



SMART  
BEGINNINGS

*Virginia Early Childhood Foundation*

# Annual Report 2012



# VECF and Smart Beginnings: Executive Summary

## Why is school readiness so important?

A child's experiences during the earliest years have the potential to impact the trajectory of his or her entire life. Children born into supportive families who have access to health care and responsive caregivers are better prepared for kindergarten. Children who are better prepared for kindergarten are able to make the most of school once they arrive and remain motivated to be successful throughout their lives. **School readiness produces economic and social benefits including a productive workforce for Virginia.** As Virginians, we all want our state to remain prosperous, vibrant and fiscally sound. As the state's non-partisan public-private partner, VECF takes seriously our responsibility to drive efficiencies, innovation, and quality as we advance school readiness. (Want to know more? See Early Childhood Development and Returns on Investment\*)

## What is VECF's charge?

Virginia's Appropriation Act charges the Virginia Early Childhood Foundation, through a contract with the Department of Social Services, to support communities across the state as they develop proactive systems to promote school readiness for all children in Virginia, and to leverage one local or private dollar for every dollar of the state appropriation.

## Is VECF successful in meeting this charge?

**VECF has invested in 29 Smart Beginnings initiatives, encompassing nearly 100 counties/cities and 90% of the state's population.** With funding and technical assistance through VECF, Smart Beginnings communities methodically build their core capacities to effectively address school readiness. An important indicator of Smart Beginnings' success is the level of diverse funding and support harnessed in local communities. In FY12, with general administration costs at VECF **under 7%** of total expenses, Smart Beginnings surpassed the suggested leverage ratio, achieving a **4.4:1 ratio of leveraged funds**. In FY12, more than \$10 million— \$8.8 million in private and

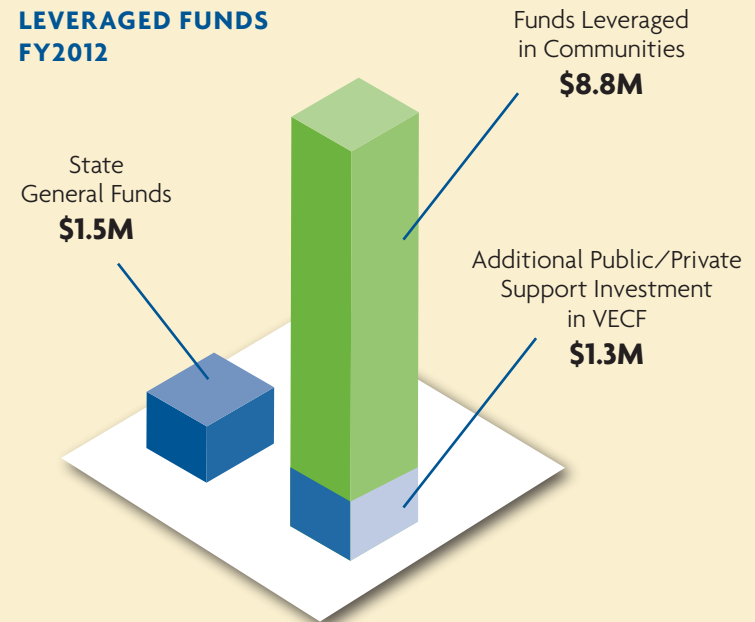
local dollars within communities plus an additional \$1.3 million in public and private investment in VECF for local school readiness efforts— were attracted by the \$1.5 million appropriation from state general funds.

## How does VECF bring added value to the Commonwealth?

In addition to convening and supporting the Smart Beginnings initiative statewide, VECF provides substantive leadership and drives innovation:

- In partnership with the state, VECF co-administers the Virginia Star Quality Initiative, which levels the playing field for all types of early learning providers (including private, faith-based providers, and schools) and partners with parents to promote quality early learning options.
- VECF is the private sector leader of Virginia's Plan for Smart Beginnings, the state's strategic compass for advancing school readiness.

### LEVERAGED FUNDS FY2012



- Along with the Secretary of Education, VECF co-chairs the Early Childhood Advisory Council, which works across sectors and agencies to build a practical and accountable early childhood system in the Commonwealth.
- At the request of the Secretary of Health and Human Resources, VECF has convened experts to identify an early childhood “data dashboard,” a key set of common indicators to guide public and private partners in their collective focus on achieving school readiness and third grade reading proficiency.
- VECF is working with national experts and local stakeholders to identify comprehensive measures of kindergarten readiness, and is focused on integrating this process into existing assessment systems at minimal cost. VECF, working both with community and state level partners, promotes efficiencies by discerning most strategic use and integration of existing resources, while assuring that funding is directed toward strategies with a strong evidence base to deliver positive outcomes for communities.

### Has Smart Beginnings made a difference for children, schools, and communities?

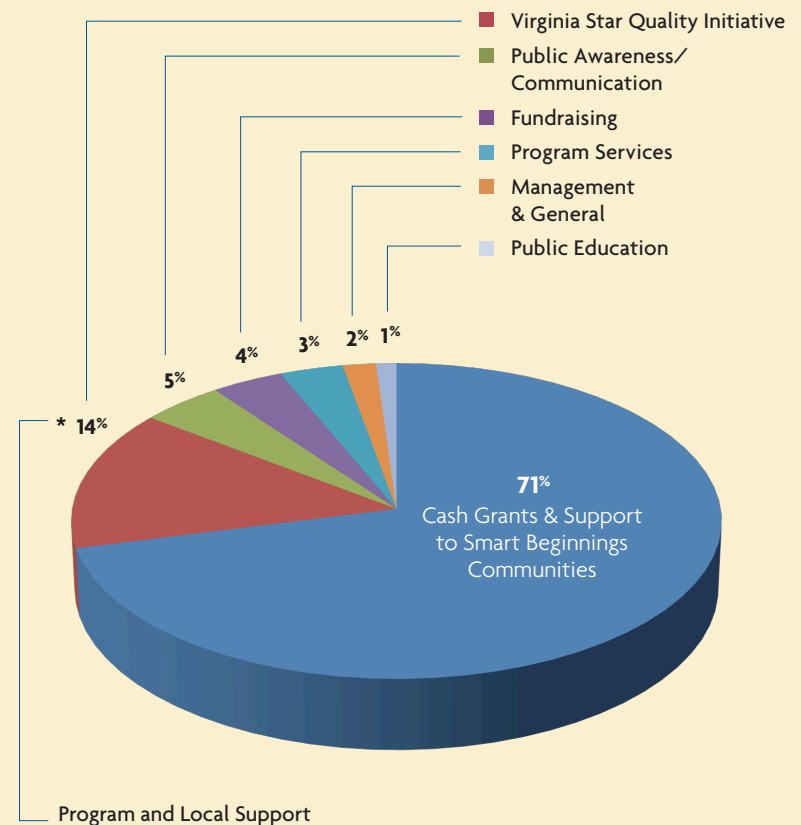
A growing number of children are arriving at kindergarten healthy and ready to learn, on a path to third grade reading proficiency and school, workforce, and life success. In Smart Beginnings communities, increases in school readiness are demonstrated by:

- improved kindergarten literacy scores
- reduced rates of need for reading intervention services (resulting in lowered costs for intervention)
- reduced rates of children repeating kindergarten (resulting in lowered costs for retention)

*The Readiness in Virginia chart (page 8) and community snapshots (pages 11-24) provide specific details on community successes with improved school readiness.*

Over time, as coalition efforts mature and we can follow the trajectory of children within communities over years, we are able to track and document success using metrics such as improved third grade SOL scores. Even as we work to drive improvements in these key indicators, VECF is leading efforts to gain access to more comprehensive and informative measures, which will sharpen interventions and investments.

### PROGRAM EXPENSES



# Systemic Challenges

**FAMILIES FOSTER THEIR CHILDREN'S DEVELOPMENT** within the context of neighborhoods and communities. Ideally, this occurs with the support of a strong web of schools and services to provide optimal development.

This is especially important for those families and communities where multiple risk factors may threaten children's chances for good health and school success. Poverty, low maternal education, single parenthood, and low birth weight are challenges that many children face right from the start. These significant hurdles can jeopardize their chance to achieve healthy, productive lives.

All children benefit from a healthy birth; learning and growing in families that provide safe and nurturing care and in communities without poverty and violence; regular, preventive health care; and access to high quality early learning experiences. When children and families can achieve good health and skill development, society reaps the benefits of a strong workforce and sound tax base while avoiding the negative outcomes of adult dependence on public assistance.

Although families often understand the importance of regular medical care and high quality early childhood experiences, many cannot afford the high cost of consistent, regular health care and quality child care for their children. For decades, government has responded to the needs of vulnerable families and children by establishing a collage of programs and services. Yet, public programs supporting children's healthy development are distributed across agencies, require different standards, and may either be redundant or leave gaps in services. This patchwork of services, inconsistent in administration, quality, duration, dosage, and scope, essentially forms a non-system supported by categorical funding streams that may not necessarily be integrated, efficient, or effective enough to provide the buffering interventions needed by children facing multiple risks.

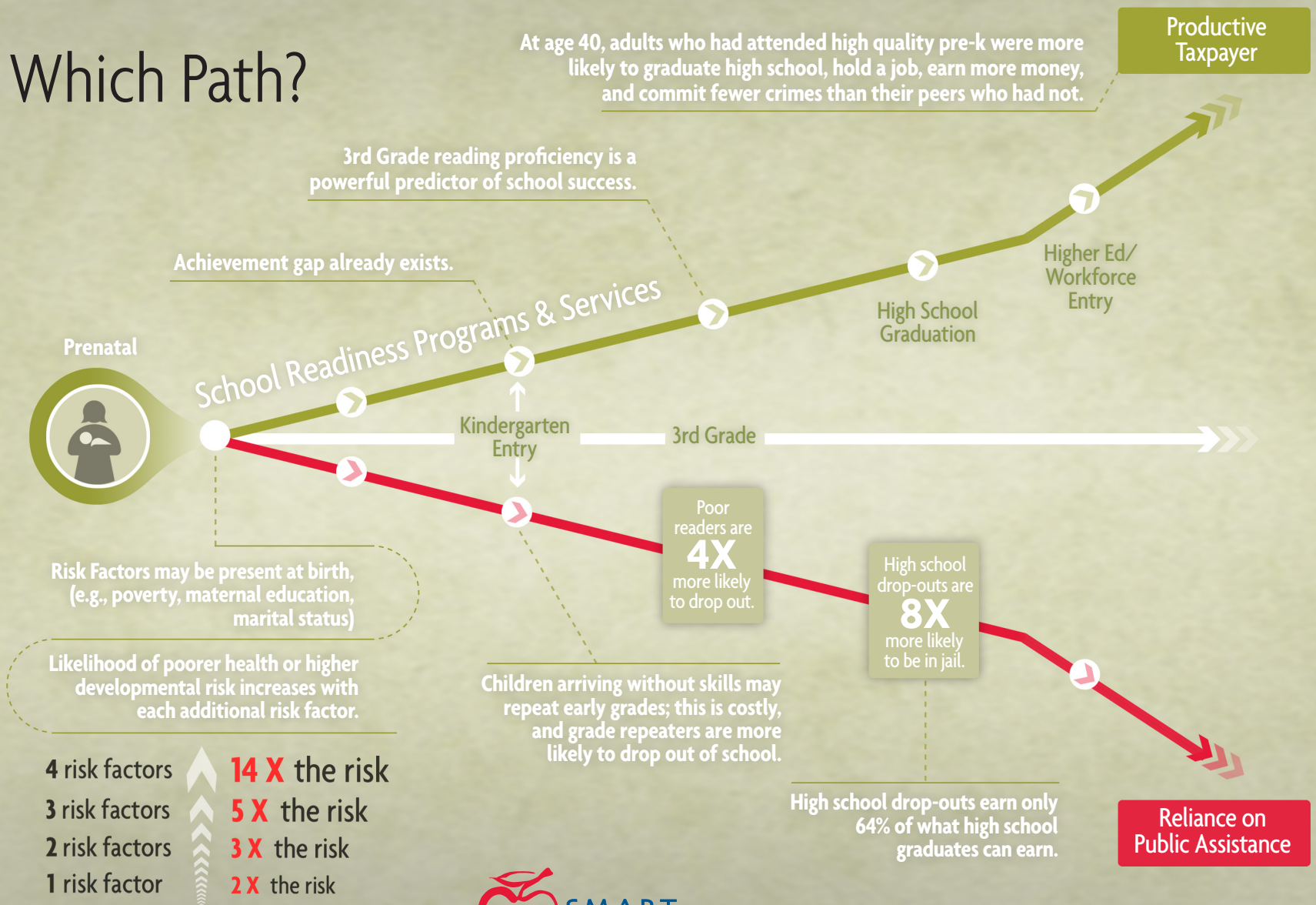
The non-system may be difficult or impossible for local officials to administer efficiently and for families to navigate. While individual programs may have merit and document effective results, the inconsistency in implementation and incoherence of eligibility, standards, and reporting requirements across a range of program types can wreak havoc on hard-pressed local communities.

