



COMMONWEALTH OF VIRGINIA

Commission on Youth



Virginia's Response to the Child Care Crisis

Southern Legislative Conference

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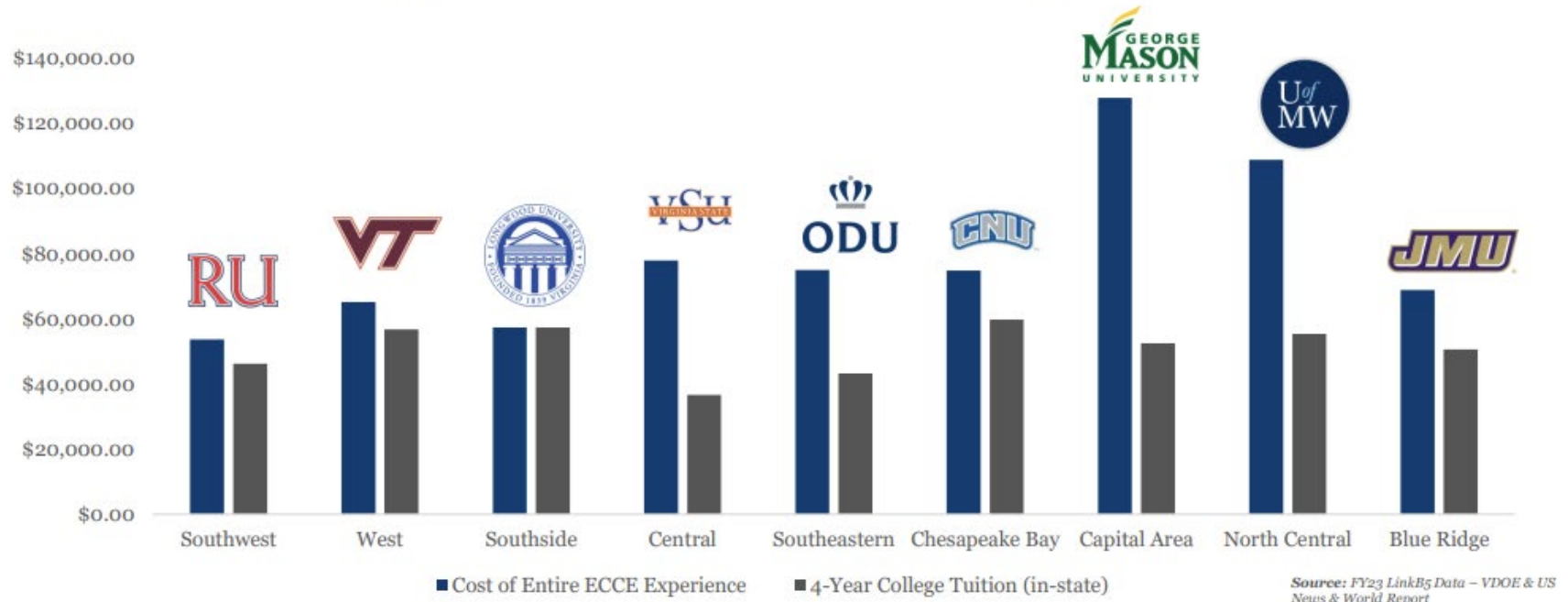
Child Care Trends

- Child care is too expensive for families to afford and too costly for providers to provide
- There is a shortage of child care workers
- Many children live in child care deserts
- There is a wide range of quality of child care providers



