1 (this report) as well as an additional report, described below, that will be submitted by December 1.

- *Follow Up on Legislative Proposals* – As documented in the Appendices, there were ECCE-related legislative proposals, including several that have fiscal impact, that were not passed into law in 2024. However, due to continued interest, the Chair of the House Appropriations Committee formally requested via letter that these proposals be reviewed by the Commission. See *Appendix E* for details. In response, the Commission agreed to establish three informal study groups that will analyze the proposal, review practices in other states and bring to the full Commission for deliberation and reporting on relevant recommendations for future action, fiscal and policy implications, and prioritization in a report by October 1.
- *December Legislative Report* - In addition to providing sustaining funding for ECCE, the FY2025-2026 Virginia State Budget charges the Commission with a new one-time requirement to review and recommend updates to the current parent copayment schedule, parental work requirements, and attendance expectations applicable to the Child Care Subsidy Program and Mixed Delivery Grant Program as part of their 2024-2025 objectives (full description in Virginia Appropriation Act, 2024 Special Session I, [Item 125.1.H](#)). This review will result in recommendations and a formal report to Governor and the Chairmen of the House Committee on Appropriations, the Senate Committee on Finance and Appropriations, the House Committee on Commerce and Energy, the Senate Committee on Commerce and Labor, the House Committee on Education, and the Senate Committee on Education and Health, due no later than December 1, 2024. The Commission will establish an informal study group to review the required information and developing such recommendations.

Altogether, these additional responsibilities mean that the Commission will utilize four informal study groups to examine and consider the proposals and put forward findings and recommendations. Each study group included at least one legislative member, staff from VDOE and VECF, and represented different sectors and geographies.

Chapter 4: Summary of Commission’s Recent Efforts in 2024

The Commission scheduled five meetings in 2024, with [three meetings](#) taking place ahead of this Annual Report.

- **July 22, 2024, Meeting:** Members reviewed the Commission’s guiding principles and eight strategic priorities established during the Commission’s 2023 meetings.
 - The VDOE provided a presentation summarizing the progress made since the Commission’s last meeting towards the Commission’s identified strategic goals for Virginia, including the key accomplishments within Governor Youngkin’s *Building Blocks for Virginia Families* initiative.
 - VECF presented a chart summarizing key early childhood activities in the 2023 Virginia General Assembly Session (*Appendix B*).
 - Commission members heard perspectives from the business representatives of the group and reviewed new Virginia-based ECCE research and data to inform evolving work.
 - Delegate Carrie Coyner, Chair, facilitated member discussions to identify areas of the most significant accomplishments thus far, most critical remaining gaps, and the key priorities for the future work of the Commission.
 - Delegate David Bulova provided an update to the Commission on new legislative responsibilities for 2024 meetings, including a summary of the three 2024 Virginia General Assembly bills that have been referred to the Commission for review and recommendation, as well as a new budget requirement to review and recommend updates to the current parent copayment schedule, parental work requirements, and attendance expectations for the Child Care Subsidy Program and Mixed Delivery through a legislative report due December 1. To support these additional responsibilities, the Commission formed four informal study groups, which agreed to meet independent from the full Commission and report a summary of discussion at future meetings. Detail on workgroups is included in *Appendix C*.
 - Study Group 1 – House Bill 372 (2024), Child Care Substitute Employee Pool Grant Fund
 - Study Group 2 – House Bill 408 (2024), Child Care Subsidy Payments Based on Enrollment
 - Study Group 3 – House Bill 627 (2024), Expanding Child Care Subsidy Eligibility to Child Care Employees
 - Study Group 4 – 2024 Virginia State Budget Language on Additional Reporting Requirements
- **August 19, 2024, Meeting:** Members convened to hear a presentation related to cost modeling and cost implications as well as hear a summary report out from Study Groups 2 (HB408 from 2024) and 3 (HB627 from 2024).
 - Simon Workman from Prenatal to Five Strategies presented on cost modeling and cost implications for some of the Commission on ECCE’s identified priorities. The presentation presented multiple models that highlighted the impact of family copay contributions and the forecasted expenses associated with expanding access to additional families.
 - Elliot Regenstein from Foresight Law and Policy facilitated member discussions related to the models presented and collected insights from members on key takeaway and priorities for Virginia’s system.

