

# Fund 40045: Early Childhood Birth to 5

## Mission

The mission of the Early Childhood Birth to 5 Fund is to build capacity and support the expansion of the County’s Equitable Early Childhood System. The fund supports a comprehensive approach to advancing and expanding the County’s early childhood system by providing full and equitable access to high-quality affordable early care and education for young children. This advances the goal of the Board of Supervisors to ensure that every child in Fairfax County has equitable opportunities to thrive.

## Connection to the Countywide Strategic Plan

The Fairfax County Board of Supervisors adopted the first-ever Countywide Strategic Plan on October 5, 2021. The Countywide Strategic Plan serves as a road map to help guide future work, focusing on the 10 Community Outcome Areas that represent the issues of greatest importance to the community, and uses our One Fairfax equity policy to invest in people and places that have limited access to opportunity. On February 20, 2024, the second Annual Report on the work of the strategic plan was released to the public. The report contains point-in-time progress highlights for each of the community outcome areas, plus three data dashboards and data stories that are being replicated across all of the outcome areas, and a number of additional initiatives to embed the elements of the plan within department-level work. The report also includes a Year Three Implementation Model, which will engage hundreds of County subject-matter experts to identify and champion the specific strategies that will move forward to implementation under the guidance of the Board of Supervisors. For more information on the Countywide Strategic Plan, please visit [www.fairfaxcounty.gov/strategicplan](http://www.fairfaxcounty.gov/strategicplan). Fund 40045, Early Childhood Birth to 5, primarily supports the following Community Outcome Areas:



Community Outcome Area	Vision Statement
<b>Economic Opportunity</b>	<i>All people, businesses, and places are thriving economically.</i>
<b>Lifelong Education and Learning</b>	<i>All people at every stage of life are taking advantage of inclusive, responsive and accessible learning opportunities that enable them to grow, prosper and thrive.</i>

## Focus

Fund 40045, Early Childhood Birth to 5, was established to serve as a dedicated funding source to build capacity and support the expansion of the County’s Equitable Early Childhood System. Funding which supports early childhood programs is included in the fund. The Early Childhood Birth to 5 fund is administered by the Department of Neighborhood and Community Services (NCS), Early Childhood Programs and Services (ECPS) division.

Young children who begin kindergarten with a strong social, emotional, and cognitive foundation are more likely to reach high levels of academic achievement and earn higher incomes as well as be less likely to drop out of school and experience negative health factors. These positive outcomes benefit not only individual children and families, but also contribute to the enduring well-being of the

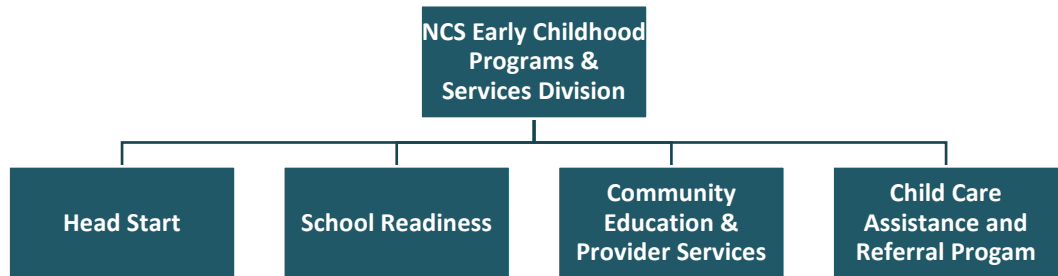
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community. However, not all children have access to the high-quality early childhood education supports and services they need to develop a strong foundation for school success. Lack of access to resources is pronounced in neighborhoods throughout the County in which family income is low, a contributing factor to inequity of opportunity.

Providing access to affordable high-quality early childhood education is a two-generational strategy which supports parents' workforce participation while also preparing young children for lifelong and future workforce success. The Fairfax County Equitable School Readiness Strategic Plan (ESRSP) lays out a vision and roadmap for ensuring that all young children in Fairfax County have the supports they need to be successful in school and beyond. Reflecting the goals of One Fairfax, which lifts up equity as a core policy principle, the ESRSP identifies goals and strategies to expand and enhance the County's Equitable Early Childhood System in order to ensure that all children enter kindergarten at their optimal developmental level with equitable opportunity for success. The plan seeks to advance racial and social equity so that every family has access to high-quality and affordable early childhood programs in the setting that best meet their family's needs.

A School Readiness Resources Panel (SRRP) was convened to identify innovative and bold expansion goals and long-term funding strategies for school readiness supports and services. In September 2019, the SRRP presented to the Board of Supervisors their recommended goal of ensuring that all children ages birth to 5 living in households with income below 300 percent of the federal poverty level have access to publicly funded early childhood programs in the public and private sectors. A primary strategy for reaching this goal is to pursue local revenue and funding options to support a sustainable dedicated funding stream for early childhood education.