Private partner leadership, business acumen, seed funding, and innovative approaches can drive strategic solutions to develop a stronger "system" out of existing public programs. An optimal early childhood development framework/system requires participation and investment from all sectors, all services areas, and all levels of partnership— federal, state, and local.

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In Virginia, the Smart Beginnings initiative, spearheaded by the Virginia Early Childhood Foundation, is the catalyst for bringing a diverse set of partners together to invest in human capital at the most promising stage of development.

# Which Path?



- 4 risk factors **14 X** the risk
- 3 risk factors **5 X** the risk
- 2 risk factors **3 X** the risk
- 1 risk factor **2 X** the risk



# Systemic Solutions: Smart Beginnings

**AS A PUBLIC-PRIVATE VENTURE**, VECF promotes school readiness by building the capacity of local coalitions to create optimal environments for children's growth and development. These coalitions are guided by VECF through a multi-phase grant process that includes a community needs assessment, strategic planning, and implementation of evidence-based strategies. Strategic leadership development, intensive technical assistance, and financial resources are provided to communities as they address unique local and regional challenges impacting the healthy development of young children. Why is the development of these public-private coalitions so important? By forming effective partnerships, communities are able to imbed leadership, and shared accountability to sharpen the focus on school readiness. Smart Beginnings communities have the structure, capacity, and will for a sustained, long-term effort to promote the school readiness of children, thereby laying the foundation for a strong workforce, healthy economy, and community prosperity.

VECF's focus on collaboration and partnerships is aimed at:

- Creating system efficiencies, ensuring that limited resources are directed to services rather than overhead.
- Improving services by promoting the use of high quality common standards, based on evidence and best practice.
- Integrating early care, education, health, and family support services for young children which are tailored to the community's unique needs and strengths. Because this process takes sustained work, VECF's grants and provision of technical assistance are structured to allow for sturdy, incremental development of leadership and partnership.

*The following chart and table provide insights into the role/function, growing capacities, and emerging effectiveness of local public-private partnerships.*

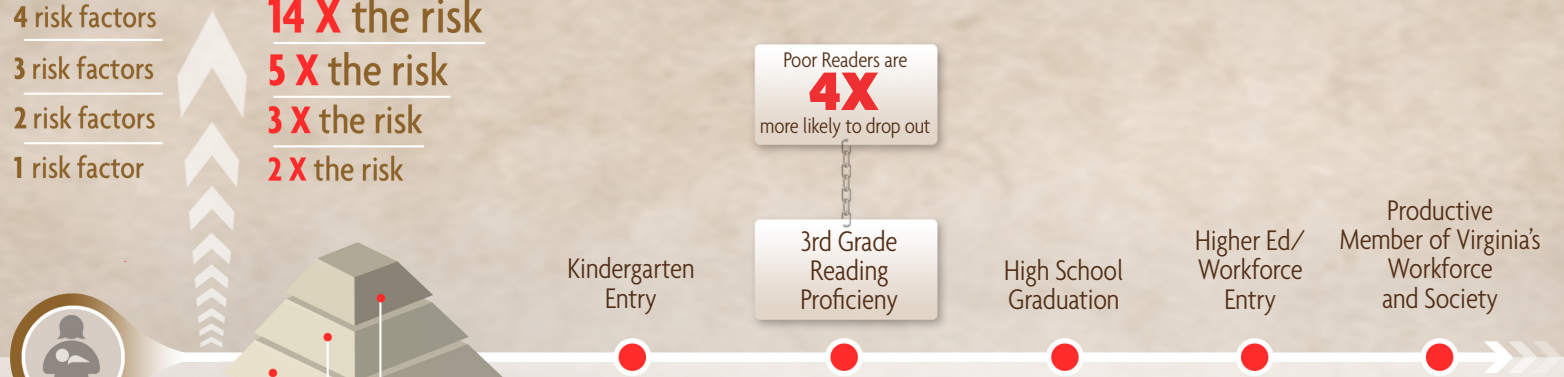


Since 2007, VECF has invested in 29 Smart Beginnings coalitions, covering nearly 100 cities/counties and 90% of Virginia's population. These coalitions are the cornerstone of the early childhood system in the state. VECF commits to setting clear and consistent performance measures, documenting gains and efficiencies, and working with coalitions to identify and track key indicators of school readiness at the child, school, and community level.

# Risks and Results

Likelihood of poorer health or higher developmental risk increases with each additional risk factor.  
(e.g., poverty, maternal education, marital status)

4 risk factors **14 X the risk**  
 3 risk factors **5 X the risk**  
 2 risk factors **3 X the risk**  
 1 risk factor **2 X the risk**



Poor Readers are **4X** more likely to drop out



- Prenatal Care
- Regular Preventive Healthcare
- Immunization
- Screening
- High Quality Early Learning Experiences
- Child Care Subsidies
- SNAP
- Head Start
- VPI
- Parts B & C
- Home Visiting
- Parent Education

Current Public System Collage of Programs and Services



## Role of Smart Beginnings

- Network of cross-sector, cross-system services & providers
- Identify multiple-risk families early
- Gain efficiencies through integration of services
- Address quality and continuity of services
- Identify gaps/potholes— drive innovative solutions
- Measure performance & results

Private Partnerships



Communities Advancing School Readiness

# Smart Beginnings: Readiness in Virginia

Ready Communities + Ready Families + Ready Schools									= Ready Children		
	Number of Jurisdictions	Strategic Plan, Coordinated Leadership	Leveraged Funds	Quality-Focused Early Learning and Education	Consumer Education on Quality Care	Parent Education and Health Services	Coordinated Developmental Screenings	School Partnerships to Facilitate Kindergarten Entry	Kindergarten Retention Rates Improved	Kindergarten Reading Readiness Improved	3rd Grade Reading Proficiencies Improved
<b>SUSTAINING PARTNERS</b>											
Charlottesville Albemarle (FY 2007)	2	✓	\$45,500	✓	✓	✓		✓			
Fairfax (FY 2005) *	1	✓	\$201,123	✓	✓	✓		✓	✓	✓	✓
Greater Richmond (FY 2007)	10	✓	\$955,516	✓	✓	✓	✓	✓	✓	✓	✓
Historic Triangle (FY 2005) *	3	✓	\$443,998	✓	✓	✓	✓	✓	✓	✓	✓
South Hampton Roads (FY 2005) *	5	✓	\$4,547,641	✓	✓	✓	✓	✓	✓	✓	✓
<b>SUSTAINING COALITIONS</b>											
Central Virginia (FY 2007)	6	✓	\$103,108	✓	✓	✓	✓	✓	✓	✓	
Greater Roanoke (FY 2007)	4	✓	\$191,071	✓	✓	✓			✓	✓	✓
Martinsville Henry (FY 2007)	2	✓	\$353,870	✓		✓	✓	✓	✓	✓	✓
Western Tidewater (FY 2007)	3	✓	\$190,425	✓	✓	✓	✓		✓	✓	✓
<b>PARTNERSHIP COALITIONS</b>											
Danville Pittsylvania (FY 2009)	2	✓	\$599,504	✓	✓	✓	✓	✓	✓	✓	
<b>GETTING READY II COALITIONS</b>											
Alexandria Arlington (FY 2007)	2	✓	\$43,627	✓	✓	✓			✓	✓	
Hopewell Prince George (FY 2007)	3	✓	\$84,950	✓	✓	✓	✓	✓	✓	✓	
Rappahannock Area (FY 2007)	5	✓	\$254,944	✓	✓	✓	✓	✓	✓	✓	
Virginia Peninsula (FY 2007)	2	✓	\$304,290	✓	✓	✓	✓		✓	✓	
<b>GETTING READY I COALITIONS</b>											
Appalachian Region (FY 2009)	4	✓	\$171,845	✓	✓						
Fluvanna Louisa (FY 2009)	2	✓	\$33,857				✓				
Heartland (FY 2009)	7	✓	\$48,115	✓	✓						
New River Valley (FY 2007)	5	✓	\$28,531	✓	✓	✓					
Shenandoah Valley (FY 2007)	7	✓	\$24,924	✓	✓	✓	✓	✓			
Smyth Tazewell (FY 2010)	2	✓	\$24,529					✓			
Twin County Galax (FY 2010)	3	✓	\$15,842	✓	✓			✓			
Virginia Highlands (FY 2010)	3	✓	\$52,852			✓		✓			
Wythe Bland (FY 2010)	2	✓	\$41,486		✓			✓			
<b>PLANNING COALITIONS</b>											
Crater (FY 2009)	5		\$12,500								
Greater Prince William (FY 2012)	3		\$47,690								
Southside (FY 2010)	3		\$3,435								
<b>TOTAL</b>	<b>96</b>		<b>\$8,825,173</b>								

Columns are shaded for coalitions that are in early stages of development; outcome data from these coalitions' efforts are not yet available.

Years in parenthesis denote when the Partnership was initiated, indicating the fiscal year that the first Virginia Early Childhood Foundation grant was awarded. \* The first three Partnerships were formed initially under Virginia Department of Social Services' Investing in Virginia's Children grants.



# Smart Beginnings: Readiness in Virginia: Key

**# of Jurisdictions**— indicates the number of counties and cities covered by the Smart Beginnings coalition.

**Strategic Plan, Coordinated Leadership**— indicates coalitions that have developed a strategic plan and mobilized community leaders to improve school readiness in their area.

**Leveraged Funds**— indicates cash and in-kind resources raised to meet VECF match requirements, as well as additional funding and resources committed to support the community's collaborative effort, as reported by coalitions to VECF.

**Quality Focused Early Learning**— indicates coalitions that are implementing strategies to support early learning programs in improving their quality.

**Consumer Education on Quality Care**— indicates coalitions that are implementing the Virginia Star Quality Initiative, which makes early learning program ratings and quality information available to families.

**Parent Education and Health Services**— indicates coalitions that are working with early education, health services, and other programs to help parents build the following protective factors: parental resilience; social connections; concrete support in times of need; knowledge of parenting and child development; and social and emotional competence of children.

**Coordinated Developmental Screenings**— indicates coalitions that are engaging health and child care providers to work together to ensure effective screening of young children for potential developmental issues, making it possible to detect and address potential delays/disabilities early and effectively.