- Delegate Mike Cherry provided a report on the work of Study Group 2, House Bill 408 (2024), Child Care Subsidy Payments Based on Enrollment.
 - Delegate Cherry noted that the group discussed that new 2024 federal rules require a change from payments based on attendance to enrollment, however, VDOE has asked for a two-year waiver to facilitate implementation, with a projected implementation date of July 1, 2026. He added that Virginia is currently working to replace its attendance tracking software and cannot move further until this is in place.
 - The bill articulates a shift to basing reimbursement on enrollment of children by their families (which mirrors other services including K-12 public school systems where there is ongoing cost to the provider – whether a school or child care program – for delivering the services including personnel costs whether a child is absent or present) rather than on the day-to-day attendance by children as measured via parents’ use of swipe cards at the point of service.
 - The group discussed the importance of making sure that a move from attendance to enrollment basis for payment did not have an unintended negative consequence of reducing families’ incentive to ensure robust attendance. This led to rich discussion about the perils of chronic absenteeism, which is a significant issue in K-12, and ensuring that families are truly taking advantage of available capacity if future considerations of a pay by enrollment system are in place. See *Appendix E for Chronic Absenteeism Data in Kindergarten – Second Grade* shared with the Commission.
 - The Commission met in small groups to discuss the Study Group 2 findings, including ideas for ways to consider not only implementing a more stabilizing payment mechanism but also encouraging and incentivizing regular attendance. This is especially important when there are waitlists, meaning that there are eligible families and children who want to attend regularly and cannot. In summary discussions, members noted the fact that early childhood attendance is often predictive of attendance in later grades, and it is important to work with families to build good habits early.
 - Questions were raised on DSS role with parents who are receiving benefits but children are not attending child care settings frequently or consistently. More needs to be studied on whether and when a family should lose their slot due to poor attendance and re-allocated to a family willing to regularly attend and use their full day, full year slot.
 - Given the current state of implementation, some Commission members thought that 2025 might be a year to study the issue further to support the General Assembly with recommendations for action and implementation of the new requirement in 2026.
- Senator Ebbin provided a report on the work of Study Group 3 – House Bill 627 (2024), Expanding Child Care Subsidy Eligibility to Child Care Employees.
 - Senator Ebbin summarized the study group’s discussion and their review of approaches that other states have taken to pilot similar programs, noting - importantly – that the funding utilized in other states was temporary and not sustainable.
 - Senator Ebbin summarized the group’s concerns that this approach may have the unintended consequence of subsidizing households with higher incomes than

- other eligible households, putting high need working families on to waitlists.
 - The bill articulates a shift to making all child care educators eligible for the Child Care Subsidy Program, regardless of household income. Several thousand child care educators and staff already participate in the Child Care Subsidy Program so this bill would expand eligibility to cover all child care staff – regardless of household family income - and would require use of state funding as federal regulations limit income eligibility.
 - The Commission met in small groups to discuss the Study Group 3 findings. Members recognized that ECCE workforce vacancies and stability are a critical challenge but also identified concerns that this strategy may not be effective or fair as an ECCE workforce recruitment and retention strategy for the broader early education workforce that includes employees without young children.
 - Commission members acknowledged the risk that if in place, other industries and professions may also seek the categorical eligibility.
 - Members suggested that the group continue to study the impact of similar programs in other states to see if the desired goals are achieved over time before implementing or piloting in Virginia.
- September 11, 2024, Meeting: Members convened to review up-to-date reporting and information on Virginia’s ECCE programs and family demand, as well as hear reporting from Study Group 1 (HB372 of 2024) and Study Group 4 (2024 budget).
 - Dr. Lisa Coons, State Superintendent of Public Instruction, and Jenna Conway, Deputy Superintendent, provided a presentation at the request of Chair Delegate Carrie Coyner and member Delegate David Bulova on parental preference and waitlists for Virginia’s ECCE programs as of September 1, 2024. The presentation included an overview of how the Virginia budget and law shifts impact ECCE slot allocation and availability, review of the current program enrollment and family demand as measured by wait lists for each program. The presentation reviewed the methods used for enrollment and slot allocations for each publicly-funded program and highlighted the evolving nature of current measures of program demand.
 - Elliot Regenstien facilitated questions from members for Dr. Coons and Ms. Conway, followed by responses to the presentation from a panel including a parent, provider, community leader, and elected official. Each panelist shared how the current waitlists have impacted their position or day-to-day operations.
 - Commission members met in small groups to discuss implications related to the data presented by Dr. Coons and reported out in a full group discussion; members identified additional information and data needed to inform the recommendations from the Commission, with plans to continue the discussion in future meetings. Members discussed multiple ways to address parental demand, including considering increasing family copayments to the federal benchmark of 7%, limiting the time that families can search for work and hold a slot, exploring public-private innovations in which employers and/or local government plays a larger role, reducing regulations to make it easier for a provider to offer ECCE, and addressing supply constraints.
 - Delegate David Bulova provided a report out on Study Group 1, Child Care Substitute Employee Pool Grant Fund - House Bill 372 (2024).
 - Delegate Bulova summarized the groups conversations, stating that while the group conversations acknowledged the systemic issues related to child care

staffing, the study group was not certain that a child care substitute pool would be the best use of resources given the broad scale of ECCE workforce challenges. The study group was interested in solutions that could build the capacity of providers to support adequate staffing and minimize the need for substitutes.

