

Office of Regulatory Management
Economic Review Form

Agency name	State Board of Education
Virginia Administrative Code (VAC) Chapter citation(s)	_ VAC __-____ <i>N/A--no regulations on VQB5 at this time</i>
VAC Chapter title(s)	§ 22.1-289.03
Action title	2026-2027 VQB5 Guidelines
Date this document prepared	June 25, 2026
Regulatory Stage (including Issuance of Guidance Documents)	Annual revision of VQB5 Guidelines

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: The VDOE’s existing resources supported the development of the proposed guidelines. Any costs associated with the dissemination, training, or implementation related to the VQB5 system are supported through the federal Child Care Development Block Grant. Some State General Funds are projected to be used to support External Classroom Observations.</p> <p>Indirect Costs: There are no indirect monetized costs of the proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)	<p>NON-MONETIZED COSTS: <i>For ECCE providers:</i> Additional “costs” associated with participation in VQB5 are primarily staff time:</p> <ul style="list-style-type: none"> • For leaders to ensure the site information is accurately reported in LinkB5, the VQB5 data system, and to facilitate improvement supports across the site. • For educators to enter information, participate in professional development and continuous improvement supports (note these are optional unless the site’s quality rating indicates that it needs improvement). <p>Because of the wide variety of site types, staffing structures, and level of support required, it is not possible to generate a monetary estimate of the cost of staff time associated with VQB5 participation. However, these activities are generally not a significant amount of time over and above regular duties, particularly for educators, who are already subject to annual professional development or training requirements. All improvement supports through VQB5 can be counted towards mandatory training hours.</p> <p>NON-MONETIZED BENEFITS: <i>For ECCE providers:</i> As stated above, educators in all ECCE programs are subject to mandatory annual professional development/training requirements. While there are a wide variety of supports that can meet these annual requirements, not all are individualized to educators’ strengths and areas for growth. A direct benefit of VQB5 is that educators will receive customized feedback on their instruction and interactions, which can help to target their training and professional development needs to those activities that will most substantially improve their practice. Educators will also</p>	

	<p>have the opportunity to use approved curriculum which enables them to be more intentional and use evidence-based, standards-aligned practices to support children’s learning and development. Altogether this is a more effective and efficient use of their time.</p> <p>In addition, the revised guidance offers clarity to help providers comply with participation requirements, streamlining enrollment, data entry, and observation activities and minimizing staff time spent trying to navigate these processes.</p> <p><i>For families using ECCE:</i> VQB5 will help to ensure that all families have access to high-quality ECCE options that support children’s health and development and promote school readiness outcomes. Research demonstrates that access to high-quality ECCE promotes positive academic outcomes both immediately and throughout a child’s educational career. Children that attend a high-quality ECCE program are less likely to be retained a grade, less likely to be placed in special education, and more likely to graduate high school. Participation in quality ECCE is also associated with better health and employment outcomes into adulthood.</p> <p>VQB5 will also have economic benefits for families more immediately by promoting access to stable, high-quality ECCE settings for working families. Two-thirds of young children in Virginia have all available parents in the workforce, making access to stable, high-quality ECCE a must-have for families to promote self-sufficiency and stable employment. Research demonstrates that child care disruptions are a significant challenge for families. In one survey, 1 in 4 families reported being fired from their jobs due to job disruptions. Another analysis found that insufficient access to ECCE costs parents of infants and toddlers an average of \$5,520 annually due to missed work hours, job loss, and job search expenses. Stable child care helps families maintain employment and advance in their careers, promoting greater earnings and self-sufficiency</p>
(5) Information Sources	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: State law requires all publicly-funded programs to participate in VQB5. This means that any program that chooses not to participate would no longer be eligible to serve at-risk children with public funds.</p> <p>Indirect Costs: None.</p> <p>Direct Benefits: None.</p>
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	Indirect Benefits: None.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: <i>For ECCE providers:</i> While there would be no minimum costs associated with participating in Virginia Quality (VQ) for providers, the costs to increase in quality would be significant for community-based ECCE programs, which comprise a significant share of VDOE’s public private ECCE system.</p> <p>Indirect Costs: No monetized indirect costs have been identified with this proposed change.</p> <p>Direct Benefits: No monetized direct benefits have been identified with this proposed change.</p> <p>Indirect Benefits: No monetized indirect benefits have been identified with this proposed change.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources		