**School Partnerships to Facilitate Kindergarten Entry**— indicates coalitions that are partnering with schools on kindergarten transition, kindergarten registration, and/or coordinated training to ensure that schools are ready for our children.

**Kindergarten Retention Rates Improved**— indicates coalitions where a lower percentage of children were retained in 2009 compared to 2006. Fewer children repeating Kindergarten means decreased costs.

**Kindergarten Reading Readiness Improved**— indicates coalitions where a higher percentage of children met the PALS-K benchmark in 2009 compared to 2006. More children meeting the benchmark means decreased costs for reading intervention.

*Note: Appalachia's 2007 benchmarks are used in lieu of missing 2006 data. Fairfax uses DRA2-Word Analysis in lieu of the PALS-K; data from 2010 was compared to 2007.*

**Increased 3rd Grade Reading Proficiencies**— indicates coalitions where a higher percentage of children passed the 3rd grade Reading Standards of Learning in 2012 compared to 2008.

# RESULTS & MEASUREMENT

## WHAT DO WE KNOW ABOUT SCHOOL READINESS IN VIRGINIA?

We are able to learn about the impact that Smart Beginnings coalitions have had on children's school readiness through Phonological Awareness Literacy Screening (PALS) scores. PALS provides us with information about whether children are on track to learn to read by third grade. Administered in the fall of the kindergarten year, PALS provides information about children's literacy preparedness — a skill that is critical for school and life success. Communities that are successful in their efforts to improve children's literacy skills and PALS scores save the cost of additional reading intervention services in the early grades.

Tracking retention rate trends over time is another strategy for discerning impact and effectiveness of interventions designed to better prepare children for school. When children start behind, they typically stay behind, and frequently, children who cannot keep up are retained and must repeat the grade. Children who are retained early are more likely to eventually drop out of school. Ensuring children have a strong foundation prior to kindergarten entry pays off in reduced retention costs. At an average cost of nearly \$11,000 per retained child per year, Virginia taxpayers' bill for retention of ill-prepared children between kindergarten and 3rd grade is more than **\$78 million each year**.

[The snapshots for 10 Smart Beginnings coalitions on the following pages capture the community commitments, investments, outcomes, and cost savings that we can expect as a result of collective efforts to advance school readiness.](#)

Although critical, these metrics tell only part of the story. Stronger, more insightful data collection and analysis will help guide and inform program, budget, and policy decisions. Virginia is on its way to having a data system that provides more rich information than is currently available. Project Child HANDS is a cross-agency, cross-sector project that will provide the Commonwealth with a mechanism to securely integrate data from various early childhood programs and agencies.

As well, VECF is working in partnership with local communities and national experts to consider a comprehensive kindergarten readiness measure that will help classroom teachers tailor learning experiences for children and provide policy makers with indicators of effectiveness of prior interventions and investment across multiple dimensions of school readiness.



# Smart Beginnings **Greater Richmond**

Smart Beginnings Greater Richmond, facilitated by the United Way of Greater Richmond & Petersburg and the Greater Richmond Chamber, is a coalition of over 100 public and private organizations, businesses, and citizens working to ensure that all children, age 0-5, are healthy, well cared for and ready to succeed.

## Ready Children

- Across Greater Richmond, more children are entering Kindergarten with the skills they need to learn to read successfully.
- New Kent and Petersburg have significantly reduced number of students entering Kindergarten needing reading intervention services since 2006.
- Colonial Heights and Powhatan have reduced the number of Kindergarten children needing reading intervention to less than 10% in 2011-12.

## Ready Families

- Families participating in the CHIP Richmond home visiting program through Family Lifeline showed gains in regular, preventive health care which reduces costs of poor health and emergency room visits for routine health needs:
  - 99% of children were covered by health insurance compared to 31% upon enrollment.
  - 99% of children were connected to a primary medical provider compared to 66% upon enrollment.

## Ready Schools

- With coordinated, cross-division Kindergarten registration, 8,361 children registered at one time, which allowed for regionally coordinated outreach, media, and effective support from ten school divisions.

## Ready Communities

- Provided more than 1,100 hours of mentoring and professional development in 40 Star Rated center-based and family home early learning programs.
- Three-quarters of programs participating in the Virginia Star Quality Initiative earned 3 or more stars, demonstrating the increased quality of this region's child care.

## Leveraged Community Investments

In FY12, SB Greater Richmond raised over **\$995,000** from private corporations, foundations, individuals and local government to invest in local school readiness efforts. Funders include: United Way of Greater Richmond & Petersburg, Bon Secours Richmond Health System, Capital One, Cameron Foundation, Greater Richmond Chamber Foundation, Kings Dominion, MeadWestvaco, Robins Foundation, Ready by 21, and The Community Foundation Serving Richmond and Central Virginia.



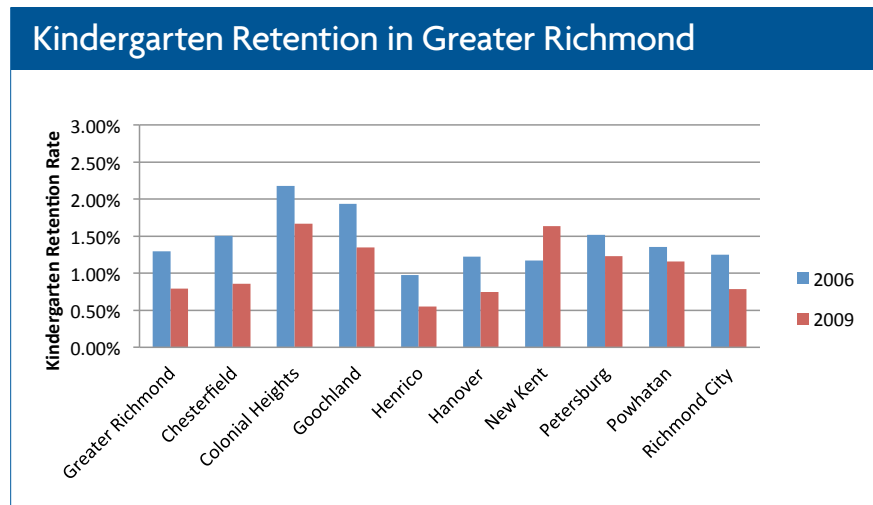
# Smart Beginnings **Greater Richmond**

## When children aren't ready for school, they can be held back.

Increasing School Readiness is a Cost-Saver.

**Over the past four years, fewer retentions have saved taxpayers over \$1.2 million in Greater Richmond alone.**

Savings is the lowered cost of retention based on fewer children retained in 2009 compared to 2006, at a cost of \$10,793 per child (average cost of grade retention in Virginia). Retention data provided by the Virginia Department of Education.



- ▶ Children arriving at school without necessary skills may be required to repeat Kindergarten.
- ▶ Retaining a single child costs taxpayers an average of \$10,793 per year.\*
- ▶ Children who are retained face even greater risk of dropping out before graduation.<sup>1</sup>
- ▶ Retentions are costly and most often ineffective for children's success.

\*Based on average per pupil expenditures.

<sup>1</sup>Hammond, C., Linton, D., Smink, J., & Drew, S. (2007). *Dropout Risk Factors and Exemplary Programs*. Clemson, SC: National Dropout Prevention Center, Communities In Schools, Inc.

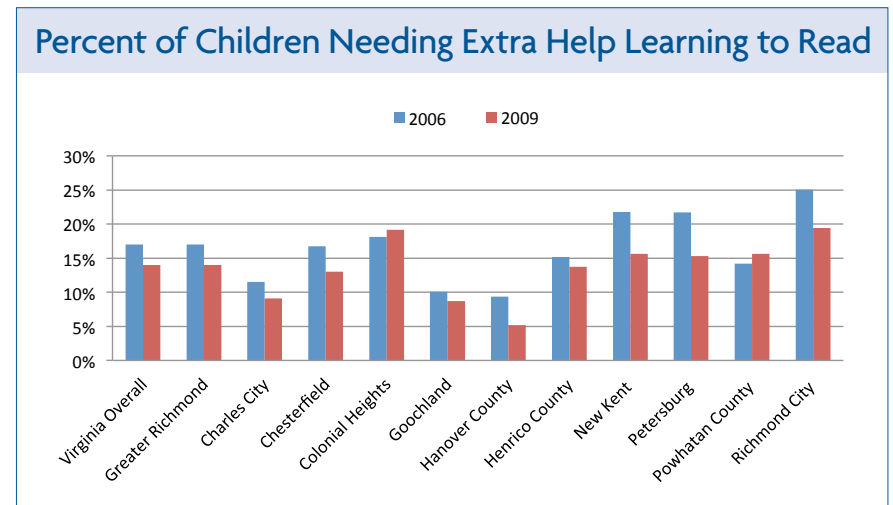
<sup>2</sup>Huang, F., Invernizzi, M., & Drake, A. (2012). The differential effects of preschool: Evidence from Virginia. *Early Childhood Research Quarterly*, 27, 33-45.

## When children aren't ready to read, they need extra help.

Being Ready to Learn Saves Money.

**Increased reading readiness in Greater Richmond saved taxpayers over \$316,000 compared to intervention costs in 2006.**

Savings is the lowered cost of providing reading intervention based on fewer children needing intervention in 2009 compared to 2006, at a cost of \$643 per child (average cost of additional instruction required for students who do not meet PALS benchmark). PALS data provided by the Virginia Department of Education.



- ▶ PALS measures literacy readiness, and is Virginia's only statewide academic school readiness measure.
- ▶ PALS scores can help demonstrate effectiveness of readiness interventions; for example, children who attended VPI programs have stronger literacy skills, compared with children who did not attend VPI.<sup>2</sup>
- ▶ PALS scores give important information about children's progress; for example, only half of the children who arrive at school unprepared to learn to read will catch up by spring.

# Smart Beginnings Virginia Peninsula

Smart Beginnings Virginia Peninsula serves children from birth to age 5 across the cities of Hampton and Newport News. SB Virginia Peninsula is a coalition of public and private organizations, businesses, and citizens working to ensure that all children, age 0-5, are healthy, well cared for and ready to succeed.

## Ready Children

- More children are entering Kindergarten with the skills they need to learn to read: the number of Kindergarteners needing intervention services has fallen since 2006 and remains below the state average, with only 5-6% of children needing intervention services in 2011-12.
- Kindergarten retentions in each city and across the region overall have declined since 2006.

## Ready Families

- Universal Screen Program serves as an essential link between pregnant women and needed services, streamlining the referral process to reduce duplications from participating providers.

## Ready Schools

- Collaborated with Christopher Newport University’s Small Business Institute to provide the Directors’ Academy, designed to improve early childhood leaders’ knowledge of managing a successful small business and implementing the CSEFEL framework.
- Directors’ Academy partnership informed leaders’ implementation of the Pyramid Framework for positive behavior supports from the Center for Social-Emotional Foundations of Early Learning.

## Ready Communities

- Funding secured to continue supporting behavioral consultation services to center-based and family childcare homes through the BITSE program.
- 100% of programs participating in Virginia Star Quality Initiative demonstrated increases in program quality through mentorship and technical assistance.

### Leveraged Community Investments

In FY12, Smart Beginnings Virginia Peninsula raised over **\$304,000** from private corporations, foundations, individuals, and local governments to invest in local school readiness efforts. Funders include: Dominion Foundation, Newport News Shipbuilding, Ferguson Enterprises, Cox Communications, Sentara Health Foundation, SunTrust Bank, Old Point Bank, Union First Market Bank, Beta Lambda Chapter of Sigma Pi Phi, and the Rotary Club of Oyster Point.



