What is our goal?
Promoting the school readiness of Virginia’s young children.

Why is school readiness so important?
A child’s experiences during the earliest years have the potential to impact the trajectory of his or her entire life. When a child is born with risks, such as low birth weight, or to a mother who has not completed high school, or in a family living in poverty, positive interactions with caring parents and adults and access to high quality care and learning environments can buffer those risks. Children in supportive families, living in communities where there is access to health care and responsive caregivers, are better prepared for kindergarten. Children who are better prepared are able to make the most of school once they arrive and remain motivated to be successful throughout their lives.

Why does school readiness matter to Virginians?
School readiness produces economic and social benefits including a productive workforce for Virginia. To learn more, see Early Childhood Development and Returns on Investment.

What is VECF’s charge?
Virginia’s Appropriation Act charges VECF, through a contract with the Virginia Department of Social Services, to support communities across the state as they develop proactive systems to promote school readiness for all children in Virginia, and to leverage one local or private dollar for every dollar of the state funding.

Is VECF a good steward of the charge and funds?
- Invested in 30 Smart Beginnings school readiness initiatives, encompassing nearly 100 counties and cities and 90% of the state’s population
- Operated with general administration costs at under 7% of total expenses
- Exceeded required ratio, leveraging $4 for every $1 of state funding
- Nearly $6 million were attracted by the $1.5 million appropriation from state general funds.

**LEVERAGED FUNDS FY2013**

- State General Funds: $1.5M
- Funds Leveraged in Communities: $4.8M
- Additional Public/Private Support Investment in VECF: $1M
How does VECF bring added value to the Commonwealth?

In addition to Smart Beginnings, VECF:
- Tracks and reports benchmarks of progress at the state and local levels, bringing accountability to investments in early childhood development.
- Co-administers the Virginia Star Quality Initiative, a voluntary program to support the quality and stability of all types of child care and early learning programs. Star ratings inform parents about the quality of care options.
- Tests a comprehensive kindergarten assessment tool in kindergarten classrooms across the state. Kindergarten teachers piloting the GOLD assessment get the benefit of rich information about each child’s diverse skills and abilities, better supporting effective instruction.
- Partners with business leaders to promote the workforce and economic benefits of investment in school readiness, and to bring investment and innovation to Virginia’s early childhood efforts.

What difference does Smart Beginnings make for children, schools and communities?

A growing number of children are arriving at kindergarten healthy and ready to learn. Prepared students are on a path to third grade reading proficiency and school, workforce, and life success. Smart Beginnings communities track and document indicators of increased school readiness such as:
- Improved kindergarten literacy scores
- Reduced rates of need for reading intervention services (resulting in lowered costs for intervention)
- Reduced rates of children repeating early grades (resulting in lowered costs for grade retention)
- Improved standardized test scores in third grade

The Readiness in Virginia chart (page 8) and Smart Beginnings Snapshots provide specific details on community successes with improved school readiness.
Since 2006, Virginia has invested in a statewide local/regional network, Smart Beginnings, coordinated through a public-private partnership, the Virginia Early Childhood Foundation. The goal for Smart Beginnings initiatives is to create sustainable, collaborative systems in communities across Virginia that have the capacity to prepare children for school, resulting in both short-term savings for the K-12 system and long-term savings for their communities.

How Does Smart Beginnings Work?
Getting children ready for school may sound simple, but it actually requires a complex system of richly diverse partners and assets. School readiness is achieved (or not) as a result of the effective functioning of a diverse array of partners and efforts at the community level. A successful school readiness network requires the cooperation of parents and families, schools, child care providers, the faith community, higher education, business, and other community assets such as social services, libraries, and museums. Smart Beginnings is the important connector, like the chain of a mechanical device, harnessing the system and driving its coordinated functioning.
MILLIONS OF DOLLARS IN PUBLIC FUNDING FLOW TO COMMUNITIES through diverse, categorical blocks; the task of coordinating most effective and efficient use of these resources falls to community leaders. By facilitating committed leadership, diverse investment, thoughtful planning and coordinated strategies, Smart Beginnings helps local communities deliver on creating conditions for optimal child development for their families and young children. Smart Beginnings communities build the structure, capacity, and will for a sustained, long-term effort to promote the school readiness of children, thereby laying the foundation for a strong workforce, healthy economy, and community prosperity. Communities with a coordinated and collaborative focus on school readiness strategies document K-12 system cost savings in their communities from reduced need for early reading intervention and early grade repetition.

VECF’s focus on collaboration and partnerships is aimed at:
- Integrating early care, education, health, and family support services for young children which are tailored to the community’s unique needs and strengths.
- Improving services by promoting the use of high quality common standards, based on evidence and best practice.
- Creating system efficiencies and reducing duplication, ensuring that limited resources are directed to services rather than overhead.

