

# gotta have **CHILD CARE**

## 2025 LEGISLATIVE PRIORITIES

### The Problem:

As a promising sign of post-pandemic economic and workforce recovery, parental demand for quality, affordable child care has grown in all regions of the Commonwealth. Despite historic investments in Virginia's early childhood care and education (ECCE) system in the FY25-26 biennial budget, **there is a gap in funding for demand beyond FY24 enrollment levels**. Beginning in FY25, ECCE providers were required to create waitlists, enabling Virginia to more accurately quantify unmet demand and anticipate projected need. As of January 2025, more than 10,000 children sit on waitlists across the Commonwealth. This funding gap has serious consequences for children's school readiness and parents' ability to work.

An estimated 165,000 children under 6 years old in Virginia qualify for publicly-funded child care based on the eligibility criteria of household income and having all parents active in the workforce. Despite Virginia's bold commitment to increasing access, **only 42% of eligible families estimated to need publicly-funded child care are able to access the state's child care programs**.

### Solutions:

To gain the triple-bottom-line ROI of school-ready children, work-ready parents, and a thriving economy, Virginia must ensure that working families can access quality, affordable child care.

**Address Parent Demand – Budget Item 125.10 #2s (Locke, Pillion) / Item 125.10 #1h (Bulova), Item 125.10 #2h (Austin)**: By adding 12,000 slots for FY26, Virginia can achieve a nation-leading benchmark of *access for 50% of all eligible children under age 6<sup>1</sup>*, including the more than 10,000 children currently waiting for publicly-funded child care services, allowing them to gain school readiness skills and enabling their parents to work and contribute to Virginia's economy. (\$160m with supply-building and cost-sharing incentives)

**Ensure Stable Financing – HB 2538 (Bulova) / SB 756 (Locke)**: Sustain a nation-leading early childhood care and education system by anticipating demand and providing choices that fit families' needs and preferences, including:

- A predictive funding formula that anticipates fluctuations in parent demand, accounts for regional efforts for new slots, and aligns with the cost of quality methodology.
- A dedicated fund to safeguard and maximize child care investments.

**Incentivize Private Sector Innovations – HB 1771 (McClure) / SB 1414 (Hashmi)**: Virginia must prioritize and incentivize additional contributors and revenue streams to increase overall supply and availability of childcare services. These bills would establish an Employee Child Care Assistance Pilot.



<sup>1</sup> Eligible child is defined as a family with income at or below 85% SMI and with all available parents in the workforce.