# Smart Beginnings Virginia Peninsula

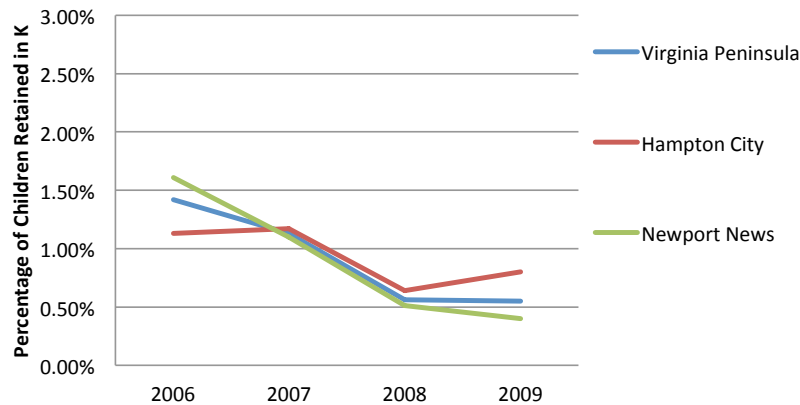
## When children aren't ready for school, they can be held back.

**Increasing School Readiness is a Cost-Saver.**

**Over the past four years, fewer retentions have saved taxpayers over \$1,154,000 in Virginia Peninsula alone.**

Savings is the lowered cost of retention based on fewer children retained in 2009 compared to 2006, at a cost of \$10,793 per child (average cost of grade retention in Virginia). Retention data provided by the Virginia Department of Education.

### Kindergarten Retention in Virginia Peninsula



- ▶ Children arriving at school without necessary skills may be required to repeat Kindergarten.
- ▶ Retaining a single child costs taxpayers an average of \$10,793 per year.\*
- ▶ Children who are retained face even greater risk of dropping out before graduation.<sup>1</sup>
- ▶ Retentions are costly and most often ineffective for children's success.

\*Based on average per pupil expenditures.

<sup>1</sup>Hammond, C., Linton, D., Smink, J., & Drew, S. (2007). *Dropout Risk Factors and Exemplary Programs*. Clemson, SC: National Dropout Prevention Center, Communities In Schools, Inc.

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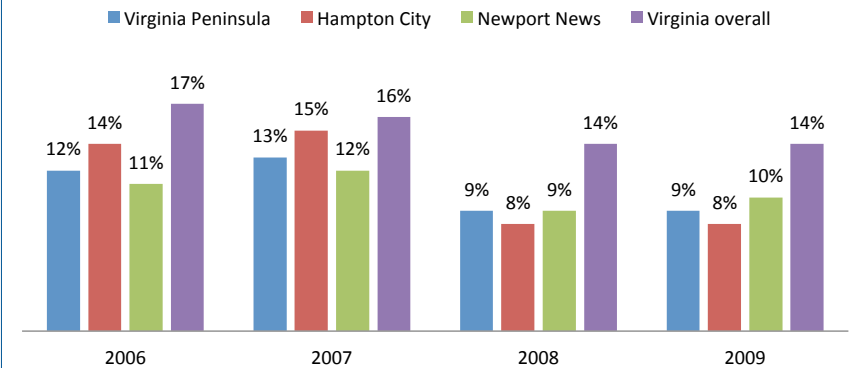
## When children aren't ready to read, they need extra help.

**Being Ready to Learn Saves Money.**

**Increased reading readiness in Virginia Peninsula saved taxpayers over \$124,000 compared to intervention costs in 2006.**

Savings is the lowered cost of providing reading intervention based on fewer children needing intervention in 2009 compared to 2006, at a cost of \$643 per child (average cost of additional instruction required for students who do not meet PALS benchmark). PALS data provided by the Virginia Department of Education.

### Percent of Children Needing Extra Help Learning to Read



- ▶ PALS measures literacy readiness, and is Virginia's only statewide academic school readiness measure.
- ▶ PALS scores can help demonstrate effectiveness of readiness interventions; for example, children who attended VPI programs have stronger literacy skills, compared with children who did not attend VPI.<sup>2</sup>
- ▶ PALS scores give important information about children's progress; for example, only half of the children who arrive at school unprepared to learn to read will catch up by spring.

# Smart Beginnings South Hampton Roads

Smart Beginnings South Hampton Roads serves children from birth to age 5 across Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach. SBSHR is a coalition of public and private organizations, businesses, and citizens working to ensure that all children, age 0-5, are healthy, well cared for and ready to succeed.

## Ready Children

- More children are entering Kindergarten with the skills they need to learn to read: the number of Kindergarteners needing intervention services has fallen since 2006, and remains below the state average, with approximately 10% of children needing intervention services in 2011-12.
- Kindergarten retentions in each city and across the region overall have declined since 2006.

## Ready Families

- Awarded grant to Sentara Obici to implement a nurse-administered screening, offer parent-building resources to all parents, and connect families to community programs.

## Ready Schools

- Distributed 30,000 Kindergarten Readiness Checklists to parents and schools throughout the region.

## Ready Communities

- 99 early childhood programs participating in the Virginia Star Quality Initiative, including 16 Four-Star programs.
- 64% of programs improved their Star Rating through mentorship and technical assistance.
- 353 scholarships awarded to early childhood education professionals in Star Rated programs.

## Leveraged Community Investments

In FY12, Smart Beginnings South Hampton Roads raised over **\$4.5 million** from foundations, corporations and individuals to invest in local school readiness efforts. Primary funder: Hampton Roads Community Foundation.

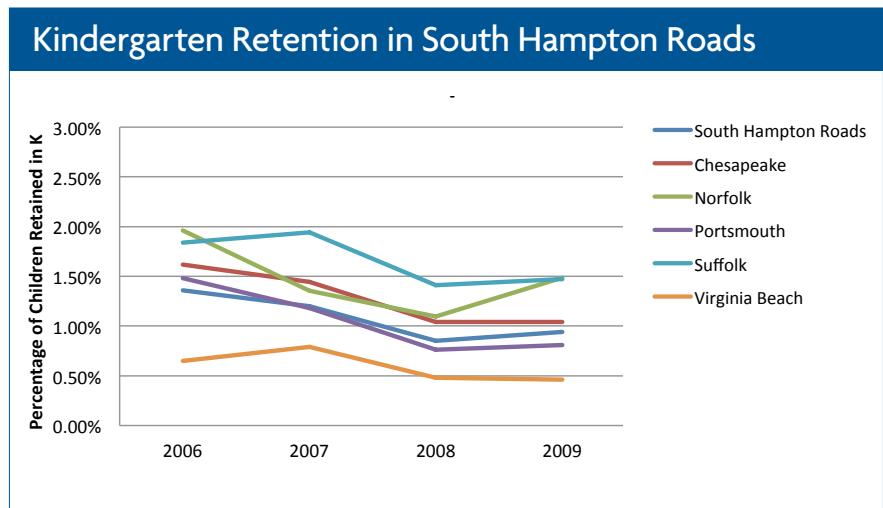


# Smart Beginnings South Hampton Roads

## When children aren't ready for school, they can be held back.

**Increasing School Readiness is a Cost-Saver.**  
**Over the past four years, fewer retentions have saved taxpayers over \$820,000 in South Hampton Roads alone.**

Savings is the lowered cost of retention based on fewer children retained in 2009 compared to 2006, at a cost of \$10,793 per child (average cost of grade retention in Virginia). Retention data provided by the Virginia Department of Education.



- ▶ Children arriving at school without necessary skills may be required to repeat Kindergarten.
- ▶ Retaining a single child costs taxpayers an average of \$10,793 per year.\*
- ▶ Children who are retained face even greater risk of dropping out before graduation.<sup>1</sup>
- ▶ Retentions are costly and most often ineffective for children's success.

\*Based on average per pupil expenditures.

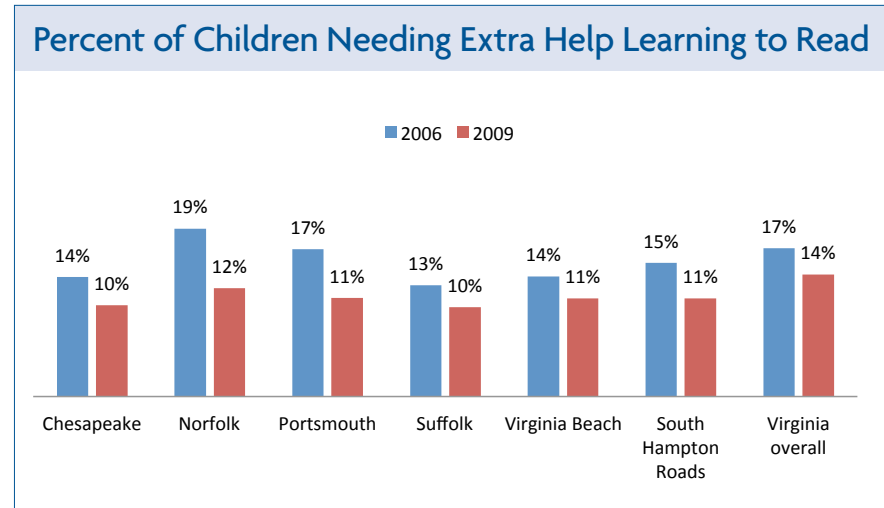
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## When children aren't ready to read, they need extra help.

**Being Ready to Learn Saves Money.**  
**Increased reading readiness in South Hampton Roads saved taxpayers over \$375,000 compared to intervention costs in 2006.**

Savings is the lowered cost of providing reading intervention based on fewer children needing intervention in 2009 compared to 2006, at a cost of \$643 per child (average cost of additional instruction required for students who do not meet PALS benchmark). PALS data provided by the Virginia Department of Education.



- ▶ PALS measures literacy readiness, and is Virginia's only statewide academic school readiness measure.
- ▶ PALS scores can help demonstrate effectiveness of readiness interventions; for example, children who attended VPI programs have stronger literacy skills, compared with children who did not attend VPI.<sup>2</sup>
- ▶ PALS scores give important information about children's progress; for example, only half of the children who arrive at school unprepared to learn to read will catch up by spring.



# Smart Beginnings Central Virginia

Smart Beginnings Central Virginia serves children from birth to age 5 across the four counties of Amherst, Appomattox, Bedford, and Campbell, along with the cities of Bedford and Lynchburg. SB Central Virginia is a coalition of public and private organizations, businesses, and citizens working to ensure that all children, age 0-5, are healthy, well cared for and ready to succeed.

## Ready Children

- Collaborating with community partners to use home visitation programs to promote literacy and visits to the mobile units.

## Ready Families

- Coordinating home visiting services to avoid duplication and provide more appropriate referrals.
- 300 families participated in early childhood public awareness events such as Week of the Young Child through the Lynchburg Public Library, and a special D-Day Memorial Event in support of early childhood.
- Over 340 families served monthly in partnership between Smart Beginnings, Healthy Families Central Virginia, Department of Social Services, Health Department, Central Health and Piedmont Perinatal Council.

## Ready Schools

- School divisions are providing a Parent Academy focused on kindergarten readiness and have established district-specific task forces driven by priorities such as early literacy or kindergarten transition.

## Ready Communities

- 40 early childhood programs, including 15 family childcare homes, are participating in the Virginia Star Quality Initiative, with more than 2,600 children attending Star Rated programs in Central Virginia.
- 93% of programs increased program quality through mentorship and technical assistance.
- Over 500 teachers and providers from 40 early childhood programs participated in professional development activities.

## Leveraged Community Investments

In FY12, SB Central Virginia raised over **\$103,000** from private corporations, local governments, foundations, and individuals to invest in local school readiness efforts. Funders include: Appalachian Power, Greater Lynchburg Community Trust, Retail Merchants Association, Bedford County Schools, Lynchburg City Schools, and the United Way of Central Virginia.