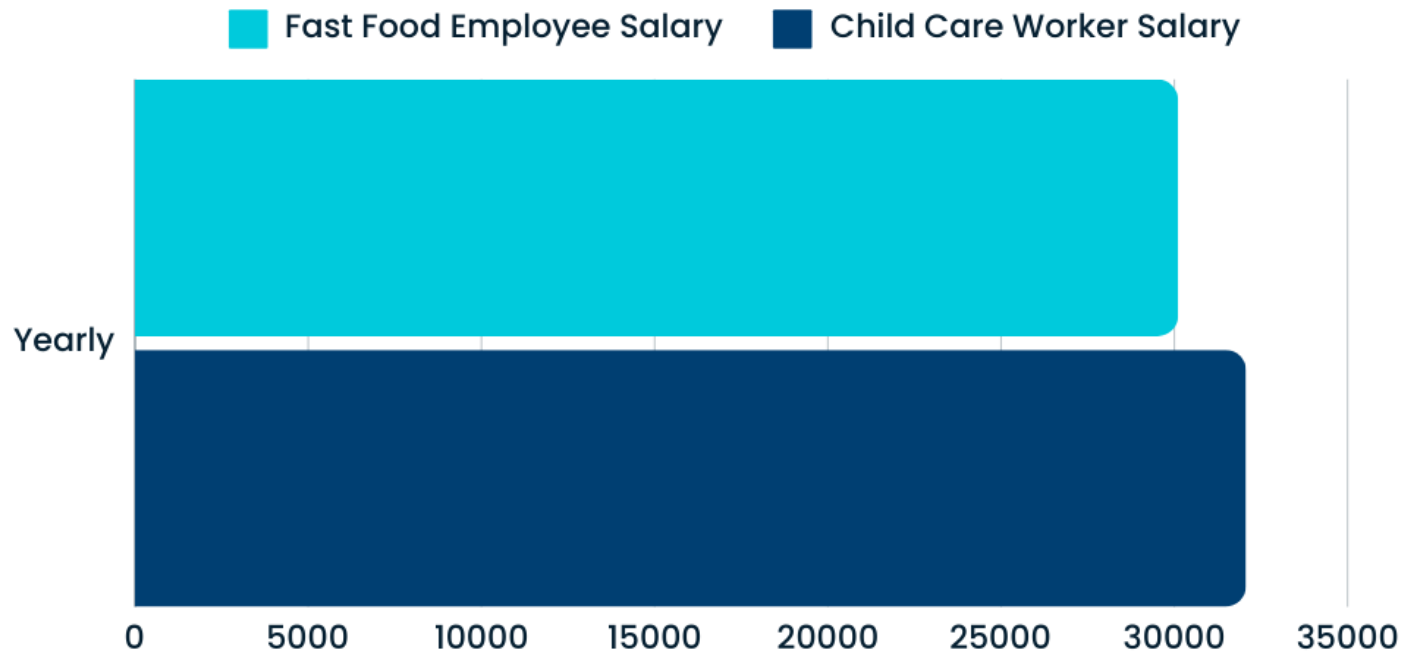
As Expensive as College

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.