- Delegate Bulova further shared that the study group had recommended that locally led initiatives and statewide technical assistance on business practices may be alternative approaches to address the problem of identifying appropriate child care substitute staffing.
- The Commission met in small groups to discuss the Study Group 1 findings. Commission members agreed that given limited resources, a child care substitute pool is not a recommended priority at this time. Instead, several of the Commission small groups discussed alternative approaches to assist child care centers in supporting the appropriate staffing levels that allow for substitute solutions and promote continuity of care, as well as encourage locally generated solutions to support substitute staffing challenges.
- Elliot Regenstein provided a summary of Study Group 4 on behalf of Delegate Ellen Campbell, who was unable to attend. Study Group 4 has been charged with reviewing the 2024 Virginia State Budget Language which outlined additional reporting requirements for the Commission. The group is conducting specific study on future recommendations related to the copayment schedules, parental work requirements and attendance expectations for the Child Care Subsidy and Mixed Delivery programs. Study Group 4 has met twice to discuss parent copayments and parental work requirements and will meet again to discuss attendance expectations in advance of the October 9 Commission Meeting.
 - Regarding the group discussion on parent copayments, Study Group 4 has discussed the potential to increase copayments from the current average of 2% to be closer to the federal cap of 7% identified in Child Care Development Fund federal rule. While the group identified this as a feasible approach to consider, they were clear that if copayments are increased, it will be critical that structures are in place to ensure that any retained funds are used to reinvest in early childhood and provide access to more eligible working families.
 - Regarding the group discussion on parental work requirements, Study Group 4 recommended four parameters which they shared with the Commission:
 - 1) Define a period of time for which families must engage in qualifying activities,
 - 2) Provide enough flexibility to allow for unique family circumstances,
 - 3) Minimize disruption in care to children and families, and
 - 4) Serve as many families as possible.
 - The Commission members met in small groups to discuss the initial report out from Study Group 4. Members agreed that more consideration should be given to the parent copayment rates and the idea of adjusting them upwards to the federal benchmark (7%), while also identifying additional data that may be needed to understand the potential impact from this.
 - Members shared their considerations of parental work requirements, with a focus on maximizing funds, recognizing the value of a slot when there was so much demand, serving working families in greatest need while balancing the

- need for continuity of care and identifying those families most in need.
- Finally, several small groups mentioned the importance of including attendance requirements as a component of these recommendations, which will be further discussed at future meetings.
- Commission members were asked to review strategic priorities identified by the group in 2023 (*detailed below*). Members completed an independent reflection on the top priorities that have been themes throughout 2024 meetings, with an opportunity to rank order of priorities and identify key actions that would result in progress this year. While no one priority was the top interest to all members, it was clear from the ranking and identification of priorities that these goals remain relevant to Commission members.

The Commission on ECCE has two additional meetings scheduled for 2024 on October 9 and November 1. These remaining meetings will be used to inform and finalize the recommendations that will be included in the December 1 Commission on ECCE Report related to parent copayments, parental work requirements, and attendance expectations.

Chapter 5: Conclusion

Virginia has made significant progress toward building a best-in-class, public-private early learning system focused on meeting parent demand. However, there remains much work to do to build a sustainable early childhood system that meets the need of parents and families in all areas of the state. The strategies identified in this report outline critical next steps for the Commonwealth to take in 2024-2025. These actions will continue to establish Virginia as a national model in early childhood, prioritizing the needs of families and children at the core of the system.

Achieving these goals will require the ongoing collaboration of key stakeholders, including businesses, philanthropy, community leaders, families, and government agencies. The Commission recommends that these key principles and strategies continue to inform the development of policy and practical solutions in the coming year. Doing so will strengthen Virginia's best-in-class early childhood system and support the Commonwealth's position as the best state to live, work and raise a family.

Appendix A – Legislation Related to ECCE from the 2024 General Assembly

Legislation Related to ECCE – Approved in 2024 Session:

- [SB54/HB419 \(2024\)](#) directs VDOE to annually report on the projected amount of state general funds needed to sustain current levels of enrollment, meet family demand by eliminating wait lists, and expand access based on a growth rate for the upcoming two fiscal years. Funding projections are to assume appropriate cost-of-quality methodologies and will be used to inform state general funds for direct services to address family demand and preferences. The bill also gives VDOE the authority to reallocate funding across programs after initial Fall enrollment based on family preferences. Signed by Governor and effective July 1, 2024.
- [HB281/SB13 \(2024\)](#) permits localities to waive zoning permit requirements for the operation of child care programs in office buildings, making it easier for employers to offer on-site child care. Signed by Governor and effective July 1, 2024.
- [HB508 \(2024\)](#) requires upon request, the VDOE to provide written certification that prove individual staff members of a child day program satisfy requirements of the law, stating the date of a new background check, no certification will reveal the nature of disqualifying barrier crimes, and these written certifications may be shared among child day programs to create and maintain a program substitute staff pool system. Signed by the Governor and effective July 1, 2024.
- [HB739/SB702 \(2024\)](#) exempts child care service providers serving the children of military personnel or on a base from duplicative licensure provided that the service is certified by a branch of the Armed Forces. Signed by the Governor and effective July 1, 2024.
- [HB1024 \(2024\)](#) requires the VDOE to review its Virginia Preservice Training for Child Care Staff course for appropriateness based on the age range of children served by staff who are required to complete such course and to consider excluding portions of such course that are solely relevant to providing care for students in a certain age range for students in a certain age range for staff whose duties do not include the care of children in such age range. Signed by the Governor and effective July 1, 2024.
- [HB1277 \(2024\)](#) allows prospective employees to begin working for child care centers and family day homes pending the results of their full background check. Signed by the Governor and effective July 1, 2024.
- [HB407 \(2024\)](#) provides that any family that receives public assistance through Medicaid or the Special Supplemental Nutrition Program for Women, Infants, and Children shall be deemed to categorically satisfy income eligibility requirements to receive assistance through the Child Care Subsidy Program. Signed by Governor and effective July 1, 2024.
- [HB472 \(2024\)](#) repeals the requirement that the Department of Social Services (i) identify strategies for Virginia to obtain the maximum amount of federal funds available for child care services for Temporary Assistance for Needy Families Program recipients and families whose incomes are at or below 185 percent of the federal poverty level and (ii) provide an annual report on these strategies to the Chairmen of the House Committees on Appropriations and on Health, Welfare and Institutions and the Senate Committees on Finance and Appropriations and on Rehabilitation and Social Services. Signed by the Governor and effective July 1, 2024.
- [HB358 \(2024\)](#) requires the Department of Education to update its Voluntary Registration Health and Safety Checklist for any voluntarily registered family day home to include safe sleep practices. Signed by the Governor and effective July 1, 2024.

