

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL NO. 54
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Education
on _____)
(Patron Prior to Substitute--Senator Locke)

A BILL to amend and reenact § 22.1-289.03 of the Code of Virginia, relating to early childhood care and education system; need-based and demand-based funding; educator incentive; nonreverting fund to capture unspent early childhood care and education funding balances.

Be it enacted by the General Assembly of Virginia:

1. That § 22.1-289.03 of the Code of Virginia is amended and reenacted as follows:

§ 22.1-289.03. Early childhood care and education system; establishment; need-based and demand-based funding, educator incentive, and nonreverting fund for early childhood care and education sites.

A. The Board shall establish a statewide unified public-private system for early childhood care and education in the Commonwealth to ensure that every child has the opportunity to enter kindergarten healthy and ready to learn. Such system shall be administered by the Board, the Superintendent, and the Department and shall be formed, implemented, and sustained through a structure that engages and leverages both state-level authority and regional-level public-private partnership assets.

B. It is the intent of the General Assembly that the system established pursuant to subsection A shall (i) provide families with coordinated access for referral to early childhood education programs, (ii) provide families with easy-to-understand information about the quality of publicly funded early childhood care and education programs, (iii) establish expectations for the continuous improvement of early childhood care and education programs, and (iv) establish shared expectations for early childhood care and education programs among the Department of Education, the Department of Social Services, local school divisions, and state and regional stakeholders.

26 C. The system established pursuant to subsection A shall consist of a combination of programs
27 offered through (i) the Virginia Preschool Initiative, pursuant to § 22.1-289.09, or any other school-based
28 early childhood care and education program; (ii) licensed programs, pursuant to Article 3 (§ 22.1-289.010
29 et seq.); and (iii) unlicensed programs, pursuant to Article 4 (§ 22.1-289.030 et seq.).

30 D. To address family demand and preferences for affordable, high-quality early childhood care
31 and education services, state general funds that support the provision of services to families at early
32 childhood care and education sites shall be provided as specified in the general appropriation act. Each
33 year, no later than December 1, the Department shall report to the Governor, the Chairmen of the House
34 Committee on Appropriations, the House Committee on Education, the Senate Committee on Education
35 and Health, and the Senate Committee on Finance and Appropriations the projected general funds needed
36 for the upcoming two fiscal years based on a cost of quality rate per child in order to (i) maintain the
37 current number of slots, (ii) increase the number of slots using a growth rate differential based on
38 enrollment and parent demand growth in prior biennia, and (iii) increase the number of slots to fully
39 accommodate parent demand and eliminate waitlists. Such projected general funds to meet such needs
40 shall be based on:

41 1. An annual per-child cost determined through re-benchmarking for the Virginia Preschool
42 Initiative;

43 2. An annual per-child cost based on the Department's federally approved alternative cost
44 methodology for the Mixed Delivery Program;

45 3. An annual per-child cost based on the Department's federally approved alternative cost
46 methodology for the Child Care Subsidy Program, which program shall be open to each child who is under
47 the age of 13 in each family for as long as:

48 a. The family's income does not exceed 85 percent of the state median income;

49 b. The family includes at least one child who is five years of age or younger and has not started
50 kindergarten; and

51 c. The family meets all other eligibility requirements;

52 4. Current program eligibility criteria; and

53 5. Maximization of regularly recurring federal funding including federal funding provided for the
54 Child Care Subsidy Program, Early Head Start, or Head Start, or pursuant to Part B of the federal
55 Individuals with Disabilities Education Act, 20 U.S.C. § 1411 et seq.

56 No later than May 15 before each upcoming year, each regional entity established by the Board
57 pursuant to subsection D of § 22.1-289.05 shall indicate the number of slots needed in the region for the
58 Mixed Delivery Program, each local school division shall indicate the number of slots needed in the local
59 school division for the Virginia Preschool Initiative, and each locality shall indicate the number of slots
60 needed in the locality for the Child Care Subsidy Program. The Department shall reallocate slots with
61 available funding as determined pursuant to this subsection no later than July 1. Following fall enrollment
62 periods, the Department shall make adjustments based on family preferences. In providing funding for
63 slots pursuant to this subsection, all current-year state general funds shall be expended first. If waitlists
64 for slots at early childhood care and education sites remain, available state general funds from prior years
65 shall be used to address family demand and preferences.

66 E. To strengthen the quality of, attract new educators to, and reduce staffing shortages and turnover
67 at early childhood care and education sites, there is hereby established an early childhood educator
68 incentive program to be administered by the Department, hereinafter known as RecognizeB5, whereby a
69 monetary incentive is provided to teachers who work directly with children for at least 30 hours per week
70 at early childhood care and education sites that participate in the uniform measurement and improvement
71 system established pursuant to subsection A of § 22.1-289.05 and known as VQB5, with the exception of
72 teachers who are employed by local school boards. The Department shall base the distribution of funding
73 pursuant to RecognizeB5 on the number of eligible teachers who provide services that address the actual
74 data and growth rate differentials from the prior year. The Department shall submit to the General
75 Assembly no later than December 1 of each year a report on the usage and impact of RecognizeB5 and
76 any plans to phase out or otherwise transition RecognizeB5 based on its success in achieving the goals set
77 forth in this subsection.

78 F. There is hereby created in the state treasury a special nonreverting fund to be known as the Early
79 Childhood Care and Education Fund, referred to in this section as "the Fund." The Fund shall be

80 established on the books of the Comptroller. All funds appropriated for such purpose and any gifts,
81 donations, grants, bequests, or other funds received on its behalf shall be paid into the state treasury and
82 credited to the Fund. All balances of state general funds intended for the provision of services to families
83 at early childhood care and education sites that are unspent at the end of each fiscal year shall not revert
84 to the general fund but shall be paid into the state treasury and credited to the Fund. Interest earned on
85 moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,
86 including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain
87 in the Fund. Moneys in the Fund shall be used in the discretion of the Department solely for the purpose
88 of providing early childhood care and education services within the system established pursuant to
89 subsection A for children from birth to five years of age who have not yet entered kindergarten based on
90 parent demand. Expenditures and disbursements from the Fund shall be made by the State Treasurer on
91 warrants issued by the Comptroller upon written request signed by the Superintendent. The Superintendent
92 shall include as part of the report on projected general fund needs required pursuant to subsection D an
93 analysis of Fund revenues, distributions, and balances.

94

#