# Smart Beginnings Central Virginia

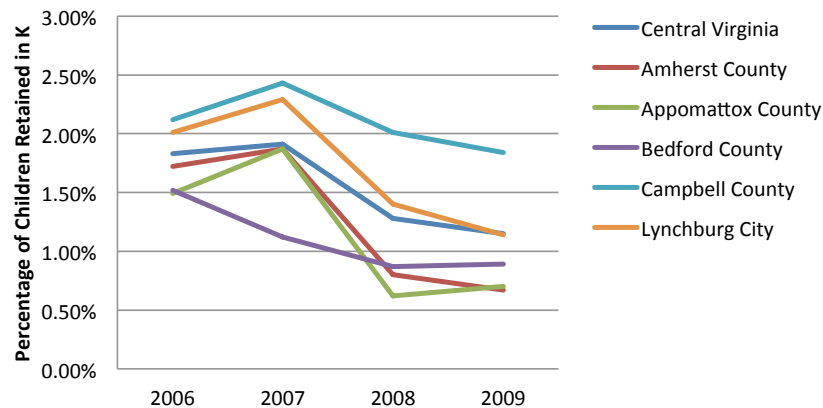
## When children aren't ready for school, they can be held back.

**Increasing School Readiness is a Cost-Saver.**

**Over the past four years, fewer retentions have saved taxpayers over \$420,000 in Central Virginia alone.**

Savings is the lowered cost of retention based on fewer children retained in 2009 compared to 2006, at a cost of \$10,793 per child (average cost of grade retention in Virginia). Retention data provided by the Virginia Department of Education.

### Kindergarten Retention in Central Virginia



- ▶ Children arriving at school without necessary skills may be required to repeat Kindergarten.
- ▶ Retaining a single child costs taxpayers an average of \$10,793 per year.\*
- ▶ Children who are retained face even greater risk of dropping out before graduation.<sup>1</sup>
- ▶ Retentions are costly and most often ineffective for children's success.

\*Based on average per pupil expenditures.

<sup>1</sup> Hammond, C., Linton, D., Smink, J., & Drew, S. (2007). *Dropout Risk Factors and Exemplary Programs*. Clemson, SC: National Dropout Prevention Center, Communities In Schools, Inc.

<sup>2</sup> Huang, F., Invernizzi, M., & Drake, A. (2012). The differential effects of preschool: Evidence from Virginia. *Early Childhood Research Quarterly*, 27, 33-45.

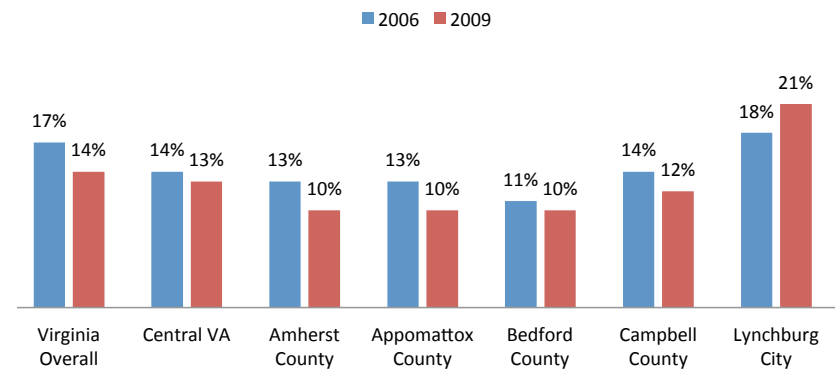
## When children aren't ready to read, they need extra help.

**Being Ready to Learn Saves Money.**

**Increased reading readiness in Central Virginia saved taxpayers over \$31,000 compared to intervention costs in 2006.**

Savings is the lowered cost of providing reading intervention based on fewer children needing intervention in 2009 compared to 2006, at a cost of \$643 per child (average cost of additional instruction required for students who do not meet PALS benchmark). PALS data provided by the Virginia Department of Education.

### Percent of Children Needing Extra Help Learning to Read



- ▶ PALS measures literacy readiness, and is Virginia's only statewide academic school readiness measure.
- ▶ PALS scores can help demonstrate effectiveness of readiness interventions; for example, children who attended VPI programs have stronger literacy skills, compared with children who did not attend VPI.<sup>2</sup>
- ▶ PALS scores give important information about children's progress; for example, only half of the children who arrive at school unprepared to learn to read will catch up by spring.

# Smart Beginnings Danville Pittsylvania

Smart Beginnings Danville Pittsylvania serves children from birth to age 5 across the city of Danville and the county of Pittsylvania through a coalition of public and private organizations, businesses, and citizens working to ensure that all children, age 0-5, are healthy, well cared for and ready to succeed.

## Ready Children

- More children are entering Kindergarten with the skills they need to learn to read: the number of Kindergarteners needing intervention services has fallen since 2006.
- Kindergarten retentions in each city and across the region overall have declined since 2006.

## Ready Families

- Implementing Incredible Years, an 18-week parent education program, at 5 sites regionally, reaching 71 families.
- SBDP was selected by Parents as Teachers National Center to pilot its new school readiness home visiting model for at-risk 3 year olds.

## Ready Schools

- SBDP has increased levels of collaboration between Danville Public Schools and Pittsylvania County Schools, resulting in coordinated Kindergarten registration and the collection of common kindergarten entry data, with more children registering early for kindergarten in the coalitions.

## Ready Communities

- Launched Pre-Literacy Collaborative to increase collaboration between libraries, schools and or other interested agencies to increase reading and access to books in families with children ages birth to 8.
- Twelve early childhood programs participating in the Virginia Star Quality Initiative, representing 80% of full time, licensed child care providers in the coalition.

## Leveraged Community Investments

In FY12, SB Danville Pittsylvania raised over **\$599,000** from private corporations, foundations, individuals and local governments to invest in local school readiness efforts. Funders include: Danville Regional Foundation and the Institute for Advanced Learning and Research.

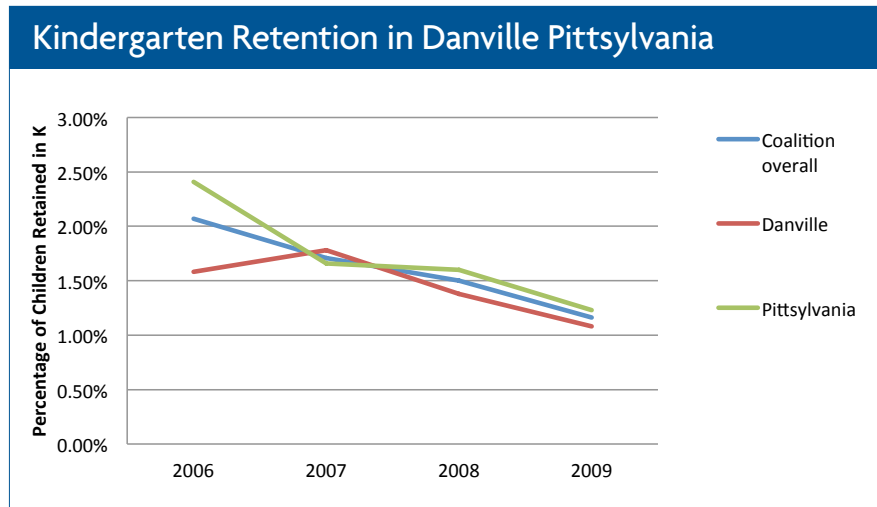


# Smart Beginnings Danville Pittsylvania

## When children aren't ready for school, they can be held back.

**Increasing School Readiness is a Cost-Saver.**  
**Over the past four years, fewer retentions have saved taxpayers over \$259,000 in Danville Pittsylvania alone.**

Savings is the lowered cost of retention based on fewer children retained in 2009 compared to 2006, at a cost of \$10,793 per child (average cost of grade retention in Virginia). Retention data provided by the Virginia Department of Education.



- ▶ Children arriving at school without necessary skills may be required to repeat Kindergarten.
- ▶ Retaining a single child costs taxpayers an average of \$10,793 per year.\*
- ▶ Children who are retained face even greater risk of dropping out before graduation.<sup>1</sup>
- ▶ Retentions are costly and most often ineffective for children's success.

\*Based on average per pupil expenditures.

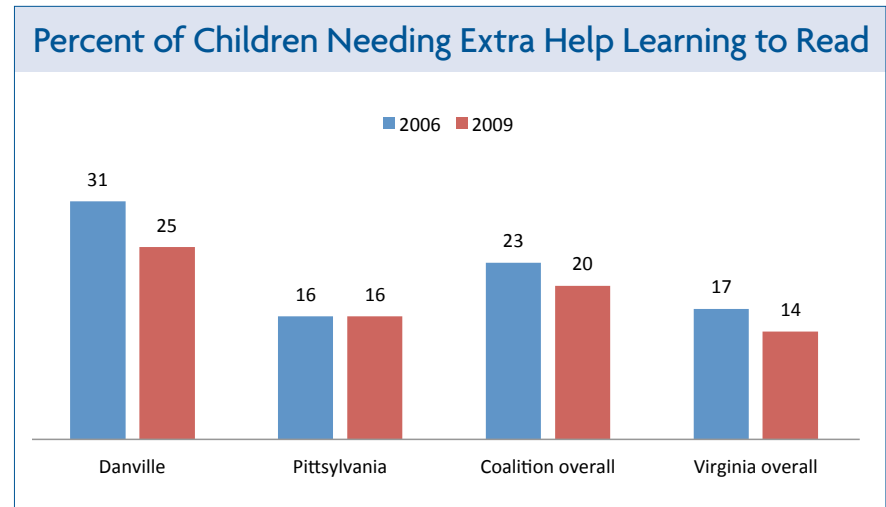
<sup>9</sup>Hammond, C., Linton, D., Smink, J., & Drew, S. (2007). *Dropout Risk Factors and Exemplary Programs*. Clemson, SC: National Dropout Prevention Center, Communities In Schools, Inc.

<sup>10</sup>Huang, F., Invernizzi, M., & Drake, A. (2012). The differential effects of preschool: Evidence from Virginia. *Early Childhood Research Quarterly*, 27, 33-45.

## When children aren't ready to read, they need extra help.

**Being Ready to Learn Saves Money.**  
**Increased reading readiness in Danville Pittsylvania saved taxpayers over \$25,000 compared to intervention costs in 2006.**

Savings is the lowered cost of providing reading intervention based on fewer children needing intervention in 2009 compared to 2006, at a cost of \$643 per child (average cost of additional instruction required for students who do not meet PALS benchmark). PALS data provided by the Virginia Department of Education.



- ▶ PALS measures literacy readiness, and is Virginia's only statewide academic school readiness measure.
- ▶ PALS scores can help demonstrate effectiveness of readiness interventions; for example, children who attended VPI programs have stronger literacy skills, compared with children who did not attend VPI.<sup>2</sup>
- ▶ PALS scores give important information about children's progress; for example, only half of the children who arrive at school unprepared to learn to read will catch up by spring.

# Smart Beginnings **Historic Triangle**

Smart Beginnings Historic Triangle serves children from birth to age 5 across Williamsburg, James City County, York County, and Poquoson. SBHT is a coalition of public and private organizations, businesses, and citizens working to ensure that all children, age 0-5, are healthy, well cared for and ready to succeed.

## Ready Children

- Williamsburg-James City County Public Schools and WJCC Community Action Agency/Head Start expanded collaboration; WJCC Public Schools is conducting all child screenings for Head Start and has assigned a liaison to work with Head Start programs to monitor children and facilitate special education referrals.
- More children are entering Kindergarten with the skills they need to learn to read: the number of Kindergarteners needing intervention services has fallen since 2006, and remains below the state average, with only 7% of children needing intervention services in 2011-12.

