



# Education

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Education is a sound predictor of well-being and economic stability. Communities can flourish when families have access to quality early childhood education, high-performing safe schools, and enrichment activities for their children, and when adults can get the skills training, continuing education, and higher education they need to land and advance in living-wage jobs. That's why the foundation of LISC's education agenda includes robust support of policies that promote educational opportunity in neighborhoods across the country.



## Charter School Financing

Access to high-quality public education sets the foundation for a healthy neighborhood and ensures that people, and not just places, prosper. For centuries, structural racism has barred people of color from accessing high-quality public schools. In many communities, charter schools are the predominant providers of high-quality education. The charter school sector [serves proportionally more students of color \(most notably, African-American students\)](#) than do traditional public schools, and high-performing charters boast gains in student academic achievement. Today, approximately 7,000 public schools operate under charters in the United States, educating 3.2 million children. As local communities forge agendas to provide equitable access to educational opportunity, it is important that public policies not only increase the availability of quality educational options, but also ensure that public resources are stewarded via frameworks that promote racial equity.

One of the major challenges for public charter schools is funding the costs of facilities. Most jurisdictions with charter laws do not provide a public funding stream for charter school facilities, meaning that charter schools must take significant portions of their operating budgets—usually around 20 percent—to put toward facilities costs.

To address this issue, LISC supports:

### Strengthening the Credit Enhancement for Charter School Facilities Program

The [Credit Enhancement for Charter School Facilities Program \(CEP\)](#) was established by the U.S. Department of Education (ED) to help charter schools overcome financial challenges that can limit their ability to access appropriate accommodations. CEP provides grants to eligible entities (states, local governmental entities, private non-profits, and state/local/private non-profit consortiums) to help public charter schools improve their credit in order to obtain private-sector capital to buy, construct, renovate, or lease academic facilities. This program is unique because rather than using grant funds to directly pay for a charter school's construction or repair, funds must be used to support private-sector lending through loan guarantees and other credit-enhancing means.

Specifically, LISC encourages:

- 1. Robust funding for the CEP.** LISC supports an allocation of 12.5 percent of the total [Charter School Programs](#) (CSP) appropriation for facilities financing, and not less than 65 percent of CSP facilities funds for the highly successful CEP.
- 2. Enhanced flexibility for CEP awardees.** CEP awardees should be provided with the authority to re-deploy CEP loan guarantee dollars as direct loans to charter schools, once the original guaranteed loans have been fully repaid.
- 3. Incorporating racial equity incentives into CEP application considerations.** Program guidance for the CEP does not include any scoring criteria related to racial equity. In order to promote racial equity in the awarding of federal funding to finance public charter school facilities, LISC encourages ED to adopt a scoring criterion for CEP applications that awards bonus points to those applicants that identify racial equity focus areas—such as those identified in the Racial Equity Matrix—and make institutional commitments to achieving measurable outcomes across these focus areas.<sup>1</sup>

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### Robustly Funding Public Education

While the federal government doesn't provide the majority of public K-12 education funding, it does play a significant role in ensuring that all students have equitable access to an excellent education. The Title I program created by the [Elementary and Secondary Education Act \(ESEA\)](#), and reauthorized by the [Every Student Succeeds Act \(ESSA\)](#) and grants supported by the [Individuals with Disabilities Education Act \(IDEA\)](#) are essential to ensuring that excellent public education options are made available to all children. Title I provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from working-class families to help ensure that all children receive a fair, equitable, and high-quality education, and to close educational achievement gaps. IDEA makes free appropriate public education available to eligible children with disabilities throughout the nation and ensures special education and related services are provided to those children. LISC supports proposals to double funding for the Title I program and increasing funding for grants to states under IDEA.

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1 As part of our commitment to advancing racial equity, LISC joined eight community development financial institutions (CDFIs) in forming the CDFI Racial Equity Collaborative on Education (REC). REC worked with the educational equity non-profit Village of Wisdom to create a racial equity matrix that can be used by CDFIs to measure a school's commitment to supporting equitable learning environments. The development of this tool and an intentional focus on inclusive intake and assessment processes in vetting applications for financial assistance are important factors in promoting racial equity in public charter school facility financing.



### Supporting Safe Schools

LISC has long maintained that safety is a fundamental human need and a basic feature of all flourishing communities. Many public schools that function in areas with high concentrations of poverty and community need are confronted with issues that challenge the health, safety, and stability of students and staff. The [Bipartisan Safer Communities Act \(BSCA\) of 2022](#) provided historic funding to support state educational agencies (SEAs), local educational agencies (LEAs), and schools in establishing safe, healthy, and supportive learning opportunities and environments via the Stronger Connections Grant Program. This includes \$1 billion through Title IV, Part A of the Elementary and Secondary Education Act (ESEA) for SEAs to competitively award subgrants to high-need LEAs to establish safer and healthier learning environments, and to prevent and respond to acts of bullying, violence, and hate that impact our school communities at individual and systemic levels. LISC fully supports this intentional focus on safety and well-being in schools and supports maintaining funding for the Stronger Connections Grant Program.



### Early Childhood Facilities

[Early childhood programs](#) are essential parts of every neighborhood. They prepare young children for success in school and life, support working parents, and improve family well-being. Physical spaces play an important role in child care and early learning; the quality of buildings and indoor and outdoor spaces profoundly impacts child development, and directly influences program quality and the health and well-being of children and staff. Despite what is known about the importance of these facilities, there is no dedicated federal funding to support their acquisition, construction, and/or renovation.

Fortunately, Congress can take decisive and swift action to remedy the facilities challenges facing child care and early learning providers in local communities by establishing dedicated funding streams that help meet the nation’s early-learning infrastructure challenges, including those that utilize experienced intermediaries like community development financial institutions (CDFIs) to build the business capacity of child care and early learning providers.