Legislation Related to ECCE – Not Passed in 2025, Referred for Future Consideration:

- [HB408 \(2024\)](#) requires the Department of Education to periodically reimburse child care providers that are vendors through the Child Care Subsidy Program on the basis of authorized child enrollment. ***Continued to 2025 and referred to the ECCE Commission.***
- [HB372 \(2024\)](#) requires the Department of Education (if funds are appropriated) to establish and administer the Child Care Implementation and Substitute Employee Pool Grant Program whereby

any existing child day program provider or group of such providers may apply for a grant, on a competitive basis, for the establishment of a substitute employee pool or prospective child day program may apply for a grant, on a competitive basis, to cover costs associated with implementing such program. ***Continued to 2025 and referred to ECCE Commission.***

- [HB627 \(2024\)](#) requires the Child Care Subsidy Program, established pursuant to applicable regulations, to be expanded to assist employees of any licensed child care provider in the Commonwealth with the costs of child care by providing any such employee who meets the eligibility criteria set forth in the bill child care at no cost to and with no copayment required of such employee. ***Continued to 2025 and referred to ECCE Commission.***
- [SB170 \(2024\)](#) exempts from licensure any out-of-school time program that (i) serves only school-age children; (ii) operates primarily after or before regular school hours, during the summer, or at times when school is not normally in session; (iii) is offered for the purpose of promoting expanded childhood learning and enrichment, child and youth development, or educational, recreational, or character-building activities; and (iv) receives and maintains Board of Education certification to operate without a license. Continued to 2025.
- [HB535 \(2024\)](#) requires the Division of Early Childhood Care and Education of the Department of Education, in consultation with the Virginia Early Childhood Foundation and such other stakeholders as it deems appropriate, to (i) conduct a comprehensive review of the findings and recommendations contained in the 2017 report of the Joint Legislative Audit and Review Commission, *Improving Virginia's Early Childhood Development Programs*, to determine what barriers, gaps, and deficiencies continue to exist in the provision of high-quality early childhood education and care in the Commonwealth. Continued to 2025.

Appendix B: 2023 Goals and Priorities for the Commission on ECCE: Recent Progress in VA

Key	
Private Sector Contributions	Text is purple
Legislation or budget language continued or not passed	*Text is italicized

Key Strategy	2023 Commission Recommendation	Recent Achievement
Build on Strong Fundamentals	Leverage the strong fundamentals of Virginia’s existing ECCE system that have been recognized by national experts	<ul style="list-style-type: none"> Virginia has completed its first full year of VQB5, the statewide measurement and improvement system, with nearly 30,000 observations and other key data for 3,400 sites entered into LinkB5. The online portal for families will launch Fall 2024. Ready Regions is Virginia’s regional early childhood network, with lead agencies responsible for communication, coordination, integration of early childhood services and resources and prioritizing families’ access to high-quality early childhood care and education (ECCE) services.
	Continue to maximize funding and match slots to family demand, recognizing which options are oversubscribed and which are undersubscribed.	<ul style="list-style-type: none"> SB54/HB419 ensures and maximizes sustainable, stable funding that is responsive to parent choice, requiring the VDOE to report funding needs based on cost-of-quality formula to match slots to parent demand and eliminate waitlists. <i>Introduced bill language included creation of a nonreverting fund which was removed from final version.</i> Signed by Governor and effective July 1, 2024. The FY25-26 Biennial Budget funds slots for all state-administered ECCE programs (VPI, CCSP, and MD) based on current parent demand using cost-of-quality methodologies. Signed by Governor and effective July 1, 2024. FY25-26 Biennial Budget prioritized publicly funded programs in private settings, which have experienced the most significant growth in family demand in recent years.¹
	Continue to target funding towards those in most need, with a focus on underserved communities, and align eligibility.	<ul style="list-style-type: none"> All budget investments continue to be targeted towards those in greatest need. FY25-26 Biennial Budget aligns eligibility between CCSP² and MD³ while allowing for regional flexibility for MD and prioritizing services for families working toward self-sufficiency.
	Develop commitment with business community on their unique role in providing innovative solutions to workforce needs that include child care models and permissive funding mechanisms to support quality early learning child care for its employees.	<ul style="list-style-type: none"> VECF, partnering with VDOE, is piloting a cost-sharing model via Mixed Delivery in 1-2 Ready Regions with innovative employers in FY25. Employers and parents will contribute a significant portion of costs to ECCE sites and the state will make up the difference. In FY25, VECF will begin the Child Care Supply Building Pilot, which will place a liaison in local/regional chambers of commerce/EDAs in up to two Ready Regions. This pilot will be dedicated to building childcare supply. The liaison and lead organization will work with the Ready Region lead agency, leveraging deep knowledge of the ECCE landscape and connections to families and providers. *HB1216 (2024) allows an employer to pay on the behalf of their employees for child care, with the incentive of matching funds. Priority is given to small businesses. Passed in House, Left in Senate Finance and Appropriations.