## Ready Families

- Smart Beginnings Historic Triangle Leadership Council served as Advisory Council for local Parents as Teachers program.

## Ready Schools

- WJCC Public Schools and Head Start established common database to jointly track early learning and development.

## Ready Communities

- Increased efficiency of referrals to interpretation and translation services for Spanish speakers with limited English proficiency, in a collaboration between Child Development Resources (CDR) and the WJCC Public Schools.
- The Virginia Star Quality Initiative focused on training and mentoring for early care and education professionals, including a partnership with Thomas Nelson Community College and local departments of social services to provide early childhood courses and scholarships for tuition and text books.

## Leveraged Community Investments

In FY12, Smart Beginnings Historic Triangle raised nearly **\$444,000** from area foundations, non-profits and local governments to invest in local school readiness efforts. Funders include: Child Development Resources, Child & Family Connection, Williamsburg Regional Library, United Way of Greater Williamsburg, Williamsburg Community Health Foundation, Colonial Behavioral Health, James City County DSS, York-Poquoson DSS, and the Williamsburg/James City County Public Schools.



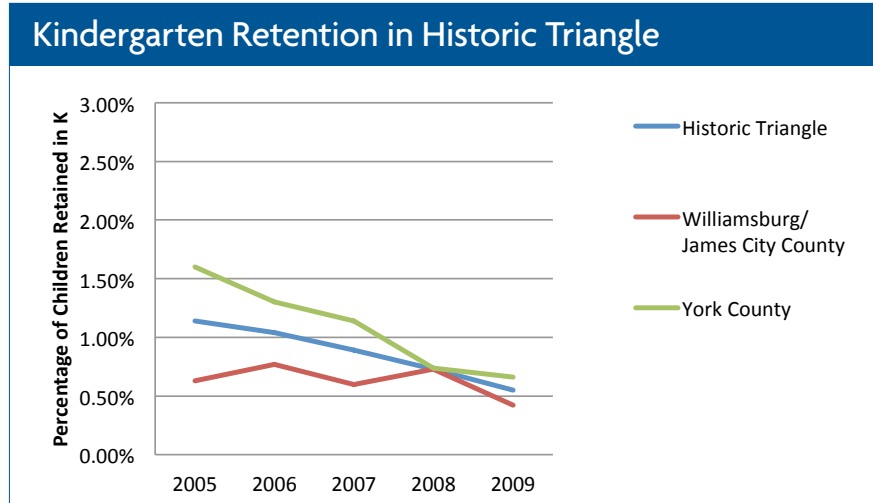
# Smart Beginnings **Historic Triangle**

## When children aren't ready for school, they can be held back.

**Increasing School Readiness is a Cost-Saver.**

**Over the past four years, fewer retentions have saved taxpayers over \$172,000 in Historic Triangle alone.**

Savings is the lowered cost of retention based on fewer children retained in 2009 compared to 2006, at a cost of \$10,793 per child (average cost of grade retention in Virginia). Retention data provided by the Virginia Department of Education.



- ▶ Children arriving at school without necessary skills may be required to repeat Kindergarten.
- ▶ Retaining a single child costs taxpayers an average of \$10,793 per year.\*
- ▶ Children who are retained face even greater risk of dropping out before graduation.<sup>1</sup>
- ▶ Retentions are costly and most often ineffective for children's success.

\*Based on average per pupil expenditures.

<sup>1</sup> Hammond, C., Linton, D., Smink, J., & Drew, S. (2007). *Dropout Risk Factors and Exemplary Programs*. Clemson, SC: National Dropout Prevention Center, Communities In Schools, Inc.

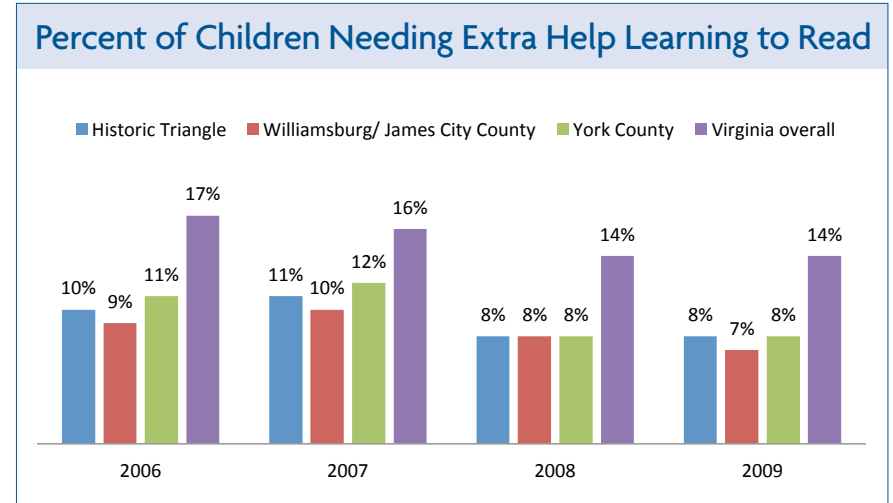
<sup>2</sup> Huang, F., Invernizzi, M., & Drake, A. (2012). The differential effects of preschool: Evidence from Virginia. *Early Childhood Research Quarterly*, 27, 33-45.

## When children aren't ready to read, they need extra help.

**Being Ready to Learn Saves Money.**

**Increased reading readiness in Historic Triangle saved taxpayers over \$18,000 compared to intervention costs in 2006.**

Savings is the lowered cost of providing reading intervention based on fewer children needing intervention in 2009 compared to 2006, at a cost of \$643 per child (average cost of additional instruction required for students who do not meet PALS benchmark). PALS data provided by the Virginia Department of Education.



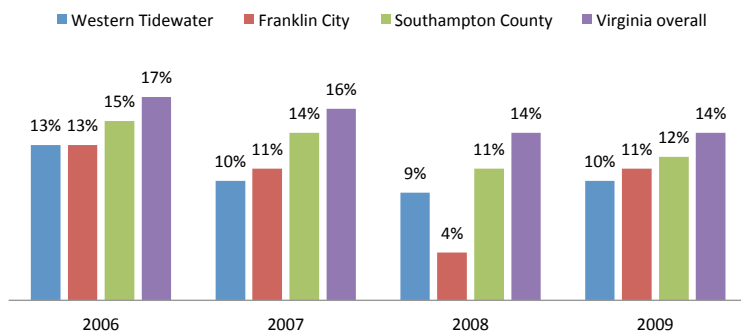
- ▶ PALS measures literacy readiness, and is Virginia's only statewide academic school readiness measure.
- ▶ PALS scores can help demonstrate effectiveness of readiness interventions; for example, children who attended VPI programs have stronger literacy skills, compared with children who did not attend VPI.<sup>2</sup>
- ▶ PALS scores give important information about children's progress; for example, only half of the children who arrive at school unprepared to learn to read will catch up by spring.

- Collaboration with Obici Healthcare Foundation to insure more children in Medicaid/FAMIS.
- More than 500 children received Social-Emotional Screenings in Western Tidewater.
- Over 150 providers and parents served through quarterly provider and parenting workshops.
- Partnered with the Franklin Housing Authority to provide parenting classes for residents.
- Raising a Reader implemented in collaboration with the Franklin Library, leading to over 3,600 more books accessible to children.
- 16 early childhood programs participating in the Virginia Star Quality Initiative, with more than 600 children attending Star Rated programs.
- 95% of participating programs have increased their Star Rating through mentorship and technical assistance.
- In FY12, Smart Beginnings Western Tidewater raised over \$190,000 from private corporations, foundations, and local government to invest in local school readiness efforts. Funders include: Franklin/Southampton Charities, Obici Foundation, Wells Fargo, Ashland Corporation, Food Lion, City of Franklin, Southampton County, and Isle of Wight County.

**Being Ready to Learn Saves Money.**  
Increased reading readiness in Western Tidewater saved taxpayers over \$15,000 compared to reading intervention costs in 2006.

Savings is the lowered cost of providing reading intervention based on fewer children needing intervention in 2009 compared to 2006, at a cost of \$643 per child (average cost of additional instruction required for students who do not meet PALS benchmark). PALS data provided by the Virginia Department of Education.

Percent of Children Needing Extra Help Learning to Read



- Births to mothers with less than a 12th grade education have declined.
- More than 2,000 Kindergarten Readiness booklets are being used by families to help children prepare for school.
- Common registration dates across 7 school divisions have resulted in increased on-time enrollment and stronger transition practices have led to 42 private pre-schools sharing important assessment data with Kindergarten teachers to support incoming children.
- Children in Shenandoah Valley have more access to quality early care and education: public preschool enrollment has increased by 50% since 2007.
- Fifteen centers and classrooms serving 274 children participate in the Virginia Star Quality Initiative, across every locality.
- In FY12, Smart Beginnings Shenandoah Valley raised nearly \$25,000 from corporations, foundations, non-profits, local businesses, and individuals to invest in local school readiness efforts. Funders include: Cargill Meat Solutions, RR Donnelly, Pioneer Bank, Chick-fil-A of Harrisonburg, The Rockingham Group, Hollister, Harman Construction, Valley Eye Clinic, Valley Association for the Education of Young Children, Shenandoah Valley Family Childcare Association, United Way of Harrisonburg-Rockingham, United Way of Greater Augusta, Shenandoah Community Foundation, Staunton Rotary Club, Shenandoah Valley Electric Cooperative, and Augusta Health.

**Being Ready to Learn Saves Money.**  
Increased reading readiness in Shenandoah Valley saved taxpayers over \$154,000 compared to reading intervention costs in 2006.

Savings is the lowered cost of providing reading intervention based on fewer children needing intervention in 2009 compared to 2006, at a cost of \$643 per child (average cost of additional instruction required for students who do not meet PALS benchmark). PALS data provided by the Virginia Department of Education.

Percent of Children Needing Extra Help Learning to Read



# Smart Beginnings Rappahannock Area



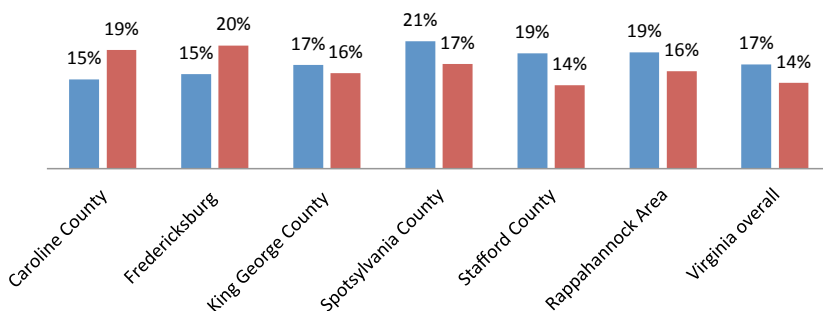
- Received a three-year Virginia Foundation for Healthy Youth (VFHY) grant to implement AI's Pals: Kids Making Healthy Choices in 50 additional classrooms (for a total of 106 classrooms), with 43% of the children showing improvement on the Child Behavior Rating Scale.
- Kindergarten retentions across the region overall have declined since 2006.
- More children are entering Kindergarten with the skills they need to learn to read: the number of Kindergarteners needing intervention services has fallen since 2006.
- Implementing Ages and Stages Questionnaire in 5 parent education programs.
- Launching a Kindergarten Transition Initiative through collaboration with each local school division and business and community leaders.
- Nineteen early childhood programs participated in the Virginia Star Quality Initiative.
- In FY12, Smart Beginnings Rappahannock Area raised nearly **\$255,000** from corporations, foundations, individuals, non-profits, and local governments to invest in local school readiness efforts. Funders include: PNC Bank, PNC Foundation, Community Foundation of the Rappahannock River Region, Mary Washington Healthcare, Rappahannock Area YMCA, Rappahannock Community Services Board, Rappahannock Electric Cooperative, Rappahannock United Way, SimVentions, Inc., and McQ, Inc.