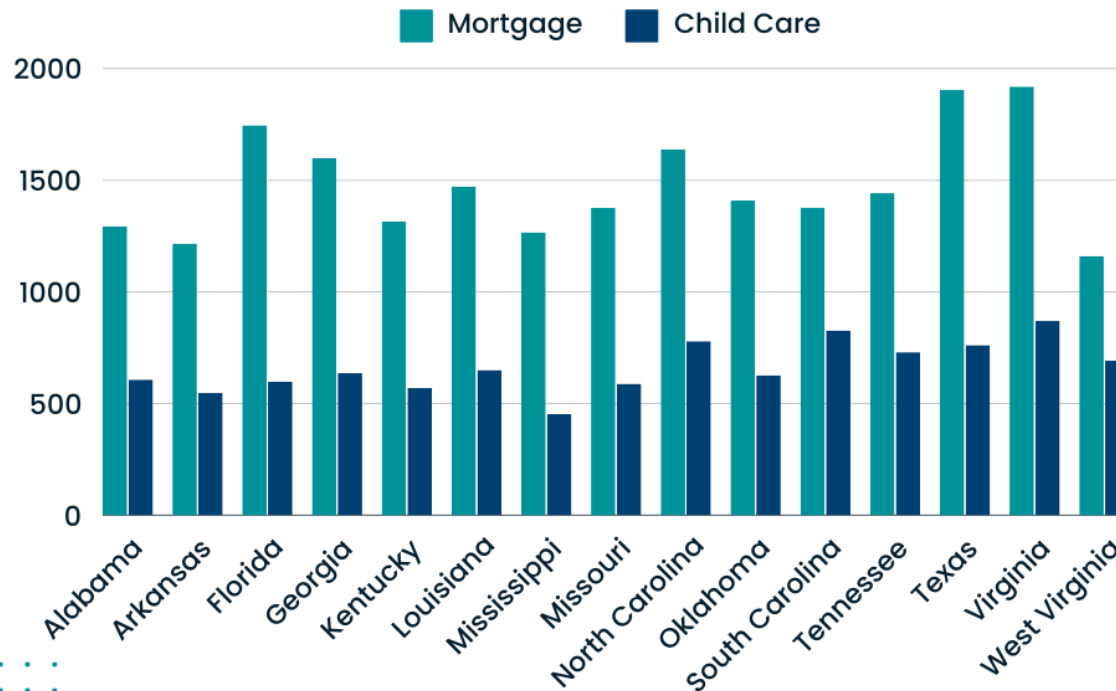
Similar Salary as Fast Food Job





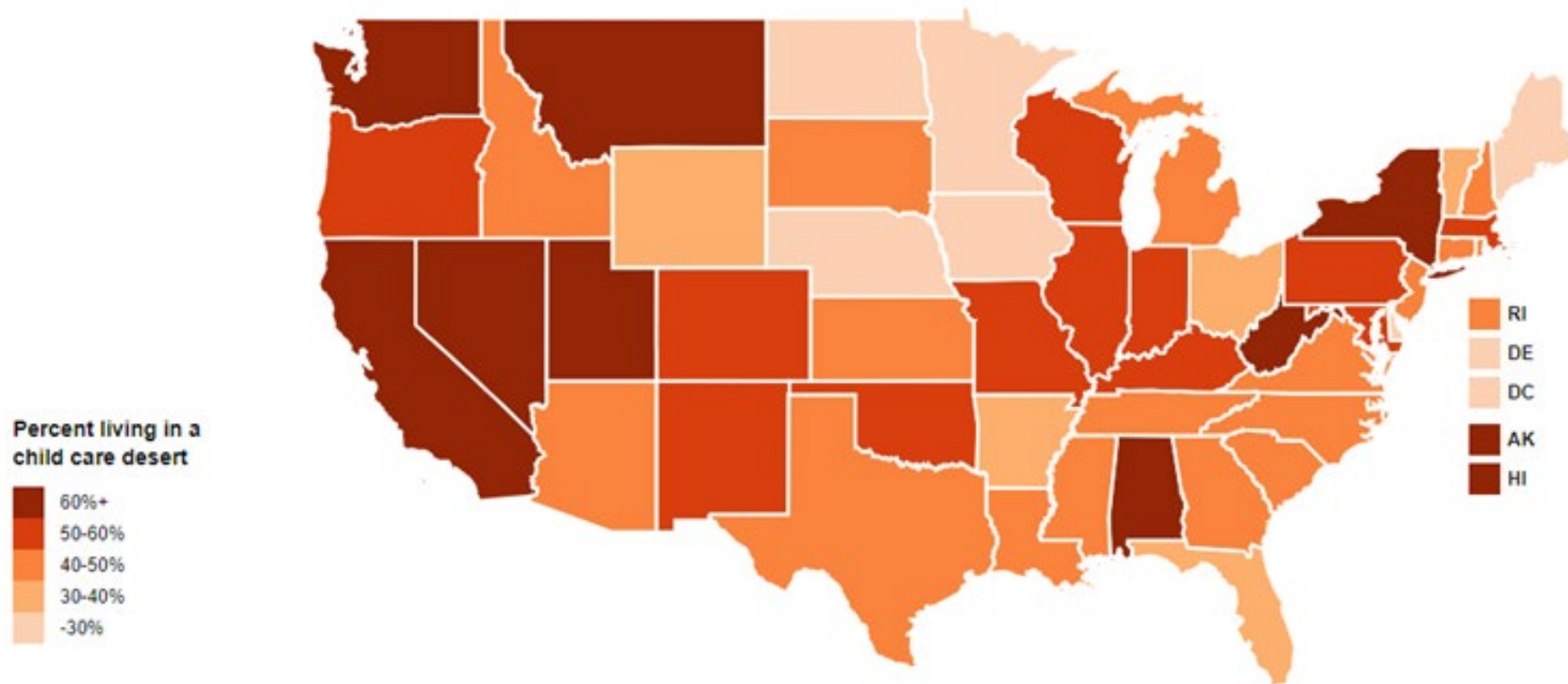
A Second Mortgage

MORTGAGE V. CHILD CARE





Child Care Deserts



51 percent of people in the United States live in a child care desert.

A child care desert is any census tract with more than 50 children under age 5 that contains either no child care providers or so few options that there are more than three times as many children as licensed child care slots.



Background

- Like other states, Virginia received federal dollars during the pandemic to assist with the child care crisis
- \$52 billion in COVID-19 relief funding invested for the child care industry
- States have used these funds to provide stabilization grants to 220,000 providers, lower costs for more than 700,000 children, increase compensation for more than 650,000 child care workers, and create 300,000 new child care slots
- These dollars expire in 2025 leading to a possible fiscal cliff
- Virginia has been proactive in investing in early child care to ensure children's services are not cut off when federal funding dries up
- Even with these steps, there remains a high demand for child care without enough supply



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



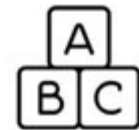
~**2,700**
licensed
child care
centers



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

Child Care Crisis



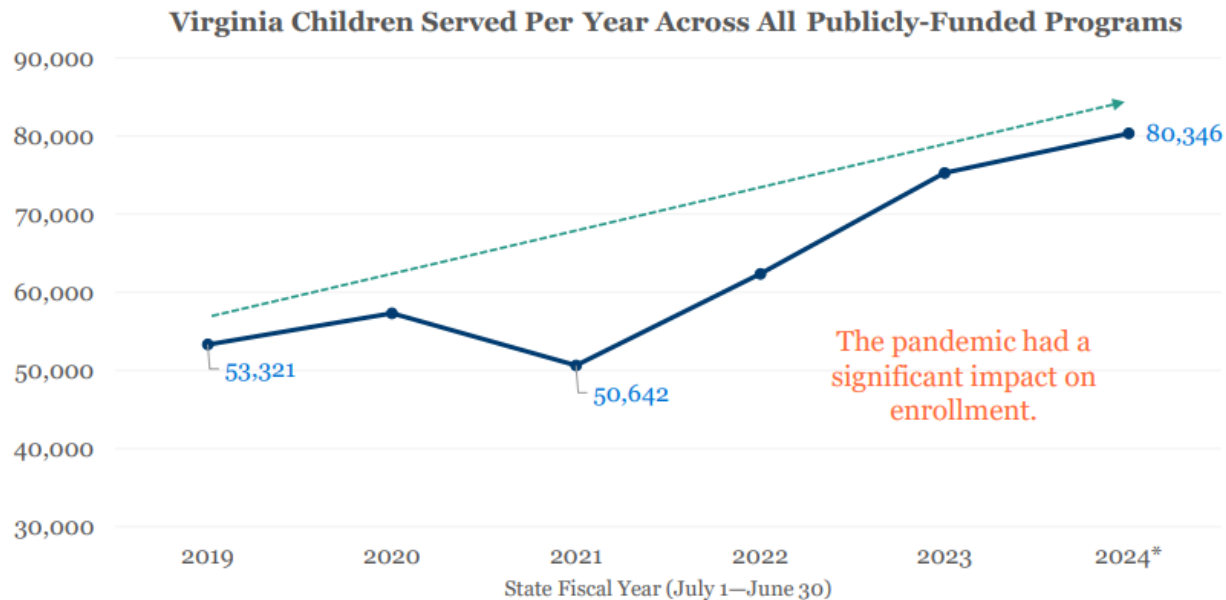
Program	# of Children Served FY23*	Approx. Investment Per-Child, FY23	Typical Dosage	Family Expectations	Setting
Virginia Preschool Initiative (VPI)	22,290 (92% are 4-year-olds)	\$8,359 (\$6,353 in state funds) <i>(state funds and local match)</i>	990 hours/year	Child or family at risk; free to family; <u>not</u> connected to parental work status	Primarily schools; some child day centers
Mixed Delivery Preschool Grant Program (MDG)	2,142 (87% are 3- and 4-year-olds)	Between \$12,000-14,000 <i>(state and federal funds)</i>	Full-day, full year (~2,600 hours/year)	Child or family at risk; free to family; <u>not</u> connected to parental work status	Child day centers and family day homes
Child Care Subsidy Program (CCSP)	40,286 (68% are ages 5 and younger)	Average ~\$11,000 <i>(federal funds and state match)</i>	Up to full-day, full year (~2,600 hours/year)	Household income up to 85% SMI; family contribution of \$0-180 child/month; dependent on parental work status	Child day centers and family day homes
Early Head Start (EHS) and Head Start (HS)	13,866 (80% are 3- and 4-year-olds)	Between \$9,507-\$17,911 <i>(federal funds and local match)</i>	1,380 hours/year (EHS) 1,020 hours/year (HS)	Household income up to 130% FPG; free to family; <u>not</u> connected to parental work status	Schools, child day centers, and family day homes