### Organizational Chart



### Budget and Staff Resources

Category	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
<b>FUNDING</b>					
<b>Expenditures:</b>					
Personnel Services	\$6,044,659	\$6,829,119	\$6,829,119	\$7,176,331	\$7,176,331
Operating Expenses	20,033,877	27,458,794	28,272,035	27,825,500	27,824,190
<b>Total Expenditures</b>	<b>\$26,078,536</b>	<b>\$34,287,913</b>	<b>\$35,101,154</b>	<b>\$35,001,831</b>	<b>\$35,000,521</b>
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	53 / 52	53 / 52	51 / 50.25	52 / 51.25	51 / 50.25

## Fund 40045: Early Childhood Birth to 5

### FY 2025 Funding Adjustments

*The following funding adjustments from the FY 2024 Adopted Budget Plan are necessary to support the FY 2025 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 7, 2024.*

#### **Employee Compensation** **\$350,715**

An increase of \$350,715 in Personnel Services includes \$126,363 for a 2.00 percent market rate adjustment (MRA) for all employees and \$92,230 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2024. The remaining increase of \$132,122 is included to support employee retention and recruitment efforts that will reduce pay compression and align the County's pay structures with the market based on benchmark data.

#### **School Readiness** **\$1,720,400**

An increase of \$1,720,400 in Operating Expenses is included to support early childhood activities including \$1,300,000 to continue the 72 Early Childhood Development and Learning Program slots that were originally funded from a federal Community Funding Project in FY 2024, \$300,000 for part-time early childhood/Pre-K programs in community settings and \$100,000 for professional learning and development programs for early childhood educators in the County. This adjustment is the result of aligning the local Child Care Assistance and Referral program to actual funding. The Child Care Assistance and Referral (CCAR) program provides financial assistance for child care to eligible Fairfax County families. Financial assistance may come from state funds or local funds. The County continues to maximize state resources which has reduced the reliance on local funding. There is currently no waitlist for services. Since the state is providing additional resources, the County has realized savings the last several fiscal years. A corresponding reduction of \$1,700,000 is included as a FY 2025 reduction.

#### **Contract Rate Increases** **\$414,451**

An increase of \$414,451 in Operating Expenses is included to support the cost of contract rate increases that serve infants, toddlers, young children, families of young children, and child care providers.

#### **Fringe Benefit Support** **\$82,437**

An increase of \$82,437 in Personnel Services is included to support increased fringe benefit requirements in FY 2025 based on increases in employer contribution rates to the retirement systems.

#### **Department of Vehicle Services Charges** **\$945**

An increase of \$945 in Department of Vehicle Services charges is based on anticipated billings for maintenance and operating-related charges.

#### **Position Adjustment** **(\$85,940)**

A decrease of \$85,940 in Personnel Services is associated with a position transferred from Fund 40045, Early Childhood Birth to 5 to Agency 67, Department of Family Services (DFS) in FY 2024. Increases are included in Agency 67, DFS (compensation) and Agency 89, Employee Benefits (fringe benefits) for no net impact to the County.

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### Reductions

**(\$1,770,400)**

A decrease of \$1,770,400 reflects reductions utilized to balance the FY 2025 budget. The following table provides details on the specific reductions:

Title	Impact	Positions	FTE	Reduction
Align Local Child Care Assistance and Referral Subsidy Funding to Actual Spending	The Child Care Assistance and Referral (CCAR) program provides financial assistance for child care to eligible Fairfax County families. Financial assistance may come from state funds or local funds. The County continues to maximize state resources which has reduced the reliance on local funding. There is currently no waitlist for services. Since the state is providing additional resources, the County is less reliant on local funding and has realized savings the last several fiscal years. It is recommended that \$1.7 million of these savings be reinvested in other early childhood activities including \$1.3 million required to continue the 72 Early Childhood Development and Learning Program slots that were originally funded from a federal Community Funding Project in FY 2024, \$0.3 million for part-time early childhood/Pre-K programs in community settings and \$0.1 million for professional learning and development programs for early childhood educators in the County. It should be noted that this leaves another \$0.6 million in available funding should there be an increase in the demand for CCAR services and/or other early childhood initiatives.	0	0.0	\$1,720,400
Reduce Operating Budget due to Efficiencies and Cost Savings	As a result of the COVID-19 pandemic and the County's shift to a hybrid in-office and telework policy, the Early Childhood Birth to 5 fund has realized efficiencies and cost savings in general office supplies such as printing and copying, postage, cell phone usage, training, and travel. It is not expected this reduction will have a negative impact on program and services provided in this fund.	0	0.0	\$50,000

## Changes to FY 2024 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review, FY 2024 Third Quarter Review, and all other approved changes through April 30, 2024.*

### **Carryover Adjustments**

**\$813,241**

As part of the *FY 2023 Carryover Review*, the Board of Supervisors approved funding of \$813,241 due to encumbered funding in Operating Expenses.

