



Glenn Youngkin
Governor

Caren Merrick
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

November 1, 2024

To: The Honorable Glenn Youngkin
Governor of the Commonwealth of Virginia

From: Bryan Horn
Director, Department of Housing and Community Development

Item 103.U.1-4 of the 2024 Appropriations Act directs the Department of Housing and Community Development (DHCD) to enter into a Memorandum of Understanding (MOU) with Reynolds Community College to establish a child care facility. The language states:

U.1. Out of this appropriation, \$1,000,000 the first year from the general fund is provided for the department to enter into a Memorandum of Understanding (MOU) with Reynolds Community College to establish a child care facility for the benefit of state employees near the seat of state government in Richmond, Virginia.

2. The funds provided in this paragraph shall be used to retrofit space on the campus for the child care facility. At a minimum, the department, in negotiating the MOU with Reynolds Community College, shall: (i) establish market rates by child care age groups to support center operations; (ii) develop a detailed operations plan to include class size and appropriate staff ratios; (iii) provide training opportunities for community college students; (iv) set a timeline for the development of the center and its opening; (v) accept the child care subsidy as defined § 22.1-289.02, Code of Virginia; and (vi) provide frequent reporting and updates on center operations.

3. The department shall provide annual reports on or before November 1, 2024, and thereafter on the status of this center including operations, development timeline, and state employees served or expected to be served. The department shall also provide recommendations on utilizing additional state resources for retrofitting space on community college campuses for child care across the Commonwealth to serve community college students and the broader public in its 2025 annual report.

4. The funding provided in this paragraph shall be used for no other purpose than those outlined above.



This is the first annual report pursuant to the budget language.

Given that the focus of the directive is child care, which is outside DHCD's expertise, DHCD staff has collaborated with representatives from the Office of the Secretary of Education and the Virginia Department of Education (VDOE) for assistance in determining the required data points for the MOU. This collaboration has included meetings to identify the appropriate resources to aid DHCD in determining the most efficient and effective way to carry out the provisions of the budget language.

Since the 2024 Appropriations Act became effective, DHCD has had three meetings with the applicable stakeholders to begin developing a plan to execute the bill's provisions. In addition, representatives from the Office of the Secretary of Education and VDOE have had preliminary discussions with Reynolds Community College (Reynolds) regarding this initiative.

DHCD anticipates executing an MOU between DHCD, VDOE, and Reynolds by December 31, 2024, subject to the identification of available space that may be renovated or retrofitted to serve as a child care facility. It is anticipated that the MOU will contain elements that provide for a competitive procurement with a performance-based contract for the provision of child care services in the retrofitted space provided by Reynolds or other eligible space. The Request for Proposals (RFP) for child care services would also cover the key operational elements required by the budget language, including but not limited to: timeline, capacity, number of children to be served (which is based on teacher:child ratios and group sizes), market rates, and training opportunities for Reynolds' students. The RFP and any accompanying contracts will establish the requirement that state employees are to be given priority, and the operator has a plan for conducting outreach to state employees with young children. Procuring these services competitively will enable the Commonwealth to select an operator who best meets these expectations with the most cost-effective and sustainable approach. In the interim, DHCD welcomes the opportunity to provide additional updates and information as needed.

Cc: The Honorable Caren Merrick
Secretary of Commerce and Trade

The Honorable Aimee Rogstad Guidera
Secretary of Education

Dr. Paula Pando, President
Reynolds Community College

Division of Legislative Automated Systems (DLAS)
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