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: Ready Regions are regional coordinating bodies for Virginia’s unified ECCE system, as directed under state law. Ready Regions are responsible for coordinating local observations in VQB5, a core requirement for participation for ECCE sites, and to help connect sites to improvement partners that can meet their needs.</p> <p>Indirect Costs: No indirect monetized costs on local partners.</p> <p>Direct Benefits: No monetized direct benefits on local partners.</p> <p>Indirect Benefits: No monetized indirect benefits on local partners.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	<p>The implementation of VQB5 will provide direct benefits to local departments of social services, who are charged with facilitating eligibility determination and enrollment functions for the Child Care Subsidy Program, which currently serves over 38,000 children. Under federal law, local departments are required to educate families about quality in ECCE and navigate the websites resources providing information about the health, safety, and quality of ECCE sites in communities.</p>	
(4) Assistance	N/A	
(5) Information Sources	N/A	

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: No direct monetized costs of this proposed change on families.</p> <p>Indirect Costs: No indirect monetized costs of this proposed change on families.</p> <p>Direct Benefits: No direct monetized benefits of this proposed change on families.</p> <p>Indirect Benefits:</p>	
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	No indirect monetized benefits of this proposed change on families.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	<p>NON-MONETIZED BENEFITS:</p> <p><i>For families:</i> Child care and early education services are expensive. Virginia data suggests that families spend an average of \$16,700 annually for infants and \$13,400 for preschoolers. A family with two children earning the median household income could spend more than 30% of their income on child care each year. Yet child care is essential so parents can work. Two-thirds of young children in Virginia have all available parents in the workforce, making access to stable, high-quality ECCE a must-have for families to promote self-sufficiency and stable employment. Child care disruptions can lead to missed work hours and job loss, costing parents over \$5,500 annually. Publicly-funded programs help improve families’ access to affordable, stable child care and early education options that allow parents to maintain employment and advance in their careers, promoting greater earnings and self-sufficiency.</p> <p>VQB5 ratings will provide families with highly valuable information about ECCE programs in their community, offering precise data about what their children will experience in a given setting. This increases can help to inform their decision-making when selecting a care provider, ensuring parents can choose an ECCE option that both meets their needs and will put their child on track for lifetime success.</p> <p>Families also benefit directly from improved instruction and care and increased retention in publicly-funded sites. As educators receive customized feedback on their instruction and interactions, they can target their training and professional development needs to those activities that will most substantially improve their practice. Educators will also have the opportunity to use approved curriculum which enables them to be more intentional and use evidence-based, standards-aligned practices to support children’s learning and development. As sites continuously improve and educators are more likely to remain in their classrooms, families will be more likely to benefit from higher quality instruction and minimal staffing disruptions.</p>	
(4) Information Sources		

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: For ECCE sites, no direct monetized costs of this proposed change on small businesses.</p> <p>Indirect Costs: No indirect monetized costs of this proposed change on small businesses.</p> <p>Direct Benefits: No direct monetized benefits of this proposed change on small businesses.</p> <p>Indirect Benefits: No indirect monetized benefits of this proposed change on small businesses.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	<p>ECCE sites are predominantly small businesses. “Costs” associated with participation in VQB5 are primarily staff time:</p> <ul style="list-style-type: none"> • For leaders to ensure the site information is accurately reported in LinkB5, the VQB5 data system, and to facilitate improvement supports across the site. • For educators to participate in professional development and continuous improvement supports (note these are optional unless the site’s quality rating indicates that it needs improvement). <p>Because of the wide variety of site types, staffing structures, and level of support required, it is not possible to generate a monetary estimate of the cost of staff time associated with VQB5 participation. However, these activities are generally an insignificant amount of time over and above regular duties, particularly for educators, who are already subject to annual professional development or training requirements. All improvement supports through VQB5 can be counted towards mandatory training hours.</p>	
(4) Alternatives	The law does not allow for exemptions to participation beyond those that are identified in code.	
(5) Information Sources		

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
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	(M/A):				
	(D/A):				
	(M/R):				
	(D/R):				
				Grand Total of Changes in Requirements:	(M/A):
					(D/A):
					(M/R):
					(D/R):

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
VQB5 Guidelines	31,380 words	34,649 words	+3,269 words

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).