*Source: 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. 11



More families are participating in Virginia's publicly-funded early childhood system with two-thirds of families choosing private settings.

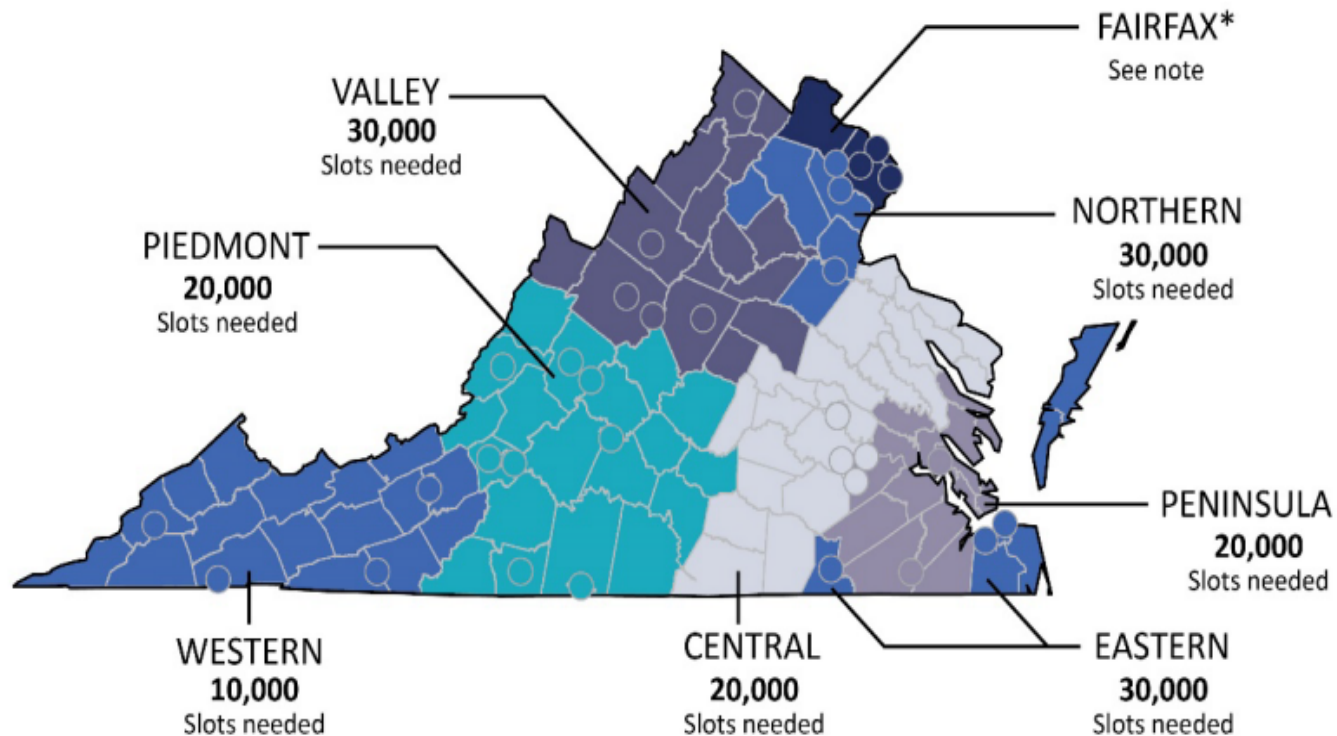


51% INCREASE in enrollment as of Fall 2023 compared to pre-pandemic



FIGURE 6-6

Most regions have unmet demand for child care and need more slots



SOURCE: JLARC analysis of VDOE child care licensing data (2023); JLARC child care provider survey data (2023); American Community Survey, 5-year data, (2017–2021); and Household Pulse Survey data (2023).