### **Position Adjustments**

**\$0**

A net decrease of 2/1.75 FTE is a result of an increase of 0/0.25 FTE position to align position FTE to the actual incumbent work schedule due to increased workload as well as a decrease of 2/2.0 FTE positions due to a transfer from Fund 40045, Early Childhood Birth to 5, to Agency 67, Department of Family Services (1/1.0 FTE) and Agency 79, Department of Neighborhood and Community Services (1/1.0 FTE), to better align resources in the Health and Human Services System.

**Position Detail**

The FY 2025 Adopted Budget Plan includes the following positions:

<b>EARLY CHILDHOOD BIRTH TO 5 FUND - 51 Positions</b>			
<b>HEAD START - 13 Positions</b>			
1	Child Care Program Administrator II	3	Day Care Center Teachers II
1	Child Care Specialist III	4	Day Care Center Teachers I
1	Child Care Specialist II	1	Business Analyst II
2	Human Service Workers II		
<b>SCHOOL READINESS - 12 Positions</b>			
2	Child Care Program Administrators II	6	Child Care Specialists II, 3 PT
1	Child Care Program Administrator I	1	Management Analyst III
1	Child Care Specialist III	1	Administrative Assistant II
<b>COMMUNITY EDUCATION &amp; PROVIDER SERVICES - 26 Positions</b>			
1	Child Care Program Administrator II	4	Child Care Specialists II
2	Child Care Program Administrators I	6	Child Care Specialists I
1	Business Analyst I	5	Administrative Assistants IV
1	Human Service Worker I	2	Administrative Assistants III
3	Child Care Specialists III	1	Administrative Assistant II
<b>PT</b>	<b>Denotes Part-time Position(s)</b>		

**Performance Measurement Results by Community Outcome Area**

The School Readiness performance measures are new beginning in FY 2025. When available, data has been provided for previous fiscal years; however, for some of the measures, data collection started in FY 2025 so previous years are not available.

**Economic Opportunity**

The Child Care Assistance and Referral (CCAR) program provides financial assistance for child care to working families with low to moderate incomes in Fairfax County. CCAR services are funded by both the state and County. Payment to child care programs caring for children whose child care subsidies are funded by the state are made directly by the Virginia Department of Social Services (VDSS) and Virginia Department of Education (VDOE). Payments made to child care programs caring for children whose child care subsidies are funded by the County are made by the Department of Neighborhood and Community Services. In FY 2023, there was a 7 percent decline in children enrolled in the local subsidy program compared to FY 2022 due to the ongoing focus to utilize state child care subsidy funding before local dollars. Consistent with state actions, the County expanded eligibility for the local subsidy program thus increasing child care support for families. The expanded eligibility resulted in a slight increase in expenditures despite the lower enrollment.

While the number of County permitted homes decreased 3 percent in FY 2023, the data revealed several positive signs of recovery from the COVID-19 pandemic. There was a 30 percent increase in initial applications received (124 in FY 2023 compared to 95 in FY 2022). There was also an 18 percent increase in the number of initial permits issued in FY 2023 (83 initial permits) compared to FY 2022 (70 initial permits). This increase is due to a targeted emphasis focused on supporting interested applicants through the permit process by offering in-person appointments, technical assistance, and consistent follow-up.

FY 2023 saw the number of providers who did not renew their permit improve from the previous year (114 in FY 2023 versus 125 in FY 2022). When examining the reasons from providers who did not renew their permit in comparison to the previous year, FY 2023 saw slight decreases in providers retiring, closing their business due to having no children in care, moving out of the County, and transitioning to be a state licensed family child care provider. Continued emphasis on retention efforts helped mitigate a potentially larger decrease.

### **Lifelong Education and Learning**

In FY 2023, the Head Start/Early Head Start program continued to stabilize services to children and families; however, the program still experienced under enrollment. Staffing challenges were experienced by all programs, with veteran teachers retiring and the need to recruit and orient new educators.

The Head Start/Early Head Start program collects and analyzes data at three intervals during the program year to determine children's progress towards meeting school readiness benchmarks. Data collection in FY 2023 demonstrated that educators were able to provide quality services despite personnel turnover, with child assessment data showing progress from FY 2022 in all three indicators of readiness for kindergarten entry.