Key Strategy	2023 Commission Recommendation	Recent Achievement
Build on Strong Fundamentals	Establish a toolbox of existing innovative models, approaches, and resources to support access and opportunities for families.	<ul style="list-style-type: none"> • Each Ready Region, with public funding, employs at least one full-time equivalent (FTE) to support family engagement and one FTE to focus on coordinated enrollment strategies. • VECF/Ready Regions continue to pilot and expand an online platform (BridgeCare) streamlining family awareness of ECCE options available to them and supporting them to apply. Currently in 3 Ready Regions with plans to scale statewide by FY27. • <i>*VDOE is developing a pilot for “digital wallet” technology platform to make it easier for families, businesses, philanthropy and local government to contribute towards the cost of quality child care. The Governor’s introduced budget included \$1,000,000 to pilot a digital wallet but funding was not included in final budget.</i>
	Provide regulatory and local code options that allow for flexibility in physical capacity.	<ul style="list-style-type: none"> • FY25-26 Biennial Budget under Budget Item 125.10.G includes ratio flexibility for licensed and subsidy-participating centers. This flexibility will also be codified into regulation via proposed changes to the Standards for Licensed Child Day Centers. • HB281/SB13 (2024) permits localities to waive zoning permit requirements for the operation of child care programs in office buildings, making it easier for employers to offer on-site child care. Signed by Governor and effective July 1, 2024. • <i>*HB805/SB14 (2024) authorizes all counties and cities to impose an additional local sales and use tax at a rate not to exceed one percent with the revenue used only for capital projects for the construction or renovation of schools if such levy is approved in a voter referendum. Passed House and Senate. Vetoed by Governor.</i>
Explore Public-Private Funding Mechanisms	Encourage businesses to provide dependent care accounts, child care scholarship and other incentives to build partnerships in funding early learning child care for employees	<ul style="list-style-type: none"> • VECF Cost-Sharing Pilot in partnership with VDOE • Virginia Business Roundtable for Early Education (VBREE) was launched in FY24 by VECF with the support of the VA Chamber, GO VA, and VEDA, comprised of executives in business/employers, local and regional chambers, and EDAs representing all RRs in Virginia. • <i>*HB1216 (2024)</i> • <i>*VDOE Digital Wallet</i>
	Create innovative ECCE models that empower businesses to lead in developing child care solutions that address the unique needs of their employees. (e.g., Ballad Health model in southwest Virginia or VCU health system in central Virginia)	<ul style="list-style-type: none"> • VA continues to make progress on public-private innovations where local/regional businesses play a key role in developing child care solutions that address employees’ needs. • VECF Child Care Supply Building Pilot • Budget Item #103U allocates \$1,000,000 from the general fund to enter a Memorandum of Understanding with Reynolds Community College to establish a child care facility for the benefit of state employees near the seat of the state government in Richmond, VA. <i>*This was included in the Governor’s introduced budget as \$25,000,000, to increase the supply of quality of early learning spaces in early childcare and early learning deserts.</i>
	Continue to convene stakeholder groups to scale and replicate successful business partnerships	<ul style="list-style-type: none"> • Virginia Business Roundtable for Early Education (VBREE) • Shovel Ready Virginia Task Force: Convened by the Virginia Business Roundtable for Early Education in FY25, this task force of business, workforce & economic development, and philanthropic executives

Key Strategy	2023 Commission Recommendation	Recent Achievement
	that help generate start up and sustain funding for early childhood efforts.	across Virginia will focus on building the supply of high-quality ECCE services and workforce. By using private sector ingenuity, supporting entrepreneurialism, and driving innovative solutions, the Shovel Ready Task Force aims to resolve longstanding challenges that have limited the supply of quality affordable child care for many families.
Apply Innovative Business Sector Approaches	Establish integrated funding model that allows all stakeholders to incorporate funds into child’s account	<ul style="list-style-type: none"> • VECF Cost-Sharing Pilot in partnership with VDOE • *HB1216 (2024) • *<i>VDOE Digital Wallet</i>
	Provide incentives for businesses that develop onsite child care or other innovative partnerships.	<ul style="list-style-type: none"> • VECF Cost-Sharing Pilot in partnership with VDOE
	Research benefits models (e.g., realtor’s law) that allow small business to pool resources to develop competitive benefits for workforce.	<ul style="list-style-type: none"> • Ongoing research and exploration of programs like WiseChoice Healthcare Alliance, an employer-based group insurance to members of affiliated local associations conducted by Virginia Chamber of Commerce in partnership with Anthem, and Virginia Shared Services Network, a program from Child Care Aware of Virginia to assist in supporting and strengthening the quality of early learning settings and to improve financial stability.
	Develop state tax incentives for businesses who are engaging in innovative early childhood care and education models.	<ul style="list-style-type: none"> • Exploration of policy approaches underway.
Streamline Regulation	Increase regulatory freedom while employing commonsense quality controls.	<ul style="list-style-type: none"> • HB508 (2024) requires upon request, the VDOE to provide written certification that prove individual staff members of a child day program satisfy requirements of the law, stating the date of a new background check, no certification will reveal the nature of disqualifying barrier crimes, and these written certifications may be shared among child day programs to create and maintain a program substitute staff pool system. Signed by the Governor and effective July 1, 2024. • HB739/SB702 (2024) exempts child care service providers serving the children of military personnel or on a base from duplicative licensure provided that the service is certified by a branch of the Armed Forces. Signed by the Governor and effective July 1, 2024. • HB1024 (2024) requires the VDOE to review its Virginia Preservice Training for Child Care Staff course for appropriateness based on the age range of children served by staff who are required to complete such course and to consider excluding portions of such course that are solely relevant to providing care for students in a certain age range for students in a certain age range for staff whose duties do not include the care of children in such age range. Signed by the Governor and effective July 1, 2024. • *HB222/SB74 (2024) fully exempts child day care centers operated by religious institutions from licensure given that the institution qualifies as a nonprofit under the tax exemption § 501(c) or owns