Virginia's Child Care Story





Virginia's History of Actions

- The Virginia Department of Social Services created the Early Childhood Alignment Project 2005-2008 to develop quality standards for early care and education programs.
 - Milestones of Child Development
 - Competencies for Early Childhood Professionals
 - Early Childhood and Child Care Professional Development Career Lattice (now called Pathways)
 - Virginia's Early Learning and Development Standards Birth-Five Early Learning Guidelines
- The Virginia Early Childhood Foundation was created in 2005
- In 2007-2008, the Governor's Working Group on Early Childhood Initiatives was formed



Virginia's History of Actions (Continued)

- The Infant & Toddler Specialist Network was implemented in 2009 to provide consultation services to improve the quality of care statewide
- Around 2009-2010 the initial Quality Rating and Improvement System was piloted (now VQB5)
- In 2012, a joint legislative subcommittee was formed to look at Virginia's pre-K program
- Passage of the School Readiness Act of 2020
- Currently, Virginia is focused on implementing Ready Regions to ensure that every Virginia region, family, and child can thrive



Consolidation and Creation of VQB5

- The General Assembly consolidated child care and schooling under the Department of Education in 2020
 - Previously, child care fell under the Department of Social Services while Pre-K, early childhood special education and Head Start were housed at the Department of Education.
- As a result of the unification legislation, the Department of Education created VQB5
 - Virginia's uniform measurement and improvement system
 - Provides useful data, support quality improvement across all programs, enable collaboration, and deepen family engagement



Creation of Ready Regions (2020)

- Facilitates collaborative, cross-sector public-private partnerships to ensure families have access to quality opportunities
- Establishes Virginia Business Roundtables for Early Education in each region to convene economic and business executives to champion increased investment and policy improvements
- Forms regional networks to support equitable access to quality early childhood programs
- Promotes consistency across the Commonwealth
- Provides ongoing, on-the-ground support for VQB5
- Coordinates the integration of essential services and resources



Importance of Quality

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

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



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



When 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.**

Source: <https://www.firstthingsfirst.org/early-childhood-matters/early-literacy/> and Perszyk and Waxman, “Infants’ advances in speech perception shape their earliest links between language and cognition,” Scientific Reports, 2019.



Importance of Quality

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



Academic Achievement

- Less likely to be chronically absent
- 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



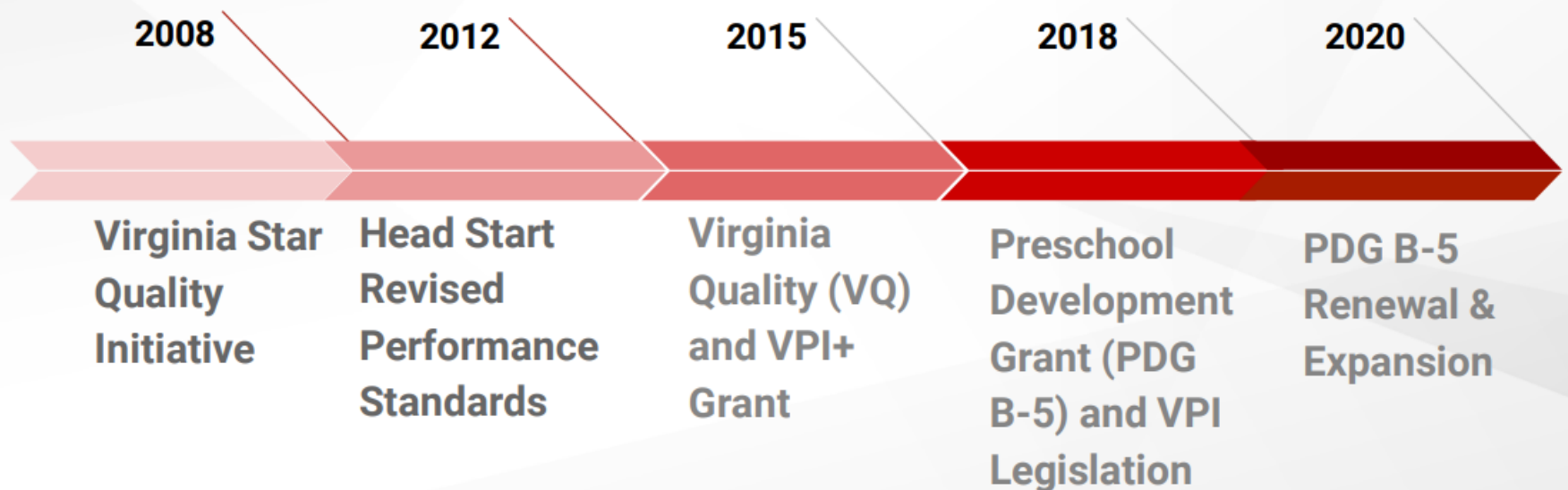
Employment and Earnings

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



Virginia’s Investment in Measuring Quality

Virginia has a long standing commitment to measuring and supporting quality improvement in early care settings.





How will we measure quality?

VQB5 will measure the quality of infant, toddler and preschool teaching and learning based on two nationally-recognized quality indicators.

Interactions

Measure teacher-child interactions and instruction in a developmentally-appropriate way using the [Classroom Assessment Scoring System \(CLASS\)](#)

Curriculum

Measure the use of approved curricula that are aligned with [Virginia’s Early Learning and Development Standards](#)

Research shows that stimulating and supportive interactions between teachers and children and effective use of quality curricula promote children’s holistic learning and development, *resulting in improved and more equitable school readiness.*



How will VQB5 Support Improvement in Every Classroom?





