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SENATE BILL NO. 3

Offered January 14, 2026

Prefiled November 17, 2025

A BILL to establish the Employee Child Care Assistance Program.

Patrons—Aird, Carroll Foy, Bagby, Boysko, Deeds, Ebbin, Favola, Hashmi, Jones, Locke, Lucas, Marsden, Pekarsky, Perry, Roem, Rouse, Salim, Srinivasan, Surovell, VanValkenburg and Williams Graves

Referred to Committee on Finance and Appropriations

Be it enacted by the General Assembly of Virginia:

1. *§ 1. As used in § 2:*

"Eligible mixed delivery provider" means a child day center or family day home that has been selected or identified to deliver mixed delivery services through a local agreement with the relevant regional entity established pursuant to subsection D of § 22.1-289.05 of the Code of Virginia.

"Employer" means an employer with at least one employee who works in the Commonwealth in each of 20 or more calendar weeks in the current or preceding calendar year.

"Small business" means an employer with fewer than 50 employees.

"The Foundation" means the Virginia Early Childhood Foundation.

"Third party administrator" means an entity approved by the Foundation to administer, receive, or distribute funds as part of the Employee Child Care Assistance Program established pursuant to § 2. "Third party administrator" includes a Ready Region lead agency.

§ 2. With such funds as may be appropriated for such purpose pursuant to the general appropriation act, the Employee Child Care Assistance Program (the Program) is established for the purpose of providing matching funds in order to incentivize employers to contribute to the child care costs of their employees. The Program shall be administered by the Foundation. The Foundation shall establish such guidelines and procedures as it deems necessary for the administration of the Program, subject to the following conditions and requirements:

1. To participate in the Program, an employer shall agree to make child care contributions to the eligible mixed delivery provider on behalf of the employee or to a third-party administrator and shall provide any other information deemed necessary by the Foundation;

2. To the extent funds are available, the Foundation shall issue a state match directly to a third-party administrator that has entered into an agreement with a participating employer pursuant to subdivision 1. The amount of such state match shall be set forth in the general appropriation act;

3. Program funds shall be provided on a first-come, first-served basis, provided, however, that the Foundation is encouraged to prioritize the award of funds to proposals involving contributions from small businesses;

4. The Foundation may combine the Program with or incorporate the Program into any other program or initiative related to the Mixed Delivery Program;

5. The eligibility requirements for the Program shall be the same as the eligibility requirements for the Mixed Delivery Program and the required family contribution for the Program shall not exceed five percent of a family's household income, pursuant to the Mixed Delivery Program family contribution cap. Flexibility shall be provided for securing additional payor contributions for slots, including contributions from philanthropic organizations, military organizations or programs, local government, or economic development agencies or programs; and

6. Any sums of money appropriated for the purposes set forth in this section that are unexpended as of June 30, 2027 and June 30, 2028, respectively, shall not revert to the general fund but shall be reappropriated and allotted for expenditure for the same purposes set forth in this section through June 30, 2030.

2. That the Virginia Early Childhood Foundation shall provide an interim report to the General Assembly by September 1, 2028, and a summative report to the General Assembly by September 1, 2030, on the effectiveness and impact of the Employee Child Care Assistance Program established pursuant to the first enactment of this act.

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