

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 1/28/2026 2:07 PM

ORIGINAL

Bill Number: HB211 **Patron:** Gardner
Bill Title: Head Start State Collaboration Office; plan for universal access to Head Start programs for eligible families.

Bill Summary: Declares it the goal of the Commonwealth to offer evidence-based Head Start and Early Head Start programs to each family in the Commonwealth that is eligible to enroll a child in such a program. The bill requires, in furtherance of such goal, the Head Start State Collaboration Office (HSCO) at the Department of Education, no later November 1, 2026, to develop and recommend to the General Assembly for formal endorsement and the provision of any required state funding a comprehensive plan, timeline, and set of incentives for achieving, no later the start of the 2032-2033 school year, universal access to Head Start and Early Head Start programs for each family in the Commonwealth that is eligible to enroll a child in such a program. The bill requires such plan to address, among such other considerations as HSCO deems appropriate, effective methods for expanding the capacity of existing programs; identifying, applying for, and successfully being awarded grants from federal and private sources; attracting and retaining skilled early childhood educators and administrators; and implementing pay-for-success or social impact bond models of outcomes-based program funding. The bill permits HSCO, in developing such plan, to collaborate with such stakeholders as it deems appropriate and consider models that have successfully been implemented in other states.

Budget Amendment Necessary: No **Items Impacted:** 117, 126

Explanation: The Department of Education (DOE) could absorb one-time costs in FY27 to develop the plan for universal access as required by the bill. If the plan is implemented, DOE estimates significant additional state costs in future biennia to administer a new program, both for direct services and administration at DOE.

Fiscal Summary: DOE anticipates a one-time cost of \$5,000 to develop a plan and timeline in FY27; the agency can support this with existing resources. DOE has also estimated costs to phase in universal access and administer the program. These are summarized and described below, although it is assumed that these costs would only be necessary if the plan is endorsed by the General Assembly, as described in the bill. Any actual costs for implementation are indeterminate and would depend on the actual approved plan, the actual number of children served, and the actual cost to support those services. The cost summary below assumes that DOE implementation costs to start the program begin in FY30, and costs for direct services are phased in at 60% access in FY31, 80% access in FY32, and 100% access in FY33.

General Fund Expenditure Impact:

Agency	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
DOE (201)	\$5,000	\$0	\$0	\$7,080,700	\$7,159,155	\$8,099,155	\$9,099,155
Direct Aid (197)					\$548,700,000	\$731,600,000	\$914,500,000
GRAND TOTAL	\$5,000	\$0	\$0	\$7,080,700	\$555,859,155	\$739,699,155	\$923,599,155

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Position Impact:

Agency	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
201 (DOE)	0	0	0	0	4	4	4
TOTAL	0	0	0	0	4	4	4

Fiscal Analysis: Additional detail of the estimated general fund expenditure impact is provided in the table below and the subsequent narrative.

Agency	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
DOE							
Workgroup	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0
Consultants	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0
New staff	\$0	\$0	\$0	\$0	\$718,595	\$658,595	\$658,595
Existing staff	\$0	\$0	\$0	\$50,700	\$40,560	\$40,560	\$40,560
IT system	\$0	\$0	\$0	\$7,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Indirect costs	\$0	\$0	\$0	\$0	\$3,400,000	\$4,400,000	\$5,400,000
Total DOE	\$5,000	\$0	\$0	\$7,080,700	\$7,159,155	\$8,099,155	\$9,099,155
Direct Aid							
Direct services	\$0	\$0	\$0	\$0	\$548,700,000	\$731,600,000	\$914,500,000
GRAND TOTAL	\$5,000	\$0	\$0	\$7,080,700	\$555,859,155	\$739,699,155	\$923,599,155

This bill requires DOE to develop a comprehensive plan for the implementation of universal access to full time Head Start and Early Head Start programs for each eligible family in Virginia. DOE estimates a one-time cost of \$5,000 to work with a workgroup to develop the plan. The agency can support this cost with existing resources.

Head Start and Early Head Start are federal programs that provide funds directly to local grant recipients (local governments, local school divisions, non-profit organizations, and others). Federal funding is competitive; prospective grant recipients apply to notice of funding opportunities issued by the federal government and can maintain grant awards for a five-year project period, subject to ongoing compliance, performance monitoring, and annual refunding grant applications. Awards are based on statutory requirements, congressional appropriations, and community need through competitive grant processes. The estimates in this fiscal impact statement assume no additional federal funding will be provided to support the children who are currently eligible but not currently served by a full time Head Start program, Early Head Start program, or other existing state program. Based on this assumption, if Virginia were to offer universal access to full time Head Start and Early Head Start programs as prescribed by the bill, there would be significant additional general fund costs in the future.

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Providing universal access to Head Start and Early Head Start would require DOE to establish and administer a new state-funded early childhood care and education program to serve all children that are eligible but not currently served by a full time Head Start program, Early Head Start program, or other existing state programs. There would be a state cost both for administration at DOE and for direct costs for children served.

DOE estimates that the current number of unserved, eligible children is about 29,000 and an additional 9,000 children are enrolled in Head Start, Early Head Start, or VPI programs that operate on a school year calendar and would need additional services in the summer to be considered full time. Head Start and Early Head Start Programs provide comprehensive services to enrolled families beyond child care, which increases the cost of each slot. Federal Head Start regulations also have degree requirements for teachers that increase the cost for each slot, and may increase challenges for recruitment and retention. DOE estimates that based on current costs, the additional state cost to implement universal access to full time Head Start and Early Head Start programs for eligible children is approximately \$914.5 million per year for direct services at 100% access. This bill directs 60% access by the 2030-2031 school year (FY31), 80% access by the 2031-2032 school year (FY32), and 100% access by the 2032-2033 school year (FY33), so any actual future impact is indeterminate and would depend on the actual number of children served and costs in future years.

DOE would require additional funding in order to implement and administer a state-funded Head Start and Early Head Start Program and serve the number of additional children required by this bill. DOE estimates the need for a new IT system for managing the program. Based on costs from the Child Care Subsidy Program IT system, DOE estimates a cost of \$7 million general fund in the first year of implementation and \$3 million general fund ongoing. The actual cost of this system is subject to procurement in a future fiscal year. DOE anticipates the need to pursue technical assistance and consultation at approximately \$30,000 one-time to develop the capacity to manage a Head Start and Early Head Start program. Further, DOE anticipates the need for at least four additional positions to support the administration of the program at an additional cost of \$718,595 in the first year of implementation and \$658,595 general fund annually ongoing. Additionally, significant time would be required from current staff for start-up and ongoing support at an estimated cost of \$50,700 in the first year of implementation and \$40,560 annually ongoing. DOE also will incur indirect costs to administer the program, estimated at \$3.4 million general fund in earlier implementation years, increasing to approximately \$5.4 million general fund for full implementation years. The indirect cost estimates reflect DOE's assumptions of approximately 11% of costs for personnel and IT, and approximately 11% of the first 5% of costs for direct services.

Further, given limited provider capacity in certain areas of the state for serving infants and toddlers, additional capital investments may be needed to build new facilities or expand existing facilities. Any related state cost is indeterminate at this time.

In sum, the actual fiscal impact in future years is indeterminate and would depend on the plan developed by DOE and approved by the General Assembly, as well as the actual costs for direct services and DOE administration, as described above.

Other: None