## Being Ready to Learn Saves Money.

**Increased reading readiness in Rappahannock Area saved taxpayers over \$62,000 compared to reading intervention costs in 2006.**

Savings is the lowered cost of providing reading intervention based on fewer children needing intervention in 2009 compared to 2006, at a cost of \$643 per child (average cost of additional instruction required for students who do not meet PALS benchmark). PALS data provided by the Virginia Department of Education.

## Percent of Children Needing Extra Help Learning to Read



# Smart Beginnings Greater Roanoke



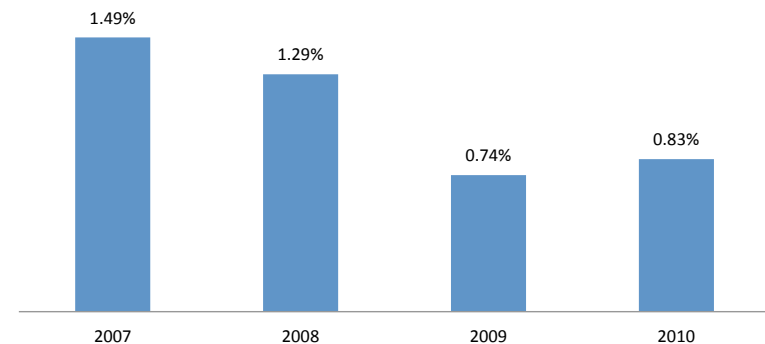
- Literacy screening (PALS Pre K) utilized in 11 Virginia Star Quality Initiative centers for 200 children. Results used to guide professional development and instruction.
- 155 families participating in Parent Education classes; coordination across multiple providers has increased accessibility for parents and diversity of course content.
- Aligned professional development opportunities with Virginia Foundation Blocks/K-3 SOL to target school readiness.
- 20 centers serving 970 children are participating in the Virginia Star Quality Initiative.
- 93% of early childhood programs improved overall between ratings, and quality of learning environments and instructional activities increased by 72% through mentorship and professional development.
- In FY12, SB Greater Roanoke raised over **\$191,000** from private corporations, foundations, non-profits, local government and individuals to invest in local school readiness efforts. Funders include: United Way Roanoke Valley, City of Roanoke, Landmark Foundation/The Roanoke Times, Verizon READS Foundation, Kroger, Appalachian Power, Cox Communications, and Gentry Locke Rakes & Moore.

## Increasing School Readiness is a Cost-Saver.

**Over the past four years, fewer retentions have saved taxpayers over \$453,000 in Greater Roanoke alone.**

Savings is the lowered cost of retention based on fewer children retained in 2009 compared to 2006, at a cost of \$10,793 per child (average cost of grade retention in Virginia). Retention data provided by the Virginia Department of Education.

## Kindergarten Retention in Greater Roanoke





## ■ VECF IS PRIMED TO TAKE THE NEXT LOGICAL STEP IN ITS

**SYSTEMS-BUILDING WORK**— regionalization, or clustering of coalitions, in areas of the state that are uniquely positioned to benefit from this approach. Exploration of a regional approach emerged from discussions with community leaders around the need to drive efficiencies, promote fiscal sustainability, and document clearer, more consistent results in school readiness outcomes. Regional clusters will facilitate more coordinated and efficient administration of systems initiatives like Virginia's Star Quality Initiative and will support shared strategies for addressing region-specific dynamics such as language and ethnic diversity or rural traditions.

■ Throughout the past year, many stakeholders have voiced the need for a more comprehensive portrait of children in Virginia. VECF has convened a statewide group of experts to evaluate and make recommendations for a comprehensive kindergarten assessment. To complement PALS, Virginia's consistently-used literacy screening, additional assessment of children's kindergarten-entry social-emotional, numeracy, and/or vocabulary skills can inform both policy and practice. With Virginia's focus on teacher evaluation, this leadership is particularly timely. Adding this measure to Virginia's emerging data accountability framework will promote the ability and capacity to make effective budgetary and practical decisions to advance school readiness in the Commonwealth.

■ **VECF WILL CONTINUE TO ADMINISTER THE VIRGINIA STAR QUALITY INITIATIVE** in partnership with the Office of Early Childhood Development. This public-private, voluntary, and market-driven initiative provides important consumer information for parents as they select early learning settings for their children and delivers quality improvement supports for providers. A systems game changer, communities' implementation of the Star Quality Initiative has a positive, multi-faceted effect on children. Parents benefit from increased information about high quality options, providers benefit from effective supports and better marketability, and communities rally around the importance of early childhood education and kindergarten readiness.

Smart Beginnings coalitions have embraced the Virginia Star Quality Initiative and are growing steadily in the number of programs participating across the state. Across Virginia, 20 coalitions are utilizing this initiative as a backbone of their early childhood systems, with 380 classroom-based and family child care homes rated and working with mentors to improve the services they offer to families and children in their care. Quality improvement is an important component of this system, and in Virginia, nearly three quarters of programs who have received subsequent ratings have improved their quality scores.

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VECF's work with its partners over the coming year will be dedicated to refining strategies and measures to guide the efforts of the public-private Smart Beginnings initiative, working efficiently to provide a strong first rung on the ladder to a capable workforce and prosperous Commonwealth.

## STATEMENT OF FINANCIAL POSITION JUNE 30, 2012

### ASSETS

Current Assets	
Cash and Cash equivalents	\$1,086,554
Accounts Receivable	
Grants Receivable net	1,045,051
Prepaid Expenses	11,137
Grantee Advances	23,286
Other Assets	3,834
<b>Total current assets</b>	<b>2,169,862</b>
Long-Term Grants Recieivable	1,270,068
Equipment, Furniture, and Fixtures	18,135
Accumulated depreciation	(14,910)
<b>Total assets</b>	<b>\$3,443,155</b>

### LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$36,215
Grants Payable	240,430
Accrued Expenses	48,404
<b>Total current liabilities</b>	<b>325,049</b>

### NET ASSETS

Unrestricted	-
Temporarily restricted	3,118,106
<b>Total net assets</b>	<b>3,118,106</b>
<b>Total liabilities &amp; Net Assets</b>	<b>\$3,443,155</b>

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2012

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL (MEMO ONLY)
Public Support and Revenue			
Public Support			
Contributions			
Individual & Board Contributions	\$ 80,811	150	80,961
Corporations	101,285	290,000	391,285
Foundations	200	125,000	125,200
<b>Total Public Support</b>	<b>182,296</b>	<b>415,150</b>	<b>597,446</b>
Revenue			
Government Grants	-	2,154,422	2,154,422
Interest Revenue	5,982	-	5,982
<b>Total Revenue</b>	<b>5,982</b>	<b>2,154,422</b>	<b>2,160,404</b>
Net Assets Released from Restrictions	4,128,264	(4,128,264)	-
<b>Total Support &amp; Revenue</b>	<b>4,316,542</b>	<b>(1,558,692)</b>	<b>2,757,850</b>
Expenses			
Program Services	4,025,952	-	4,025,952
<b>Total Program Services</b>	<b>4,025,952</b>	<b>-</b>	<b>4,025,952</b>
Supporting Services			
Fund Raising	166,717	-	166,717
Public Education	46,905	-	46,905
Lobbying	2,470	-	2,470
Management & General	74,498	-	74,498
<b>Total Expenses</b>	<b>4,316,542</b>	<b>-</b>	<b>4,316,542</b>
Change in Net Assets	-	(1,558,692)	(1,558,692)
Net Assets, Beginning	-	4,676,798	4,676,498
<b>Net Assets, Ending</b>	<b>\$ -</b>	<b>3,118,106</b>	<b>3,118,106</b>

# COMMUNITY INVESTMENTS

## **PUBLIC SUPPORT**

Virginia Department of Social Services  
Virginia General Assembly  
Virginia Tobacco Indemnification  
& Revitalization Commission

## **CORPORATE & FOUNDATION SUPPORT**

American Electric Power Foundation  
Capital One Services, LLC  
Danville Regional Foundation  
Davenport & Co. LLC  
Dominion Resources  
Ferguson Enterprises, Inc.  
Norfolk Southern Foundation  
PNC Foundation  
RiverFront Investment Group, LLC  
Robins Foundation  
SunTrust Mid-Atlantic Foundation  
Verizon Foundation  
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Dr. Novella J. Ruffin  
Susan Bailey & Sidney Buford Scott  
Endowment Trust  
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Rhonda Zingraff

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If we have overlooked your name or made an error of any kind, please accept our apologies and call us at (804) 358-8323.

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Regional President, PNC Bank – Fredericksburg  
Fredericksburg, Virginia

Colleen A. Kraft, M.D., FAAP  
Associate Professor of Pediatrics, VA Tech Carilion  
School of Medicine & Research Institute  
Program Director, Carilion Clinic  
Roanoke, Virginia

Angelica D. Light, Secretary  
President & CEO, The Norfolk Foundation (retired)  
Norfolk, Virginia

The Honorable L. Scott Lingamfelter\*  
Virginia House of Delegates  
Woodbridge, Virginia

Dr. Virginia L. McLaughlin  
Dean, School of Education  
College of William and Mary  
Williamsburg, Virginia

Lori M. Morris  
President, Bruhn-Morris Family Foundation  
Alexandria, Virginia

The Honorable Charles D. Poindexter\*  
Virginia House of Delegates  
Glade Hill, Virginia

Pamela J. Royal, M.D.  
President  
Royal Dermatology & Aesthetic Skin Care, Inc.  
Richmond, Virginia

Dr. Novella J. Ruffin  
Asst. Professor & Child Development Specialist  
Virginia Cooperative Extension  
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# 2012 Annual Report

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**VIRGINIA EARLY CHILDHOOD FOUNDATION**

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**VIRGINIA EARLY CHILDHOOD FOUNDATION**

**Financial Statements**

**June 30, 2012**

**(WITH INDEPENDENT AUDITORS' REPORT THEREON)**

VIRGINIA EARLY CHILDHOOD FOUNDATION

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	6



INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Virginia Early Childhood Foundation  
Richmond, Virginia

We have audited the accompanying statement of financial position of Virginia Early Childhood Foundation (VECF) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the VECF's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VECF as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

September 26, 2012

A handwritten signature in cursive script, reading "Larry Saunders &amp; Associates", is positioned to the right of the date.