Sustainable Smart Beginnings initiatives are successful in four component areas:
- Strengthening Families
- Promoting Healthy Development
- Access to Quality Early Learning
- Creating Community Commitment

Nearly 100 counties and cities in the Commonwealth benefit from Smart Beginnings’ collaborative focus and accountability, driving improved school readiness and outcomes for young children in those communities. Like any other program, there are gaps in access and availability (there are 27 counties and cities that do not have Smart Beginnings). The following map shows Smart Beginnings coverage in Virginia, as well as the phase of development in each region.
Which Path?

School Readiness Programs & Services

3rd Grade reading proficiency is a powerful predictor of school success.

Achievement Gap already exists

Prenatal

Risk factors may be present at birth. (e.g. poverty, maternal education, maternal age, low birthweight)

Likelihood of poorer health or higher developmental risk increases with each additional risk factor.

4 risk factors 14X the risk
3 risk factors 5X the risk
2 risk factors 3X the risk
1 risk factor 2X the risk

At age 40, adults who had attended high quality pre-k were more likely to graduate high school, hold a job, earn more money, and commit fewer crimes than their peers who had not.

Children arriving without skills may repeat early grades; this is costly, and grade repeaters are more likely to drop out of school.

High school drop-outs are 8X more likely to be in jail.

High school drop-outs earn only 64% of what high school graduates can earn.

Productive Taxpayer

Higher Ed/Workforce Entry

Reliance on Public Assistance

Virginia Early Childhood Foundation

ANNUAL REPORT 2013
Risks and Results

Likelihood of poorer health or higher developmental risk increases with each additional risk factor. (e.g., poverty, maternal education, marital status)

4 risk factors
3 risk factors
2 risk factors
1 risk factor

14 X the risk
5 X the risk
3 X the risk
2 X the risk

Role of Smart Beginnings

Network of cross-sector, cross-system services & providers
Identify multiple-risk families early
Gain efficiencies through integration of services
Address quality and continuity of services
Identify gaps/potholes—drive innovative solutions
Measure performance & results

Current Public System Collage of Programs and Services

Private Partnerships

Communities Advancing School Readiness
# Smart Beginnings: Readiness in Virginia

## Ready Communities + Ready Schools + Ready Families

<table>
<thead>
<tr>
<th>Partnership Initiated</th>
<th>Number of Jurisdictions</th>
<th>Leveraged Funds</th>
<th>Creating Community Commitment</th>
<th>Promoting Healthy Development</th>
<th>Strengthening Families</th>
<th>Ensuring Access to Quality Early Learning</th>
<th>Grade Promotion Rates Improved</th>
<th>Kindergarten Reading Readiness Improved</th>
<th>3rd Grade Reading Proficiencies Improved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairfax</td>
<td>FY 2005</td>
<td>1</td>
<td>$301,866</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Historic Triangle</td>
<td>FY 2005</td>
<td>3</td>
<td>$534,338</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Charlottesville-Albemarle</td>
<td>FY 2007</td>
<td>2</td>
<td>$236,768</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>↑</td>
<td>→</td>
<td>↑</td>
</tr>
<tr>
<td>Central Virginia</td>
<td>FY 2007</td>
<td>6</td>
<td>$202,284</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>→</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Greater Richmond</td>
<td>FY 2007</td>
<td>10</td>
<td>$336,699</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>→</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Greater Roanoke</td>
<td>FY 2007</td>
<td>6</td>
<td>$286,657</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Martinsville Henry</td>
<td>FY 2007</td>
<td>2</td>
<td>$287,358</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>→</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Western Tidewater</td>
<td>FY 2007</td>
<td>3</td>
<td>$212,800</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Danville-Pittsylvania</td>
<td>FY 2009</td>
<td>2</td>
<td>$661,947</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

## SUSTAINABLE

### Full Implementation

- **Hopewell Prince George**: FY 2007, 3 initiatives, $103,950
- **Rappahannock Area**: FY 2007, 5 initiatives, $228,226
- **Virginia Peninsula**: FY 2007, 2 initiatives, $298,295

### In Development

- **New River Valley**: FY 2007, 5 initiatives, $550,210
- **Shenandoah Valley**: FY 2007, 7 initiatives, $53,801
- **Appalachian Region**: FY 2009, 4 initiatives, $90,000
- **Crater**: FY 2009, 5 initiatives, $28,750
- **Southside**: FY 2010, 3 initiatives, $8,446
- **Twin County**: FY 2010, 3 initiatives, $30,172
- **Virginia Highlands**: FY 2010, 4 initiatives, $91,276
- **Wythe-Bland**: FY 2010, 2 initiatives, $53,822
- **Greater Prince William**: FY 2012, 3 initiatives, $36,030

**Total**: 81 initiatives, $4,833,695.00

Columns are shaded for initiatives that are in early stages of development; child outcome data from these initiatives’ efforts are not yet available.
Smart Beginnings: Readiness in Virginia: **Key**

**Partnership Initiated** - indicates the fiscal year that the first Virginia Early Childhood Foundation or Virginia Department of Social Services Investing in Virginia’s Children grant was awarded.