University of Virginia CLASS

- Classroom Assessment Scoring System (CLASS)
 - An observational instrument developed by UVA to assess classroom quality; focuses on teacher-student interaction
 - Includes 4 cycles of 15-minute observations of teachers and students by a certified CLASS observer
 - Observations capture information about the number of children, the amount of time children engage in content areas, and the format for instruction
 - Children in classrooms with higher CLASS ratings realize greater gains in achievement and social skill development
 - Studies show that the use of CLASS in pre-k-12 systems supports more effective interactions and shows links to positive child outcomes in each case



University of Virginia CLASS

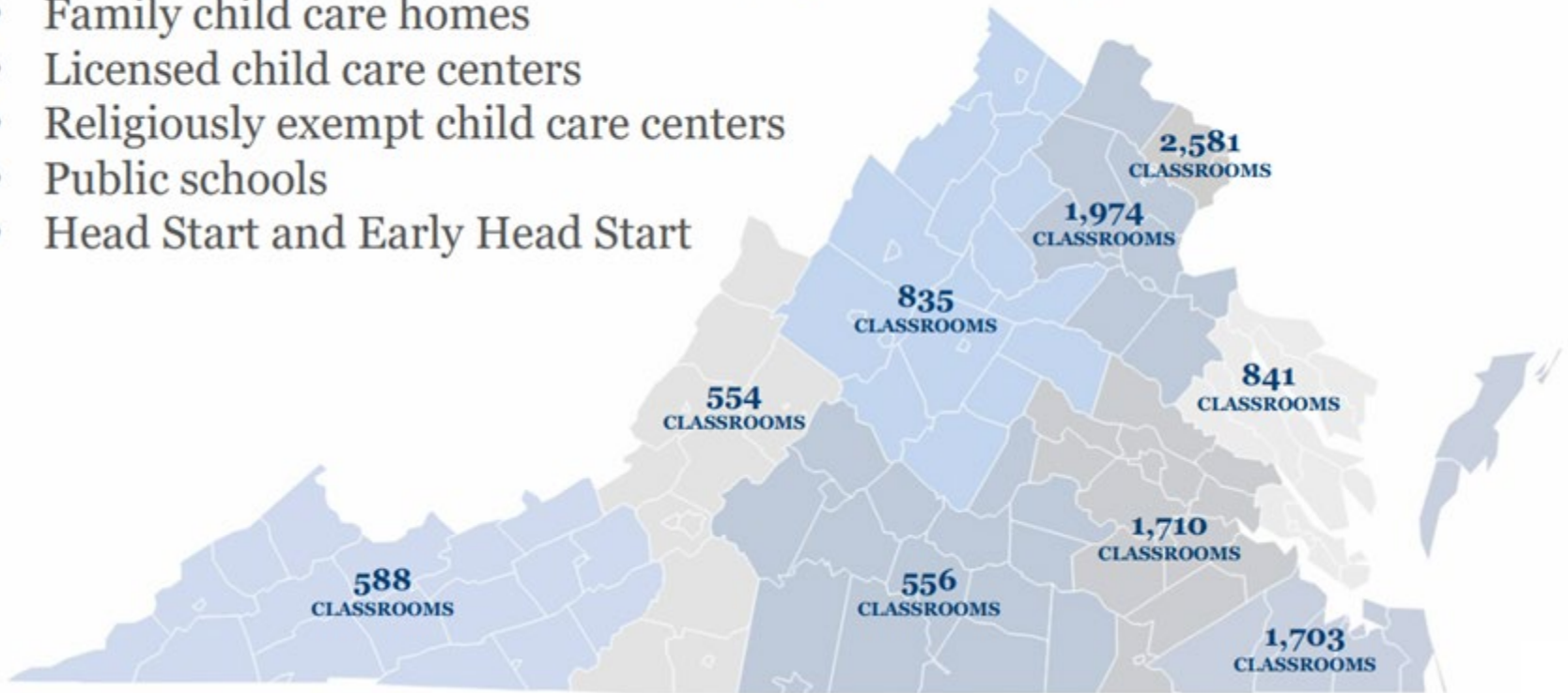
- Dimensions grouped into 3 broad domains
 1. Emotional Support
 - Addresses how educators support children to develop their sense of self and learn to relate to others
 2. Instructional Support (IS)
 - How educators promote children’s thinking and communication skills
 - Children in preschool classrooms with high-quality IS showed greater gains in language and literacy
 3. Classroom Organization
 - How educators help children learn to regulate their behavior, time, and attention
- Domains reflect children’s core needs and skills such as children’s abilities to learn, relate, regulate, think, and communicate