VIRGINIA EARLY CHILDHOOD FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2012

**ASSETS**

<b>Current Assets</b>	
Cash and Cash equivalents (note 1.e and 11)	\$ 1,086,554
Accounts Receivable	
Grants Receivable net	1,045,051
Prepaid Expenses	11,137
Grantee Advances	23,286
Other Assets	<u>3,834</u>
<b>Total current assets</b>	<b>2,169,862</b>
Long-Term Grants Receivable	1,270,068
Equipment, Furniture, and Fixtures	18,135
Accumulated depreciation	<u>(14,910)</u>
<b>Total assets</b>	<b><u>\$ 3,443,155</u></b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Accounts Payable	\$ 36,215
Grants Payable	240,430
Accrued Expenses	<u>48,404</u>
<b>Total current liabilities</b>	<b><u>325,049</u></b>

**NET ASSETS**

Unrestricted	-
Temporarily restricted (Note 12)	<u>3,118,106</u>
<b>Total net assets</b>	<b><u>3,118,106</u></b>
<b>Total liabilities and Net Assets</b>	<b><u>\$ 3,443,155</u></b>

See accompanying notes to financial statements

VIRGINIA EARLY CHILDHOOD FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL (MEMO ONLY)</u>
<b>Public Support and Revenue</b>			
<b>Public Support</b>			
<b>Contributions (note 6 &amp; 11)</b>			
Individual and Board Contributions	\$ 80,811	\$ 150	\$ 80,961
Corporations	101,285	290,000	391,285
Foundations	200	125,000	125,200
<b>Total Public Support</b>	<u>182,296</u>	<u>415,150</u>	<u>597,446</u>
<b>Revenue</b>			
Government Grants	-	2,154,422	2,154,422
Interest Revenue	5,982	-	5,982
<b>Total Revenue</b>	<u>5,982</u>	<u>2,154,422</u>	<u>2,160,404</u>
<b>Net Assets Released from Restrictions (note 13)</b>	<u>4,128,264</u>	<u>(4,128,264)</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>4,316,542</u>	<u>(1,558,692)</u>	<u>2,757,850</u>
<b>Expenses</b>			
<b>Program Services</b>	<u>4,025,952</u>	<u>-</u>	<u>4,025,952</u>
<b>Total Program Services</b>	<u>4,025,952</u>	<u>-</u>	<u>4,025,952</u>
<b>Supporting Services</b>			
Fund Raising	166,717	-	166,717
Public Education	46,905	-	46,905
Lobbying	2,470	-	2,470
Management and General	74,498	-	74,498
<b>Total Expenses</b>	<u>4,316,542</u>	<u>-</u>	<u>4,316,542</u>
<b>Change in Net Assets</b>	<u>-</u>	<u>(1,558,692)</u>	<u>(1,558,692)</u>
<b>Net Assets, Beginning</b>	<u>-</u>	<u>4,676,798</u>	<u>4,676,798</u>
<b>Net Assets, Ending (note 12)</b>	<u>\$ -</u>	<u>\$ 3,118,106</u>	<u>\$ 3,118,106</u>

See accompanying notes to financial statements

VIRGINIA EARLY CHILDHOOD FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2012

	Programs	Fund Raising	Public Education	Lobbying	Management and General	Total
Salaries (note 4)	\$ 662,765	\$ 103,463	\$ 19,040	\$ -	\$ 47,602	\$ 832,870
Fringe Benefits	201,257	27,567	3,624	-	15,720	248,168
<b>Total staff compensation</b>	<b>864,022</b>	<b>131,030</b>	<b>22,664</b>	<b>-</b>	<b>63,322</b>	<b>1,081,038</b>
Professional Services	300,094	11,044	24,241	2,470	5,992	343,841
Supplies	28,650	880	-	-	373	29,903
Telecommunications	11,737	1,294	-	-	420	13,451
Postage	27,365	346	-	-	130	27,841
Leases (notes 3)	43,745	5,194	-	-	2,576	51,515
Equipment Repair and Maintenance	8,736	1,086	-	-	568	10,390
Printing and publications	54,081	48	-	-	-	54,129
Travel	30,679	3,171	-	-	60	33,910
Meetings and Events	28,565	5,301	-	-	212	34,078
Information/Membership	18,060	3,581	-	-	256	21,897
Professional Development	12,433	527	-	-	18	12,978
Computer Equipment	3,836	136	-	-	68	4,040
Insurance	3,414	402	-	-	200	4,016
Grants to Others	2,563,754	-	-	-	-	2,563,754
Publicity/Advertising	17,020	81	-	-	40	17,141
Interest Expense	1,482	175	-	-	-	1,657
Gifts	5,196	2,058	-	-	82	7,336
<b>Total expenses before depreciation</b>	<b>4,022,869</b>	<b>166,354</b>	<b>46,905</b>	<b>2,470</b>	<b>74,317</b>	<b>4,312,915</b>
Depreciation	3,083	363	-	-	181	3,627
<b>Total expenses</b>	<b>\$ 4,025,952</b>	<b>\$ 166,717</b>	<b>\$ 46,905</b>	<b>\$ 2,470</b>	<b>\$ 74,498</b>	<b>\$ 4,316,542</b>

See accompanying notes to financial statements

**VIRGINIA EARLY CHILDHOOD FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Cash Flows From Operating Activities**

Change in net assets	\$	<u>(1,558,692)</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation		3,627
(Increase) decrease in pledges receivable		-
(Increase) decrease in grants receivable		1,376,712
(Increase) decrease in grants allowance		(4,149)
(Increase) decrease in grantee advances		14,423
(Increase) decrease in prepaid expenses		1,490
Increase (decrease) in accounts payable		(609,836)
Increase (decrease) in grants payable		108,235
Increase (decrease) in accrued expenses		<u>(943)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>		<u><b>(669,133)</b></u>
<b>Cash Flows From Investing Activities</b>		
Furniture and Equipment purchases		<u>-</u>
<b>Net Cash Provided (Used) by Investing Activities</b>		<u>-</u>
<b>Cash Flows From Financing Activities</b>		
		-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(669,133)</b>
<b>Cash and cash equivalents, beginning</b>		<u><b>1,755,687</b></u>
<b>Cash and cash equivalents, ending (note 1e)</b>	<b>\$</b>	<u><u><b>1,086,554</b></u></u>

See accompanying notes to financial statements.

**VIRGINIA EARLY CHILDHOOD FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**1. Summary of Significant Accounting Policies**

The Virginia Early Childhood Foundation. (VECF) is a non-profit corporation exempt from federal income taxes under the provisions of Section 501(c) (3) of the Internal Revenue Code. VECF is organized exclusively for educational and charitable purposes, to promote, aid and encourage early childhood education and services in the Commonwealth of Virginia, alone or in cooperation with governmental or other private bodies or agencies. It has no unrelated business income subject to federal income taxes under Section 511 of the Internal Revenue Code. It is funded principally from contributions and governmental grants. The following accounting policies unique to non-profit organizations are:

- a. Investment income derived from the investment of all funds is credited to revenue of current unrestricted funds in the periods earned.
- b. Donated fixed assets are recorded at fair market value when received.
- c. Donated services are recorded at fair market value as contributions and expenses when all of the following conditions are met:
  - 1. The services require specialized skills and are provided by individuals possessing those skills.
  - 2. The service would typically need to be purchased if not provided by donation.
  - 3. There is a clearly measurable basis for the amount recorded.

**d. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**e. Disclosure of Accounting Policy**

For the purpose of reporting cash flows, VECF considers all checking accounts and saving accounts and certificates of deposits with a maturity of three months or less to be cash and cash equivalents.

**2. Land, Building, Equipment and Depreciation**

Depreciation of equipment, furniture and fixtures is provided on a straight- line basis over the estimated useful lives of the assets. Equipment, furniture and fixtures are recorded on the books at cost or fair market value, if donated. Fixed asset purchases greater than \$1,000 are capitalized.

**3. Lease Commitments**

VECF entered into a forty-eight month lease as of April 2009 for a copier. Total payments made during the year under copier lease agreements was \$4,261.

VECF entered into a five- year lease as of June 2010 for office space located in Richmond, Virginia. In September 2010, VECF also leased additional office space located in Richmond, Virginia for twelve months. Total payments made during the year for office space were \$47,254.

**VIRGINIA EARLY CHILDHOOD FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

3. Lease Commitments continued

Future payments under these lease agreements are as follows.

<u>Year</u>	<u>Amount</u>
2013	\$ 52,119
2014	50,026
2015	<u>51,526</u>
	<u>\$ 153,671</u>

4. Accrued Vacation

VECF provides paid vacation for all regular employees. Vacation is available on a pro-rated basis to regular part-time employees. Vacation accrues monthly based on length of service and/or negotiated time off. All full-time employees accrue twelve days annually with an additional one day per year for each year of service maxing out at twenty-five days.

5. Pension Plans

VECF employees participate in a tax-deferred annuity plan that is subject to section 403 (b) of the Internal Revenue Code. The tax-deferred annuity was established to allow employees the opportunity to contribute toward their retirement benefits. VECF was not required to contribute to this tax-deferred annuity. It was established only for employees to make contributions up to the maximum contribution permitted by Internal Revenue Code. VECF employees also participate in a simplified employee pension plan in which VECF contributes 6% of the employee's total wages. Total retirement expense for the year was \$54,772.

6. Contributions and Grants

In accordance with Financial Accounting Standards Board Accounting Standards Codification 958-605-45, entitled Other Presentation Matters, contributions and grants are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor and/or grantor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions and grants that are restricted are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions and grants are recognized.

7. Contributions Receivable

At June 30, 2012, VECF has recorded unconditional contributions receivable related to the operations of the Foundation. These contributions are to be received subsequent to June 30, 2012, as follows:

	<u>0-1 year</u>	<u>2-5 Years</u>	<u>Total</u>
Promises to give	\$1,049,269	1,277,180	\$2,326,449
Less-discounts	<u>( 4,218)</u>	<u>( 7,112)</u>	<u>(11,330)</u>
Totals	\$1,045,051	1,270,068	\$2,315,119

Discounted promises to give that were expected to be received in one to five years were value at the present value of future cash flows. The effective interest rates used for discounted promises to give was .56%.

**VIRGINIA EARLY CHILDHOOD FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**8. Functional Expenses**

Expenses are charged directly to program or management and general categories based on specific identification. Indirect expenses have been allocated based upon direct compensation.

**9. Financial Statements**

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification 958-205 Presentation of Financial Statements. VECF is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

In addition, VECF has decided to the present statements of functional expenses and of cash flows. VECF has reclassified its financial statements to present the two classes of net assets that apply to them, unrestricted and temporarily restricted net assets.

**10. FASB Accounting Standards Codification 740 Income Taxes**

VECF adopted the provisions of Financial Accounting Standards Board Accounting Standards Codification 740 Income Taxes. Under FASB ASC 740, liabilities are recorded for unrecognized tax benefits, and any related interest and penalties, when it is more likely than not a tax position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no material uncertain tax positions or related interest and penalties at September 26, 2012, and accordingly no liability is accrued. Fiscal years ending on or after 2009 remain subject to examinations by federal and state tax authorities.

**11. Cash and Investments**

The Federal Deposit Insurance Corporation (FDIC) insures the accounts of each financial institution customer up to \$250,000 per financial institution. VECF has \$259,771 uninsured in its accounts with Wells Fargo.

**12. Temporarily Restricted Net Assets**

The temporarily restricted net assets consist of funds received from the Virginia General Assembly and other public contributions for the following future use:

Early Childhood Program and Infrastructure Development	\$ 3,118,106
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**13. Net Assets Released From Restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose.

Purpose restriction accomplished:

Early Childhood Programs, Initiatives and Technical Assistance	\$ 4,128,114
Resource Development	<u>150</u>
	<u>\$ 4,128,264</u>

**VIRGINIA EARLY CHILDHOOD FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**14. Subsequent Event**

In preparing these financial statements, VECF has evaluated events and transactions for potential recognition or disclosure through September 26, 2012, the date the financial statements were available to be issued.

In the subsequent year, VECF received \$1,500,000 from the Virginia General Assembly to be used toward providing grants, training, and technical assistance to local communities working to build their capacity to provide families and children with high quality early childhood services and programs.

**15. Grant and Contract Support**

In accordance with the terms of its contract, VECF may use unexpended funds in future periods to the extent that expenses incurred are in compliance with the specified terms of the contract. Grantors may, at their discretion, request reimbursement or return of funds, or both, as a result of non-compliance by VECF with the terms of the contract.

**16. Concentrations**

Fifty-five percent of VECF funding comes from the Virginia General Assembly.

**17. Related Party Transactions**

Various Board Members both individual and through a family foundation donated \$83,100 to VECF.