Key Strategy	2023 Commission Recommendation	Recent Achievement
	<p>Make it easier to open early childhood options in dual-purpose settings, including in homes, churches, and other community settings.</p> <p>Ensure consistent regulatory expectations in all localities of the Commonwealth.</p> <p>Provide regulatory clarity and reduce red tape barriers for early learning providers who want to take public funds.</p> <p>Reduce timelines for employee background checks.</p>	<p><i>property exempt from local taxation, still preserving requirements for background checks and prohibiting individuals convicted of barrier crimes from employment at such centers. Laid on the table.</i></p> <ul style="list-style-type: none"> • SB69 (2022) allows for a rental agreement to contain provisions allowing for a tenant to operate properly licensed and authorized child care services. • HB281/SB13 (2024) • Exploration of policy approaches underway. • VDOE has established a system of Navigators, state staff who work closely with private providers to help them become licensed, registered and participate in Child Care Subsidy Program (CCSP). • Nearly 3,000 private child care and family day home providers are now participating in the CCSP or Mixed Delivery, representing the highest level ever of public-private participation. • HB1277 (2024) allows prospective employees to begin working for child care centers and family day homes pending the results of their full background check. Signed by the Governor and effective July 1, 2024.
Address Workforce Challenges	<p>Pursue benefits package flexibility to provide health care, retirement, and/or other benefits to the early childhood workforce.</p> <p>Provide business incentives to companies offering innovative benefits packages.</p> <p>Create professional development ladders that allow early childhood educators to earn more as they develop expertise in building quality learning experiences.</p>	<ul style="list-style-type: none"> • <i>*HB627 (2024) expands the Child Care Subsidy Program to assist employees of any licensed child care provider with the costs of child care given that they meet the eligibility criteria set forth, with no cost nor copay required. Continued to 2025 and referred to ECCE Commission.</i> • VECF Cost-Sharing Pilot in partnership with VDOE • FastTrack recruits new talent into the early education workforce, building the child care supply by offering compensation and competitive wages, introductory and accelerated preservice training, and retention and ongoing professional development.
	<p>Incentivize innovative staffing structures that enable private providers to maximize available funds.</p>	<ul style="list-style-type: none"> • RecognizeB5 provided more than \$43 million to ~17,000 child care and family day home educators to address teacher shortages and help retain talent. Biennial Budget provides \$20 million in state general funds for family child care and child care educators via RecognizeB5. • Biennial Budget Item 125.10, and SB54/HB419 each assume that cost-of-quality methodologies are used to set rate for private providers for CCSP, Mixed Delivery and the Community-Provider Add-On for the Virginia Preschool Initiative. This approach assumes competitive compensation but provides maximum

Key Strategy	2023 Commission Recommendation	Recent Achievement
Address Workforce Challenges		<p>flexibility to private providers as they determine how to maximize funds to attract and retain talent. <i>Language in bill introduction included a nonreverting fund which did not pass.</i> Signed by Governor and effective July 1, 2024.</p> <ul style="list-style-type: none"> Ratio Flexibility Waiver under Budget Item 125.10.G
	Continue to scale innovative efforts for fast-tracking educator preparation, leveraging apprenticeships, and retaining top talent.	<ul style="list-style-type: none"> FastTrack The Get Skilled, Get a Job, Give Back Program (G3) is allotted \$34,500,000 for the first year and another \$34,500,000 second year from the general fund by Budget Item 201.D.1. G3 is a tuition assistance program for any Virginia resident who qualifies for in-state financial aid and whose family income falls below an identified threshold, specified for Virginia’s most in-demand industries, including Early Childhood Education. Budget Item 124 S.2 provides \$1,000,000 the 1st year and another \$1,000,000 for the 2nd year to operate the scholarship program, Project Pathfinders, to increase the skills of Virginia’s ECCE workforce. Funding is provided to ECCE professionals looking to receive credentials within the ECCE field and prioritizes individuals already employed in ECCE, particularly those working with at-risk students. The Virginia Child Care Provider Scholarship Program is available for childcare educators working towards a certificate or associate degree, as well as any equivalents, in early childhood development, supporting increased education for early childhood educators by awarding college scholarships for undergraduate courses at Virginia Community Colleges that focus on the care and education of young children. Registered Apprenticeship is a workforce training model that is a structured, intentional professional development pathway with mentorship, combining supervised on-the-job training with related instruction at no cost to employers. Fast Forward is a short-term workforce training program run by Virginia’s Community Colleges which helps Virginians earn industry credentials and certifications for the most in-demand jobs across the Commonwealth, with a potential pathway for Early Childhood Educators. *HB627 (2024)
	Establish substitute pools to address temporary staffing shortages that disrupt children’s learning and parents’ work.	<ul style="list-style-type: none"> HB508 (2024) *HB372 (2024) requires the Department of Education (if funds are appropriated) to establish and administer the Child Care Implementation and Substitute Employee Pool Grant Program whereby any existing child day program provider or group of such providers may apply for a grant, on a competitive basis, for the establishment of a substitute employee pool or prospective child day program may apply for a grant, on a competitive basis, to cover costs associated with implementing such program. Continued to 2025 and referred to ECCE Commission.
Use Family Demand and	Ensure sustainable and stable growth of the public-private system by codifying family	<ul style="list-style-type: none"> SB54/HB419 directs VDOE to annually report on the projected amount of state general funds needed to sustain current levels of enrollment, meet family demand by eliminating wait lists, and expand access based on a growth rate for the upcoming two fiscal years. Funding projections are to assume appropriate