School Readiness supports Early Childhood programs with participation in Virginia Quality Birth – 5 (VQB5) and provides coordination of program and classroom level supports for continuous quality improvement in the Ready Region Capital Area (which includes Fairfax County, Arlington County, City of Fairfax, City of Falls Church, and City of Alexandria). In addition, this program seeks to advance family connections and partnerships to increase access to quality early childhood education programs and experiences. School Readiness supports access to quality early childhood by administering the Virginia Preschool Initiative (VPI) and Early Childhood Development Learning Program (ECDLP). These programs provide a comprehensive preschool experience that assists children with being prepared to successfully enter kindergarten by meeting school readiness benchmarks, with an emphasis on social emotional development. It also supports early childhood educators by providing professional development through the Institute for Early Learning (IFEL). The School Readiness measures are new in FY 2025 and actuals have been reported where possible.

## Fund 40045: Early Childhood Birth to 5

Community Outcome Area	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
<b>Economic Opportunity</b>						
<b>Economic Stability and Upward Mobility for All People</b>						
Percent change in number of children served in CCAR	(22%)	(10%)	0%	(7%)	7%	0%
Percent change in number of permitted child care slots	(10%)	(8%)	16%	(3%)	8%	0%
<b>Lifelong Education and Learning</b>						
<b>Supporting Academic Achievement</b>						
Percent of 4-year-old children reaching benchmarks in socioemotional skills <sup>1</sup>	NA	85%	85%	93%	86%	94%
Percent of 4-year-old children reaching benchmarks in literacy and language skills <sup>1</sup>	NA	78%	78%	91%	79%	92%
Percent of 4-year-old children reaching benchmarks in math skills <sup>1</sup>	NA	76%	76%	89%	77%	93%
Percent change in number of participants in the Virginia Quality Birth to 5 System (VQB5) within the Ready Region Capital Area <sup>2</sup>	NA	NA	NA	NA	52%	0%

<sup>1</sup> The Head Start/Early Head Start Program collects and analyzes data at three intervals each year – Fall, Winter and Spring checkpoints – to determine children’s progress across all areas of development throughout the program year. The survey of parents on service quality is completed in the Fall and Spring. The onset of the COVID-19 pandemic in mid-March 2020 interrupted that schedule of data collection. The program was subsequently unable to report child outcomes for program year 2019-2020 and program year 2020-2021.

<sup>2</sup> This performance measure is new for FY 2025. When available, historical data is provided for previous fiscal years.

A complete list of performance measures can be viewed at  
<https://www.fairfaxcounty.gov/budget/fy-2025-adopted-performance-measures-pm>

## Fund 40045: Early Childhood Birth to 5

### FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$10,583,969</b>	<b>\$10,180,432</b>	<b>\$17,874,377</b>	<b>\$17,061,136</b>	<b>\$17,061,136</b>
<b>Revenue:</b>					
Child Care Services for Other Jurisdictions	\$6,448	\$155,918	\$155,918	\$155,918	\$155,918
USDA Grant-Gum Springs Head Start	55,038	44,689	44,689	44,689	44,689
Home Child Care Permits	10,192	15,353	15,353	15,353	15,353
Late Payment and Returned Check Fees	11,153	0	0	0	0
<b>Total Revenue</b>	<b>\$82,831</b>	<b>\$215,960</b>	<b>\$215,960</b>	<b>\$215,960</b>	<b>\$215,960</b>
<b>Transfers In:</b>					
General Fund (10001)	\$33,286,113	\$34,071,953	\$34,071,953	\$34,785,871	\$34,784,561
<b>Total Transfers In</b>	<b>\$33,286,113</b>	<b>\$34,071,953</b>	<b>\$34,071,953</b>	<b>\$34,785,871</b>	<b>\$34,784,561</b>
<b>Total Available</b>	<b>\$43,952,913</b>	<b>\$44,468,345</b>	<b>\$52,162,290</b>	<b>\$52,062,967</b>	<b>\$52,061,657</b>
<b>Expenditures:</b>					
Personnel Services	\$6,044,659	\$6,829,119	\$6,829,119	\$7,176,331	\$7,176,331
Operating Expenses <sup>1</sup>	20,033,877	27,458,794	28,272,035	27,825,500	27,824,190
<b>Total Expenditures</b>	<b>\$26,078,536</b>	<b>\$34,287,913</b>	<b>\$35,101,154</b>	<b>\$35,001,831</b>	<b>\$35,000,521</b>
<b>Total Disbursements</b>	<b>\$26,078,536</b>	<b>\$34,287,913</b>	<b>\$35,101,154</b>	<b>\$35,001,831</b>	<b>\$35,000,521</b>
<b>Ending Balance</b>	<b>\$17,874,377</b>	<b>\$10,180,432</b>	<b>\$17,061,136</b>	<b>\$17,061,136</b>	<b>\$17,061,136</b>

<sup>1</sup> In order to account for revenues and expenditures in the proper fiscal year, audit adjustments are reflected as a decrease of \$895,841.17 to FY 2023 Operating Expenses to record expenditure accruals. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2023. Details of the audit adjustments were included in Attachment VI of the FY 2024 Third Quarter Package.