

# Commission on Early Childhood Care and Education

## Annual Report October 2023

### **Overview of the Commission on Early Childhood Care and Education**

In 2023, the General Assembly enacted Chapter 8 [§ 2.2-208.1](#) of the *Code of Virginia* to establish the Commission on Early Childhood Care and Education (the Commission). The Commission is comprised of Virginia legislators and representatives of business, economic development, local government, school divisions, parents and early care and education programs. The General Assembly called for the Commission to provide recommendations with the following duties:

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

Focal areas on school-aged child care will not be addressed by this commission.

### **Commission Progress-to-Date and Guiding Principles**

Over the course of four months, the Commission focused on best practices occurring in Virginia's birth to five early childhood education and care system and elevated Virginia's focus on creating quality experiences that prepare every child for kindergarten. The Commission learned about the extensive data collection and quality measurement and improvement system (VQB5) implemented over the past three years that supports early childhood educators across 12,000 classrooms in child care, family child care, Head Start and public schools to improve their practice to help infants, toddlers, and preschoolers learn and develop critical skills.

This system will also provide meaningful information to families that helps them choose the best option to help prepare their child for kindergarten and put them on track for future success. In addition, the Commission learned of the unique ways that Virginia chose to use one billion federal recovery dollars to build a system focused on ensuring that parents not only had choice in private and public settings, parents also were assured of quality care.

As Virginia looks to innovate and sustain a model of quality public-private birth to five learning options that align with parent choice and produce positive early learning outcomes, the Commission identified the key principles for a best-in-class ECCE system:

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

### **Eight Key Strategies for Sustaining Virginia’s ECCE System**

In line with these key elements, the Commission has identified eight key strategies to advance the current ECCE system, respond to the upcoming funding challenges and fully address the needs of families, children, and constituents who benefit from a dynamic Virginia economy.

Specifically, Virginia should:

1. **Build on Strong Fundamentals:** Leverage the strong fundamentals of Virginia’s existing ECCE system that have been recognized by national experts, including the current approaches for governance, public-private partnership, regional infrastructure, parent choice, funding based on the cost-of-quality methodology, accountability and data transparency, and reducing teacher turnover and workforce shortages.

- Continue to maximize funding and match slots to family demand, recognizing which options are oversubscribed and which are undersubscribed.
  - Continue to target funding towards those in most need, with a focus on underserved communities, and align eligibility.
  - Develop commitment with business community on their unique role in providing innovative solutions to workforce needs that include child care models and permissive funding mechanisms to support quality early learning child care for its employees.
  - Establish a toolbox of existing innovative models, approaches, and resources to support access and opportunities for families.
  - Provide regulatory and local code options that allow for flexibility in physical capacity.
- 2. Explore Public-Private Funding Mechanisms:** Pursue multiple public and private funding mechanisms to close the gap between demand from working families in need and what current state and federal funds are available, recognizing the cost of quality early education and care for birth to five and what Virginia families can afford to pay. Businesses and local communities can play a meaningful role, developing and implementing innovations and funding approaches to help secure ECCE and defray costs for their employees. Virginia must explore out-of-the-box solutions such as workforce development initiatives, rural development funds, parental leave and family tax credits to support parents as their children’s first and most important teachers. Regardless of source, Virginia should ensure ECCE funding is stable, sustainable, based on family demand and preference, and tracked to understand impact.
- Encourage businesses to provide dependent care accounts, child care scholarships and other incentives to build partnerships in funding early learning child care for employees.
  - Create innovative ECCE models that empower businesses to lead in developing child care solutions that address the unique needs of their employees. (e.g., Ballad Health model in southwest Virginia or VCU health system in central Virginia)
  - Continue to convene stakeholder groups to scale and replicate successful business partnerships that help generate start up and sustain funding for early childhood efforts.
- 3. Apply Innovative Business Sector Approaches:** Considered as one of the best states for business, Virginia can be a national leader in having business play a larger role developing and sustaining ECCE innovations and providing incentives for greater business engagement. Other states have tested strategies for Virginia to consider, including creating tax credit incentives for employer-sponsored child care; providing state matching funds to encourage employer contributions towards private child care; establishing small business pools to help provide benefits to ECCE workers; offering zoning flexibility or incentives for alternate uses of unused physical sites; and reducing regulatory burden and liability risk for onsite child care.
- Establish integrated funding model that allows all stakeholders to incorporate funds into child’s account (% parent, % employer, % government, % locality).