Key Strategy	2023 Commission Recommendation	Recent Achievement
Choice to Drive Funding	demand-driven growth and choice into Virginia law. Develop flexible funding uses and eliminate regulatory burdens that prevent full family choice.	cost-of-quality methodologies and will be used to inform state general funds for direct services to address family demand and preferences. The bill also gives VDOE the authority to reallocate funding across programs after initial Fall enrollment based on family preferences. <i>Language in introduced bill included creation of a nonreverting fund which was removed from final version.</i> Signed by Governor and effective July 1, 2024. <ul style="list-style-type: none"> • Mixed Delivery increases family’s access to their choice for affordable, high-quality child care by providing public funding to private, community-based classrooms, supporting family choice in the type of private ECCE settings that best meet their needs.
	Explore a business-match model that would enable Virginia to expand impact of public funds	<ul style="list-style-type: none"> • VECF Cost-Sharing Pilot in partnership with VDOE • *HB1216 (2024)
	Ensure data systems provide clear and actionable information for family choice.	<ul style="list-style-type: none"> • LinkB5, the data system for VQB5, now contains data on 100% of publicly funded options (3,400 sites) which will be made available to families in Fall 2024, through VQB5 Quality Profiles enabling them to have a one-stop shop for information about the health, safety and learning quality of all early childhood options. • SB54/HB419 and the FY25-26 Biennial Budget include language obligating VDOE to work with state, regional, and local partners to manage wait lists for state-administered programs and track unmet need. Signed by Governor and effective July 1, 2024. • BridgeCare
	Allow for flexible spending accounts that enable family members and potentially businesses to pay into personal child care accounts (similar to college flex spending accounts).	<ul style="list-style-type: none"> • VECF Cost-Sharing Pilot in partnership with VDOE • *HB1216 (2024) • *VDOE Digital Wallet
Recognize Early Childhood as Essential Economic Development	Develop clear marketing strategies to leverage business interest in supporting workforce development.	<ul style="list-style-type: none"> • Virginia Business Roundtable for Early Education (VBREE) • FastTrack
	Utilize workforce development focus to leverage business interest and partnership in ECCE solutions.	<ul style="list-style-type: none"> • Shovel Ready Virginia Task Force

Key Strategy	2023 Commission Recommendation	Recent Achievement
	<p>Ensure that home-based care is also considered a quality early learning experience that provides options for young families to enter workforce.</p> <p>Ensure that small businesses have options in providing innovative early childhood solutions.</p>	<ul style="list-style-type: none"> • 16% increase in licensed family day homes participating as Child Care Subsidy Program vendors from start of FY23 to end of FY24. 752 family day homes participated in VQB5 this year, representing 25% of the sites in VQB5. • Virginia Alliance of Family Child Care Associations Strategic Plan: To ensure active engagement, representation, and leadership of family child care providers, private funds supported the development of a robust strategic transformation plan for the future of VAFCCA, enabling home-based care to thrive and remain accessible for families. • Exploration of options underway.
Ensure Data-Driven Decision Making	<p>Use best-in-class data to inform parents about their options when making early childhood care and education decisions.</p> <p>Provide online dashboards that demonstrate how funding follows the child according to parental preference.</p> <p>Build data analysis capacity at the local and regional level to ensure that all communities are supported to use their own data to inform decisions.</p> <p>Use data to build and scale strong early learning models across the Commonwealth</p>	<ul style="list-style-type: none"> • LinkB5 • VQB5 Quality Profiles • Coordinated Enrollment Strategies • Ready Regions Data Dashboards and ECCE Data Ecosystem Mapping to support acquiring and integrating data for dashboards to monitor the supply and demand of ECCE within each region and at the state level. • LinkB5 • VQB5 Quality Profiles • Ready Regions Data Dashboards and ECCE Data Ecosystem Mapping • BridgeCare • VDOE distributed 100+ data files to regional and local stakeholders in FY25. • Ready Regions Data Dashboards and ECCE Data Ecosystem Mapping • Ready Regions Data Dashboards and ECCE Data Ecosystem Mapping

^[1] [Child Care Development Fund \(CCDF\)](#) funding for FY2025 is \$390,569,399 and for FY2026 is \$424,884,041. [Mixed Delivery Grant Program \(MD\)](#) funding for FY2025 is \$38,837,720 and for FY2026 is \$38,837,720. [Virginia Preschool Initiative \(VPI\)](#) funding for FY2025: \$157,638,026, and for FY2026: \$156,352,996.

