

PHASE 1:
Stabilize (2022-24)

PHASE 2:
Strengthen (2025-27)

PHASE 3:
Sustain (2028-30)

Virginia has *stabilized* the foundation of the early childhood system.

PHASE 1 of the Virginia Promise Partnership (VPP) policy roadmap (2022-24) resulted in historic investments to stabilize Virginia's early childhood system. Strategic and targeted efforts sustained levels of child care funding to meet parent demand following the expiration of federal stimulus funds. These new state investments brought child care funding to its highest level in Virginia's history – a combined state and federal funding of \$1.1 billion in the FY 2025-26 Biennial Budget.

IN PHASE 1, VIRGINIA WAS ABLE TO:

- ✓ **Protect family choice:** Prevented 35,000+ children and families from losing access to child care services.
- ✓ **Build child care quality:** Promoted industry sustainability through a shift to reimbursing child care providers based on true business costs – one of only four states in the country that has adopted this leading practice – to ensure providers can meet Virginia's quality standards.¹
- ✓ **Increase access:** Permanently increased the income eligibility limit for child care subsidies (85% SMI), allowing more hardworking low- and middle-income families to be eligible for the child care they need.¹
- ✓ **Increase affordability:** Limited subsidy family copayments to 5% or less of income – allowing eligible families to save money on child care and build economic stability.¹

YET SIGNIFICANT WORK REMAINS:

Virginia has come a long way to increase child care choice, quality, access, and affordability – but child care challenges persist:

- ✗ **Early educator wages remain low:** The broken business model of child care results in depressed wages for child care educators, on average 25% less in annual wages than Virginia high school graduates.² Almost half (49%) of Virginia's early educators rely on public assistance due to low wages.⁵
- ✗ **Child care access remains insufficient:** Only 42% of eligible children receive publicly-funded child care.⁷
- ✗ **Costs remain high:** Families spend over \$16,600 per child each year – the highest of all household expenses – and Virginia is ranked as the 29th least affordable state in the country for infant child care.^{3,6}
- ✗ **Teacher retention remains problematic:** Only 60% of Virginia children meet kindergarten benchmarks for literacy, math, social skills, and self-regulation.³ Educator-child interactions are the leading indicator of quality, and research shows a strong link between quality child care and school readiness.⁴ Only 1 in 2 early educators at child care centers indicated they were likely to still be at their site in one year, representing a significant loss of quality teachers.⁵

1. [Child Care Subsidies](#). Prenatal to Three Policy Impact Center.

2. [High School or GED Median Annual Wages vs Child Care Median Wages 2024](#). Early Learning Policy Group

3. [Supply and Demand Dashboard](#). VECF.

4. [2025 State Funding for Child Care](#). Child Care Aware.

5. [Child Care Center Snapshot](#). SEE Partnerships. 2024.

6. [Child Care Affordability Fact Sheet](#). Child Care Aware. 2024.

7. [Gotta Have Child Care](#). VECF.

Now, it is time to *strengthen* Virginia's future.

PHASE 2 of the VPP policy roadmap (2025-27) focuses on strengthening the early childhood system to deliver on the promise of child care and its triple-bottom-line return on investment to create school-ready children, work-ready families, and business-ready communities.

As Virginia looks toward strengthening the future of the Commonwealth, one thing is clear: child care is essential. Over 70 percent of Virginia children under age six have parents in the workforce, which means families rely on child care to go to work. The lack of access and high cost of child care are not just a challenge for Virginia's working parents but they present a significant constraint on our workforce, economy, quality of life, and democracy – impacting citizens in every neighborhood and locality in the Commonwealth.

PHASE 2 PRIORITIES:



School-Ready Children: All children have access to quality child care that provides them with a foundational education and prepares them to thrive in school.

Policy Solution: To grow stronger, Virginia should increase the state reimbursement rates for child care subsidy to reflect a) 100% of cost of delivering services (up from current 75% reimbursement in CCSP), b) the VQB5 standards that put Virginia on track to lead the nation in quality, and c) the competitive educator wages that retain talent, promote quality, and keep classrooms open.

With higher rates for competitive wages that retain quality educators:

- ✓ Child care classrooms can stay open so that families can go to work
- ✓ Children can be ready to enter kindergarten
- ✓ Businesses and communities can thrive



Work-Ready Families: All families in Virginia have access to affordable, quality child care that allows them to work and live better.

Policy Solution: To grow stronger, Virginia should ensure that all eligible families have access to child care. Currently, only 42% of eligible families are being served. Progress begins with protecting existing funding, eliminating the child care waitlist for the most vulnerable children, and then providing access to all eligible families, with an initial growth target of serving 50% of currently eligible families through sufficient and sustained funding in the FY 2027-28 Biennial Budget that enables continuous enrollment and avoids a future waitlist. Over time, Virginia should move toward expanding eligibility for state-subsidized child care to enable additional families to get ahead in life.

With access to affordable child care that meets family needs:

- ✓ Families save money, build economic self-sufficiency, and get ahead in life
- ✓ Hardworking families afford to remain in Virginia and go to work
- ✓ Virginia's businesses and economy remain strong



Business-Ready Communities: All communities have the child care infrastructure needed to ensure Virginians have access to economic opportunity where they live.

Policy Solution: To grow stronger, Virginia should establish a new child care fund to incentivize public-private partners to contribute to building regional supply.

With public-private partners at the table:

- ✓ State dollars stretch farther
- ✓ Communities have increased investment in regionally specific child care solutions
- ✓ Local businesses stay open and tax dollars remain in regions

To ensure access to quality child care for all Virginians, a new **dedicated, robust, and permanent revenue source** must be identified. Sufficient and sustained investments are needed to strengthen Virginia across work-ready families, school-ready children, and business-ready communities – and increased funding will produce sustained public returns on investment.