Child Care Crisis – Virginia’s Actions



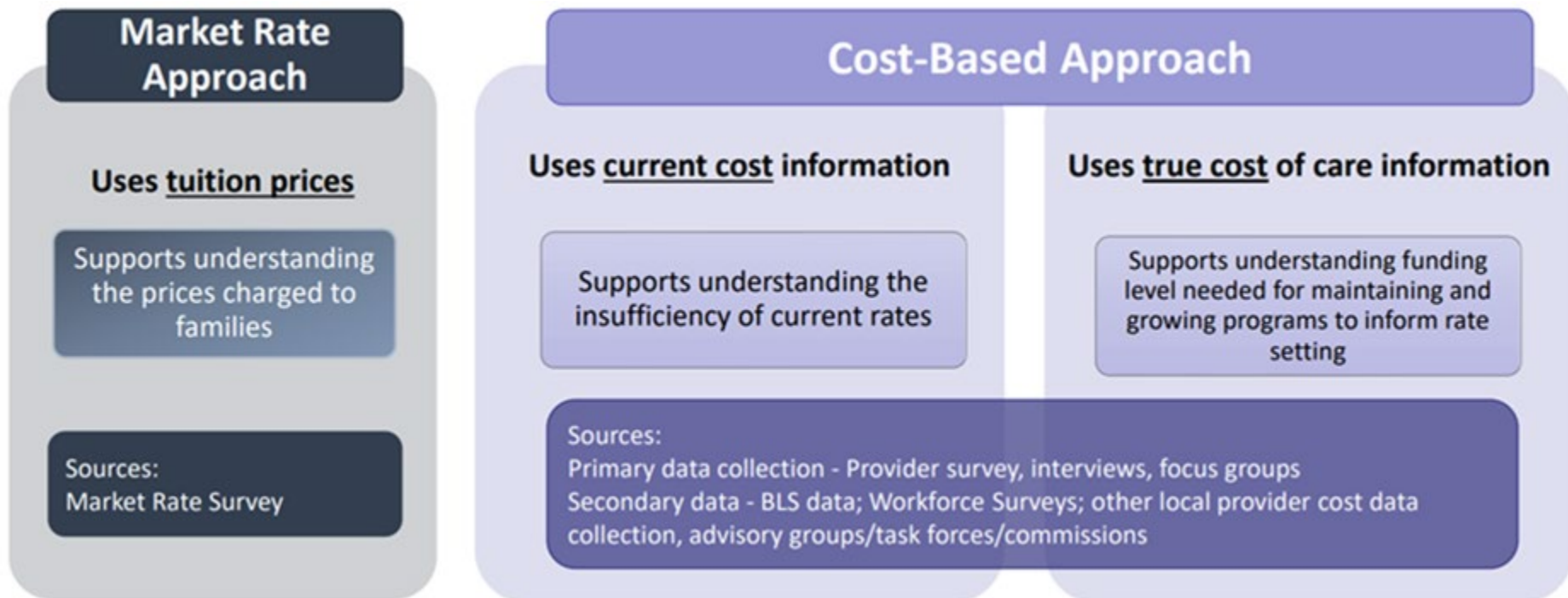
There are 11,342 classrooms in VQB5 across Virginia located in:

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





Market Rate vs. Cost-Based Approach





Cost-Based Model

- Virginia is the third state in the nation to set payment rates for publicly-funded providers on estimated costs, rather than prevailing market rate
 - Estimates cost incurred to provide care and resources needed for provider to remain financially solvent
- VDOE and VDSS rolled out a new copayment scale for families in the CCSP in 2023
 - Copayments waived for all families at or below the federal poverty guidelines
 - Copayments are a flat per-child fee, up to 3 children
 - Copayments are capped at 7% of income for all families regardless of the number of children in care



Cost-Based Model

Price

Reflects what the market can bear, what families can actually pay

Cost

Reflects the actual expenses a program incurs in order to operate

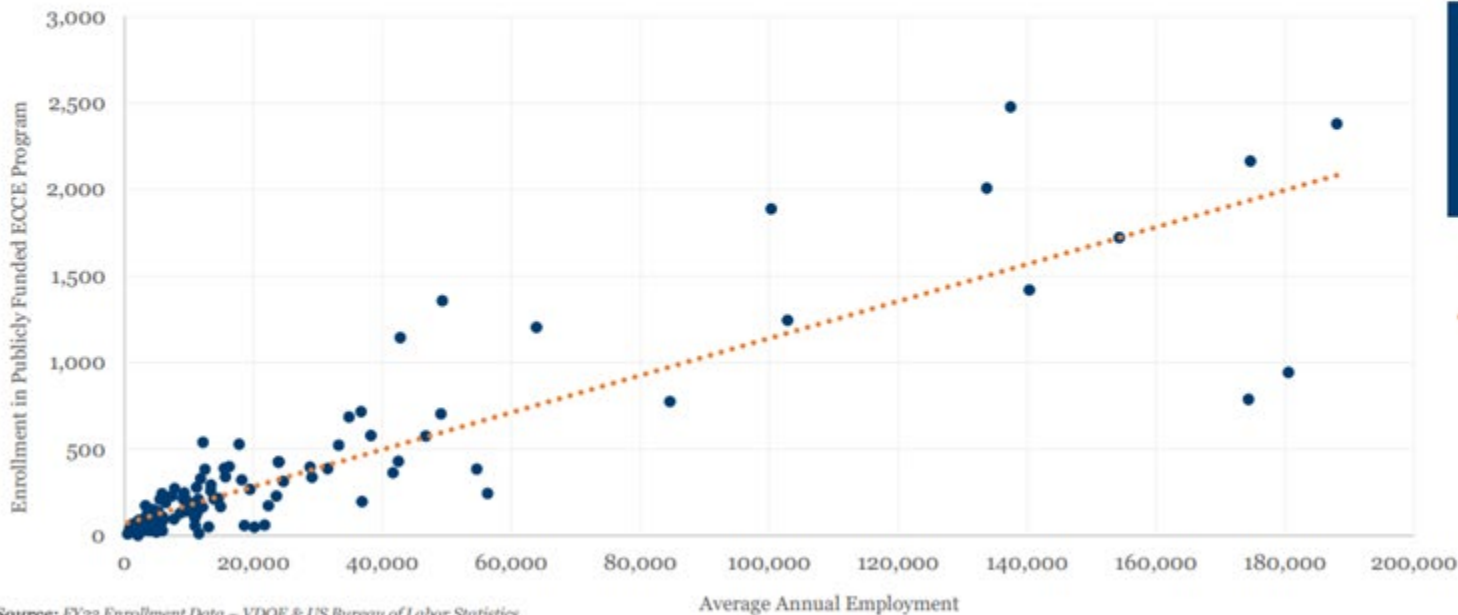
True cost

Reflects the estimated cost to operate a program at high-quality with increased workforce compensation, robust staffing, resources to support full needs of children and families.