^[2] **Eligibility for [Child Care Subsidy Program \(CCSP\)](#)** includes Virginians whose income exceeds eligibility requirements for locality but is below the 85% state median income (SMI), is actively, employed or engaged in a job search, participating in an education or training program, receiving child protective services (CPS), participating in an assigned activity for the Virginia Initiative for Education and Work (VIEW), or participating in a Supplemental Nutrition Assistance Program Employment and Training (SNAPET) plan of participation. They must provide documentation of household income that does not exceed the limits of the locality in which they reside.

^[3]**Eligibility for the [Mixed Delivery Program \(MD\)](#) and [Virginia Preschool Initiative \(VPI\)](#)** includes children who demonstrate specific economic/educational factors that put them at risk for not entering kindergarten ready, such as: family income at or below 200% of Federal Poverty Guidelines, homelessness, student's parents or guardians are high school dropouts, or children with disabilities or delays who are eligible for special education services under the Individuals with Disabilities Education Act (IDEA), regardless of household income. 15% of slot eligibility is determined by each locality.

Appendix C: 2024 Commission on ECCE Study Groups

As part of the 2024 Commission on ECCE meetings, four study groups were formed to complete and in-depth study of the bills and reports the Virginia General Assembly charged the Commission with in the 2024 legislative session.

Below is a summary of the meetings and findings of the four study groups:

- Group 1: Study of House Bill 372 (Martinez), Child Care Substitute Employee Pool Grant Fund
 - o Members convened on August 20 and August 29 to discuss [House Bill 372](#) from the 2024 Virginia General Assembly Session.
 - o Members of Study Group 1 included: Delegate David Bulova, Deputy Secretary Emily Anne Gullickson, Stacie Vance, Billy Reid, Elizabeth Winkle, Stacy Parham, Simon Fiscus
- Group 2: Study of House Bill 408 (Hernandez), Child Care Subsidy Payments Based on Enrollment
 - o Members convened on August 6 and August 13 to discuss [House Bill 408](#) from the 2024 Virginia General Assembly Session.
 - o Members of Study Group 2 included: Sonnia Jones, Belinda Astrop, Delegate Mike Cherry, Senator Mamie Locke
- Group 3: Study of House Bill 627 (Bennett-Parker), Expanding Child Care Subsidy Eligibility to Child Care Employees
 - o Members convened on August 6 and August 13 to discuss [House Bill 627](#) from the 2024 Virginia General Assembly Session.
 - o Members of Study Group 3 included: Kristin Kane, John Salay, Senator Adam Ebbin, Benita Petrella, Delegate Carrie Coyner
- Group 4: Study and preparation for the requirement to review and recommend updates to the current copayment schedule, parental work requirements, and attendance expectations for CCSP and MD. Report due by December 1, 2024.
 - o Members convened on August 29 and September 3 to discuss [Budget Item 125.10 H](#) from the 2024 Virginia General Assembly Special Session I.
 - o Members of Study Group 4 included: Delegate David Bulova, Jason El Koubi, Travis Staton, Delegate Ellen Campbell, Nicholas Palacio

Appendix D: 2023 Commission on ECCE Activities and Meetings

The Commission completed their first annual cycle of meetings and required deliverables in the summer and fall of 2023, convening three times between July and September 2023.

- July 2023 Meeting: Members developed a shared understanding of Virginia’s ECCE ecosystem, including reviewing existing gaps within the system. Based on a reflection of areas of strength and needs, members identified guiding principles for a best-in-class ECCE system in Virginia.
- August 2023 Meeting: Members engaged in conversations focusing on the intersection of quality, workforce stability, and the cost of care in ECCE. Through presentations from experts and researchers, Commission members refined their top priorities for quality and workforce.
- September 2023 Meeting: In the culminating meeting for the 2023 ECCE Commission, members reviewed their progress in forming an understanding of Virginia’s ECCE priorities, system costs, and learned more about the anticipated return on investment of early childhood. With a review of the content covered in prior meetings, members came to a consensus on the eight key strategies that would result in a strong future for ECCE in Virginia.

Through this series of meetings, Commission members identified key strategies and priorities for Virginia’s ECCE system, which are reflected in the [*Commission on Early Childhood Care and Education 2023 Annual Report*](#) and reviewed in further detail below.

Appendix E: Elementary School 3-Year State Level Chronic Absenteeism Analysis



Elementary School 3-Year State Level Chronic Absenteeism Analysis

Attendance has been increasingly the focus of attention among school divisions and educators. Regular attendance is a significant factor in a student's success:

- Chronic absenteeism correlates to low academic achievement;
- Absenteeism is a powerful predictor of dropout rates;
- Absenteeism has been linked to poor outcomes later in life.

Chronic absenteeism is defined as missing ten percent or more of the academic year for any reason, including excused absences, unexcused absences, and suspensions. Based on a 180-day school year, that means approximately 18 days per year or 2 to 3 days per month.

Chronic Absenteeism by Grade Bands	2021-2022	2022-2023	2023-2024
KG	23.77	25.16	19.11
K-5	17.39	17.37	13.62
1-5	16.14	15.89	12.59
K-12	19.96	19.33	16.06

Chronic Absenteeism by Grade	2021-2022	2022-2023	2023-2024
KG	23.77	25.16	19.11
1	18.9	19.74	15.1
2	16.46	16.46	13.04
3	15.34	14.57	11.71
4	15.01	14.45	11.54
5	15.08	14.18	11.6