**# of Jurisdictions** - indicates the number of counties and cities covered by the Smart Beginnings initiative.

**Leveraged Funds** - indicates cash and in-kind resources raised to meet VECF match requirements, as well as additional funding and resources committed to support the community’s collaborative effort.

**Creating Community Commitment** - indicates implementation of strategies to build strong, diverse leadership; a sustainable, diverse base of funding investment; a cohesive strategic plan; and a solid accountability system.

**Promoting Healthy Development** - indicates a systems approach to health insurance coverage, maternal and child nutrition, early childhood immunizations, developmental screening and early identification and intervention services.

**Strengthening Families** - indicates systemic strategies for parent education and engagement, a network of home visiting services, and access to child care subsidy for low-income working parents.

**Access to Quality Early Learning** - indicates coordination of quality improvement in a diverse array of early learning options for families such as center, home, and faith-based settings, Head Start, publicly funded preschool, and preschool special education services.

**Grade Promotion Rates Improved** - indicates a higher percentage of children promoted from kindergarten to third grade on-time in SY2012-13 compared to the coalition’s first VECF grant year (when available). More children promoted on-time means decreased costs for grade repetition.

**Kindergarten Reading Readiness Improved** - indicates a higher percentage of children meeting the PALS-K benchmark in fall of SY2012-13 compared to the coalition’s first VECF grant year (when available). More children meeting the benchmark means decreased costs for reading intervention. *Note: Fairfax uses DRA2-Word Analysis in lieu of the PALS-K.*

**Increased 3rd Grade Reading Proficiencies** - indicates a higher percentage of children passing the 3rd grade Reading Standards of Learning in SY2012-13 compared to the K-cohort of the coalition’s first VECF grant year (when available).
### Statement of Financial Position

**June 30, 2013**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Current Assets</th>
<th>Long-Term Grants Receivable</th>
<th>Property and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash equivalents</td>
<td>$1,269,533</td>
<td>497,180</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants Receivable net</td>
<td>1,067,843</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>48,709</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grantee Advances</td>
<td>19,626</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td>3,834</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$2,409,545</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and Fixtures</td>
<td>18,135</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(16,359)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$2,908,501</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>Current Liabilities</th>
<th>Net Assets Released from Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$10,214</td>
<td>2,896,665</td>
</tr>
<tr>
<td>Grants Payable</td>
<td>117,989</td>
<td></td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>33,816</td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$162,019</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$152,167</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>2,594,315</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$2,746,482</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total liabilities &amp; Net Assets</th>
<th>$2,908,501</th>
</tr>
</thead>
</table>

### Statement of Activities for the Year Ended

**June 30, 2013**

<table>
<thead>
<tr>
<th>Public Support and Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual &amp; Board Contributions</td>
<td>$81,671</td>
<td>17,250</td>
<td>98,921</td>
</tr>
<tr>
<td>Corporations</td>
<td>73,600</td>
<td>205,800</td>
<td>279,400</td>
</tr>
<tr>
<td>Foundations</td>
<td>-</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td><strong>Total Public Support</strong></td>
<td>$155,271</td>
<td>$298,050</td>
<td>$453,321</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Grants</td>
<td>-</td>
<td>2,070,608</td>
<td>2,070,608</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>1,112</td>
<td>4,216</td>
<td>5,328</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$1,112</td>
<td>$2,074,824</td>
<td>$2,075,936</td>
</tr>
</tbody>
</table>

| Net Assets Released from Restrictions | 2,896,665 | (2,896,665) | - |

| Total Support & Revenue | $3,053,048 | ($523,791) | $2,529,257 |

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>2,723,829</td>
<td>-</td>
<td>2,723,829</td>
</tr>
<tr>
<td>Fund Raising</td>
<td>95,541</td>
<td>-</td>
<td>95,541</td>
</tr>
<tr>
<td>Lobbying</td>
<td>8,447</td>
<td>-</td>
<td>8,447</td>
</tr>
<tr>
<td>Management &amp; General</td>
<td>73,064</td>
<td>-</td>
<td>73,064</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$2,900,881</td>
<td>-</td>
<td>$2,900,881</td>
</tr>
</tbody>
</table>

| Change in Net Assets | 152,167 | ($523,791) | ($371,624) |
| Net Assets, Beginning | - | 3,118,106 | 3,118,106 |
| **Net Assets, Ending** | $152,167 | $2,594,315 | $2,746,482 |
COMMUNITY INVESTMENTS