- Provide incentives for businesses that develop onsite child care or other innovative partnerships.
  - Research benefits models (e.g., realtor’s law) that allow small business to pool resources to develop competitive benefits for workforce.
  - Develop state tax incentives for businesses who are engaging in innovative early childhood care and education models.
4. **Streamline Regulations:** Streamline the state’s regulations, zoning, and permitting requirements to make it easier for providers to serve families in need receiving public funds, and to make it easier for families to access and navigate the ECCE services they want. The state should simplify its regulatory oversight, making it easier for providers to receive public funds to do their core work, to expand to meet parent demand, and easier for families to find and choose the right services for their child.
- Increase regulatory freedom while employing commonsense quality controls.
  - Make it easier to open early childhood options in dual-purpose settings, including in homes, churches and other community settings.
  - Ensure consistent regulatory expectations in all localities of Commonwealth.
  - Provide regulatory clarity and reduce red tape barriers for early learning providers who want to take public funds.
  - Reduce timelines for employee background checks.
5. **Address Workforce Challenges:** Maintain and expand effective initiatives that directly address birth to five teacher shortages and other persistent workforce challenges. This includes increasing investments in [RecognizeB5](#), [FastTrack](#), and other innovative public-private efforts for reducing turnover, eliminating shortages, expanding existing professional development opportunities, and building the educator pipeline. Virginia should also continue to measure and quantify the impact of these efforts.
- Pursue benefits package flexibility to provide health care, retirement, and/or other benefits to the early childhood workforce.
  - Provide business incentives to companies offering innovative benefits packages.
  - Create professional development ladders that allow early childhood educators to earn more as they develop expertise in building quality learning experiences.
  - Incentivize innovative staffing structures that enable private providers to maximize available funds.
  - Continue to scale innovative efforts for fast-tracking educator preparation, leveraging apprenticeships and retaining top talent.
  - Establish substitute pools to address temporary staffing shortages that disrupt children’s learning and parents’ work.
6. **Use Family Demand and Choice to Drive Funding:** The unprecedented level of one-time federal funding rapidly expanded access for Virginia families to choose new options and families predominantly chose private sector learning models. Ensure sustainable and stable growth of the public-private system by codifying family demand-driven growth and choice into Virginia law. Virginia should continue to maximize all available public and private funding sources and explore multiple new funding mechanisms to

systematically address family demand and preference by enacting legislation. This will help stimulate business engagement as well as align incentives for the private sector to adapt programming and grow supply in response to family needs -- including building supply in underserved areas -- while meeting all state accountability expectations.

- Develop flexible funding uses and eliminate regulatory burdens that prevent full family choice.
  - Explore a business-match model that would enable Virginia to expand impact of public funds.
  - Ensure data systems provide clear and actionable information for family choice.
  - Allow for flexible spending accounts that enable family members and potentially businesses to pay into personal child care accounts (similar to college flex spending accounts).
7. **Recognize Early Childhood as Essential Economic Development:** Recognize investments in early childhood as economic development investments and increase public awareness of the importance of ECCE and its benefits to the Commonwealth, including the significant return on investment of funds.
- Develop clear marketing strategies to leverage business interest in supporting workforce development.
  - Utilize workforce development focus to leverage business interest and partnership in early childhood care and education solutions.
  - Ensure that home-based care is also considered a quality early learning experience that provides options for young families to enter work force.
  - Ensure small businesses have options in providing innovative early childhood solutions.
8. **Ensure Data Driven Decision Making:** All decisions on funding or policy should be driven by an analytics-based approach to actionable data and measurable outcomes.
- Use best-in-class data to inform parents about their options when making early childhood care and education decisions.
  - Provide online dashboards that demonstrate how funding follows the child according to parental preference.
  - Ensure data and information is accessible and clear for all stakeholders.
  - Build data analysis capacity at the local and regional level to ensure that all communities are supported to use their own data to inform decisions.
  - Use data to build and scale strong early learning models across the Commonwealth.

## **Conclusion**

These priorities and strategies represent the key tenets to transitioning Virginia's best-in-class, public-private early learning system to a sustainable model that can be replicated across the Commonwealth. Implementing these strategies and adapting the model to meet the unique needs

of different communities across the Commonwealth will require engagement of all stakeholders – business, philanthropic, community, family and government.

Together, stakeholders should establish partnerships, elevate promising practices, make investments and drive innovative solutions to ensure quality, affordable early learning options that families want are available, and everyone must contribute to the early childhood model. As Virginia looks to build and sustain this model – a system of quality public-private birth-to-five, early learning options, all stakeholders must play a meaningful role.

Now, policy actions must be created to ensure that Virginia’s model can be scaled and sustained to provide families the information they need, can choose quality and can ultimately provide their children with high-quality early learning child care that prepares them for success in K-12 schooling and beyond. With these key principles and strategies in mind, the Commission now recommends the development of policy and practical solutions that will help secure Virginia’s position as the best state to live, work and raise a family.