Economic Development

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



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

- Total Enrollment & Employment
- Trendline

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



Economic Development

- Virginia Business Roundtable for Early Education
 - Founded and convened by Virginia Early Childhood Foundation with the support of the Virginia Chamber, GO VA, and VEDA
 - Comprised of executives in business, employers, local and regional chambers, and economic development agencies
 - Promotes investment and innovation throughout Virginia's early childhood care and education system
 - Mission is to sustain and grow, through strategic financing, the supply of high-quality, affordable, and accessible child care
 - Educates the public, engages diverse stakeholders, and drives innovation for accessible child care services to support Virginia's workforce and economy



Economic Development

- The Tidewater region has a program that partners with local businesses to buy into the child care system
 - Businesses receive the benefit of their employees being more efficient and available when they have access to child care
 - They also receive the benefit of a better-prepared workforce when children are able to attend high-quality early childhood care and education facilities
 - Currently, businesses do not have to contribute to this system unlike public schools where they contribute via business property taxes



2023 Child Care Initiatives

- Early Educator Fast Track
 - Creates a pipeline of qualified, well-compensated early educators and ultimately builds the supply of child care
 - 4 weeks of full-time, paid, online, and on-the-job training
- Early Childhood Care Commission
 - Gathers and analyzes 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
 - Reports annually on specific expenditures, outcomes, and impact, including children served, demographics, child-level assessments, classroom-level assessment data, educator turnover and retention, and parental employment



2024 General Assembly – A Bipartisan Approach

- Governor Youngkin’s *Building Blocks for Virginia Families* initiative
 - Ensures every low-income working family currently receiving public support continues to have access to high quality early childhood and after school programs with over \$448 million annually in total investment
 - Strengthens parent choice of home-providers, public school preschools, community co-ops, church programs, and private day centers
 - Eliminates child care deserts by infusing \$25 million to refurbish excess space at our colleges to launch new early learning hubs
 - Reduces child care educator shortages by maintaining \$1 million scholarship program to increase the skills of Virginia’s early education workforce
 - \$10 million/year for child care educator incentives to reduce teacher shortages and increase educator retention in child care



2024 Legislation

- HB 419 (Bulova) and SB 54 (Locke)
 - Requires VDOE to report each year by Nov. 1 on the general funds needed for the biennium based on the cost of quality rate per child in order to
 - Maintain the current number of slots at early childhood care and education programs
 - Increase the number of slots using a projected growth report and to fully accommodate parent demand and eliminate waitlists
 - Requires funds to be based on the annual per-child cost for VPI, Mixed Delivery, and Child Care Subsidy Program
 - Requires each regional entity, each local school division, and each locality to annually indicate the number of slots needed for the programs
 - Requires VDOE to reallocate slots with any available funding
 - Establishes a transparent, predictable formula for funding early childhood slots based on parent demand



2024 Legislation

- HB 407 (Hernandez)
 - Any family that receives public assistance through Medicaid or WIC shall be deemed eligible to receive assistance through the child care subsidy program
- HB 739 (Sewell, Tata), and SB 702 (Subramanyam, Durant)
 - Exempts from licensure some child day programs that serve only children of military personnel and are located on a military base or federal property or are certified as a family child care provider by a branch of the Armed Forces
- HB 1024 (Wilt)
 - Requires VDOE to review its training for child care staff for appropriateness based on the age range of the children served by staff and to consider excluding portions of the training that are inapplicable to the age range served by staff
- SB 13 (Favola) and HB 281 (Reaser)
 - Permits any locality to by ordinance provide for the waiver of any requirements for zoning permits for the operation of a child day program in an office building provided that such facility satisfies the requirements for state licensure as a child day program



Virginia's Next Steps

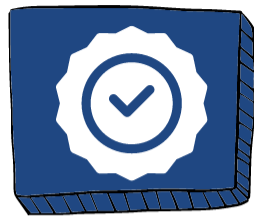
TABLE 7-4
Expanding existing initiatives and programs could improve access to child care

	Extent to which increases access to affordable child care
Efforts to reduce cost of child care	
Child Care Subsidy Program	✓✓✓
Virginia Preschool Initiative	✓✓
Mixed Delivery program	✓✓
Head Start and Early Head Start ^a	✓
Child and dependent care tax deduction	✓
Efforts to build, stabilize, and support child care workforce	
RecognizeB5	✓✓
Virginia Child Care Provider Scholarship Program	✓
Project Pathfinders	✓
Get Skilled, Get a Job, Give Back (G3) Program	✓
Fast Track ^b	✓✓
State-funded trainings and professional development	✓
Efforts to expand child care capacity	
Community grant and child care start-up programs	✓
Extent increases access to affordable child care: ✓ = slightly; ✓✓ = moderately; ✓✓✓ = significantly	

SOURCE: JLARC summary analysis.



Takeaways



01. Quality

VQB5- unified measurement and improvement system that captures quality data down to the classroom level



02. Access

Building Blocks for Virginia Families- increases funding and focuses on regional and family needs



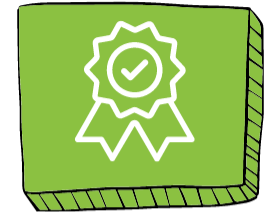
03. Workforce

Teacher Incentive Program; Early Educator Fast Track Initiative



04. Ready Regions

Regional network supporting access to early childhood opportunities



05. Affordability

Increasing eligibility to include middle-class families; capping co-payments at 7% of income

Virginia's Approach to **CHILD CARE**



Questions/Comments?

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