PUBLIC SUPPORT
Virginia Department of Social Services
Virginia General Assembly
Virginia Tobacco Indemnification & Revitalization Commission

CORPORATE & FOUNDATION SUPPORT
Capital One Services, LLC
Danville Regional Foundation
Dominion Resources
Ferguson Enterprises, Inc.
Mary Morton Parsons Foundation
MeadWestvaco
Norfolk Southern Foundation
Robins Foundation
SunTrust Mid-Atlantic Foundation
Washington Gas
Wells Fargo Foundation

BOARD & INDIVIDUAL SUPPORT
Kimberly Bloom
Mark and Katherine E. Busser
Tim and Grace Butturini
Thomas N. & Nancy J. Chewning
Richie Cumbea
Mr. and Mrs. Ben J. Davenport, Jr.
Robert H. Dugger, Ph.D.
Dr. Mark A. Ginsberg & Dr. Elaine A. Anderson
Kathy Glazer
Roger and Merry Guernsey
Paul and Susan Hirschbieel
Mr. and Mrs. Reginald N. Jones
Colleen A. Kraft, M.D.
Angelica D. Light
Dr. Virginia L. McLaughlin
Lori M. Morris, Bruhn-Morris Family Foundation
Amy P. Nisenson
Dr. Gary L. Rhodes
Dr. Pamela J. Royal & The Honorable C.N. Jenkins
Dr. Novella J. Ruffin
Susan Bailey & Sidney Buford Scott
Endowment Trust
John Weinberg

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Virginia Credit Union

If we have overlooked your name or made an error of any kind, please accept our apologies and call us at (804) 358-8323.
Thomas N. Chewning, Chair & Director Emeritus
Executive Vice President & CFO
Dominion Resources, Inc. (retired)
Richmond, Virginia

Karin Addison, ex-officio
Special Advisor, Children’s Transformation
Health & Human Resources, Office of the Governor
Richmond, Virginia

The Honorable Mamye E. BaCote, ex-officio*
Virginia House of Delegates
Newport News, Virginia

Peter A. Blake, Treasurer
Director, State Council of Higher Education for Virginia
Richmond, Virginia

Zelda Boyd, ex-officio
Director, Office of Early Childhood Development
Richmond, Virginia

Katherine E. Busser
Executive Vice President, Capital One
Richmond, Virginia

Tim Butturini*
Executive VP & Regional President, Greater VA
Wells Fargo
Richmond, Virginia

Adrian P. Chapman
President & COO
Washington Gas
Springfield, Virginia

The Honorable James S. Cheng, ex-officio
Secretary of Commerce and Trade
Richmond, Virginia

Stephan F. Clementi*
Community Partner
Richmond, Virginia

Ben J. Davenport, Jr.
Chairman, First Piedmont Corporation
Chatham, Virginia

Robert H. Dugger, Ph. D.
Chairman, Partnership for American’s Economic Success
Alexandria, Virginia

Dr. Mark E. Emblidge
Director, The Literacy Institute, VCU
Richmond, Virginia

The Honorable Laura Fornash, ex officio
Secretary of Education
Richmond, Virginia

Mark R. Ginsberg, Ph. D.
Dean, College of Education & Human Development
George Mason University
Fairfax, Virginia

Sarah G. Green*
Chief Operating Officer
Federal Reserve Bank of Richmond
Richmond, Virginia

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Secretary of Health and Human Resources
Richmond, Virginia

Reginald N. Jones, Esq.
Attorney, Williams Mullen
Richmond, Virginia

Glenn E. Kinard, Vice Chair*
Community Volunteer
Fredericksburg, Virginia

Colleen A. Kraft, M.D., FAAP*
Associate Professor of Pediatrics, VA Tech Carilion
School of Medicine & Research Institute
Program Director, Carilion Clinic
Roanoke, Virginia

Angelica D. Light, Secretary*
President & CEO, Hampton Roads Foundation (retired)
Norfolk, Virginia

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Virginia House of Delegates
Woodbridge, Virginia

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Dean, School of Education
College of William and Mary
Williamsburg, Virginia

Lori M. Morris
President, Bruhn-Morris Family Foundation
Alexandria, Virginia

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Glade Hill, Virginia

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President
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Richmond, Virginia

Dr. Novella J. Ruffin*
Asst. Professor & Child Development Specialist
Virginia Cooperative Extension
Virginia State University
Petersburg, Virginia

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Direct: 804.358.8323 x107
Toll Free: 888.838.8323

*Retired or term of service ended in 2013