

THE PROBLEM

Virginia effectively leveraged temporary federal COVID relief funds to meet unprecedented family demand for child care services. Through these child care investments, Virginia has made significant progress in expanding child care access and choice as well as improving the quality of child care and early education services.

However, **this temporary funding will end in the coming year.** Without further action, important gains in support of Virginia's children, families, and economy will be reversed.



THE SOLUTION

To avoid these disruptive impacts and fully realize the potential of Virginia's children, families, workforce, and economy, policymakers must:

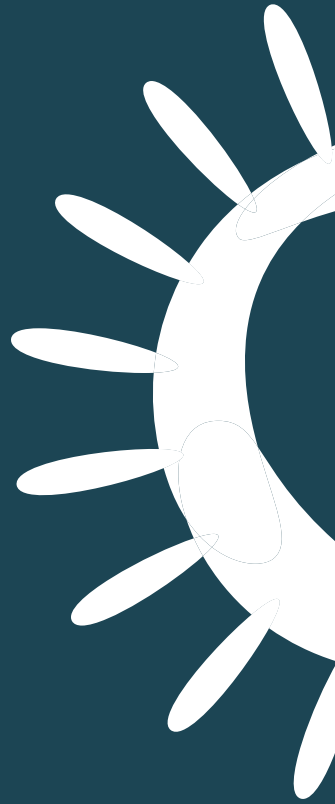
Make Sustained Investments

Invest **\$275 million in FY25 and \$325 million in FY26** to maintain and support parent demand. With temporary federal pandemic relief funding ending in FY24, these investments will be used to meet the increasing demand for affordable, quality child care services for Virginia's working families.

Ensure Stable Funding

Enact legislation to ensure and maximize sustainable, stable funding that is responsive to parent choice, including:

- A predictable cost-of-quality funding formula that responds to growing parent demand
- A non-reverting fund to safeguard and maximize child care funds for distribution



THE COST OF INACTION

Without further action, from FY24 to FY25:

- Child care funding in Virginia will **drop** by **nearly \$300M**
- Over **35,600 children** could **lose access** to child care and early education services
- Over **37,300 parents** could experience a **child care related job disruption**, impacting employer productivity and bottom line

**VIRGINIA
PROMISE
Partnership**

THE PROVEN BENEFITS OF CHILD CARE INVESTMENTS

Using temporary federal COVID relief funds, expanded access to quality child care services has:



Improved School Readiness

From birth to age five, a child's brain develops more than at any other time in life. During this time, quality child care bolsters healthy cognitive, social-emotional, and physical development and prepares children for success in kindergarten and beyond. Virginia children who enter kindergarten ready are more likely to read on level in 3rd grade according to a recent VDOE report.



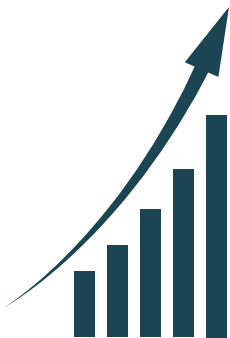
Supported Working Families

Amid record high labor force participation, two out of three Virginia children under the age of 6 have all available parents in the workforce according to a recent VDOE report. These Virginia families depend on child care so they can work, go to school, and pursue greater self-sufficiency.



Driven Employment

Data shows that communities with greater access to child care have higher rates of employment. A recent report from Vanderbilt University estimates that Virginia's additional \$309 million in child care investments in 2023 alone will result in 10,710 newly employed mothers of children under the age of 5.



Generated Economic Growth

The Vanderbilt report also found that the additional \$309 million invested in 2023 will generate a return of at least \$364 million and increase state tax revenue by at least \$30 million within one year, and drive at least \$778 million in combined cost savings and economic benefits over the lifetime of the 11,151 children age 5 and younger who received care because of the investment.