LISC supports:

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### Establishing Dedicated Federal Funding for Child Care Facilities

Dedicated federal resources to support the acquisition, construction, and renovation of child care and early learning program facilities would ensure that children, families, and providers in urban and rural communities utilize spaces that are healthy, safe, and conducive to high-quality care. The Infrastructure Grants to Improve Child Care Safety provisions included in the [Child Care is Infrastructure Act](#) would create a competitive child-care facilities grant program for states, administered by the U.S. Department of Health and Human Services (HHS). The provision directs a minimum of 10 percent and a maximum of 15 percent of the authorized funds to award grants of up to \$10 million to intermediary organizations (including CDFIs) that have demonstrated experience in developing or financing early care and learning facilities. It also directs HHS to conduct needs assessments of early child care and learning facilities to understand the impact of the COVID-19 pandemic and evaluate the ongoing needs of child care facilities.

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### Facilitating Co-Location of Child Care Facilities with Affordable Housing

The facilities challenges facing child care and early learning providers require creative cross-sector solutions. The development of affordable housing in high-need communities can be leveraged to increase access to quality care for children and families, and meet some of the facilities needs of child care operators. [The Build Housing with Care Act](#) would provide \$500 million to help construct child care centers and support home-based child care providers connected with affordable housing buildings. Funding would be prioritized for projects located in child care deserts or rural communities, including qualified Head Start providers and providers that serve low-income children.

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### Providing Capacity Building Resources for Early Childhood Businesses

Child care and early learning providers face unique financial challenges as small business operators. Programs serving low-income communities are highly dependent on unpredictable public funding streams for operations, and lack a consistent and effective financing system and capital subsidies. The razor-thin profit margins of child care programs often limit provider eligibility for traditional forms of private sector financial support. Few mainstream banks, credit unions, or lending institutions have developed financial products to support child care businesses, due to the

uncertainty of future funding for repayment through government operating subsidies, and because private banks typically don't employ staff with specialized knowledge of the child care sector. Additionally, providers confront challenges related to inequities faced by women entrepreneurs and people of color in accessing small business supports. Fully [96.5 percent of child care businesses are women-owned](#), and [more than half](#) are owned by people of color.

Child care business operators deserve equitable access to small business supports tailored to meet their sector needs. LISC supports the establishment of dedicated resources to provide child care operators with small business training, technical assistance, and capacity building. We also support the establishment of a pilot program that would provide resources for intermediaries to partner with Small Business Development Centers (SBDCs), Minority Business Development Agency (MBDA) Business Centers, and Women's Business Development Centers (WBDCs) to develop innovative approaches related to child-care and early-learning marketing, financing, and business-related technical assistance and capacity building.



## Postsecondary Education

Access to quality, affordable options for postsecondary education can [boost the economic mobility](#) of low-income individuals. Whether they're first-time, full-time students or are working and going to school part-time, all adult learners should be given the opportunity to pursue pathways that improve their quality of life and lead to fulfilling careers that allow them to be productive and thrive. Federal policies need to support equitable access to postsecondary education opportunities. Individuals with lower incomes and people of color face [multiple, particular barriers](#) to postsecondary educational attainment. Policies that support individuals facing obstacles to educational attainment at accredited institutions with a history of specializing in equitable skill and talent development are essential to the success of local communities.

LISC supports:

### Expanding Pell Grant Eligibility

The Federal Pell Grant Program is the largest source of federally funded grants for postsecondary education, and grants are awarded based on financial need. Yet,

under current law, Pell Grants can be applied only toward programs that are over 600 clock hours or at least 15 weeks in length, even though many job training programs are shorter term. This limitation leaves many students without affordable access to high-quality, short-term career and technical education (CTE) programs that provide meaningful credentials proven to increase lifetime earnings and close skill gaps.

Congress should extend Pell Grant eligibility to students seeking industry-recognized short-term credentials. The bipartisan [Jumpstart Our Businesses by Supporting Students \(JOBS\) Act](#), sponsored in the Senate by senators Tim Kaine (D-VA) and Mike Braun (R-IN) and in the House by representatives Bill Johnson (R-OH), Lisa Blunt Rochester (D-DE), Mikie Sherrill (D-NJ), and Michael Turner (R-OH), would help close the skills gap and provide workers with the job training and credentials they need for careers in high-demand fields. By expanding Pell Grant eligibility, the JOBS Act addresses the skills gap, along with career and technical education affordability, to ensure more low-income and working students can participate in the modern economy.

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### Investing in Community Colleges and Promoting Sector Partnerships

Industry-recognized certifications and credentials [are prerequisites](#) for most living-wage, “middle skills” jobs with a career pathway. In fact, several of the [fastest-growing occupations](#) require education and training beyond a high school diploma. Unfortunately, many low-income individuals are unable to pursue technical training and certifications because they cannot afford to pay for their education. Making [community colleges and technical training institutions](#) affordable can connect unemployed or underemployed residents to training and credentialing programs, setting them on pathways to success.

Industry sector partnerships are important to developing inclusive talent pipelines of skilled workers to meet future demand. The [Strengthening Community Colleges Training Grants Program](#) at the U.S. Department of Labor (DOL) recognizes this need and invests in the capacity and responsiveness of community colleges to close equity gaps in addressing the skill development needs of employers and workers. Congress should authorize this community college grants program, currently funded through the appropriations process, and provide \$100 million in annual funding to support more impactful partnerships between two-year colleges and businesses.

LISC also supports efforts to provide new resources that can build on the [demonstrated successes](#) of DOL’s Trade Adjustment Assistance Community College

and Career Training (TAACCCT) grant program by reauthorizing the successful interagency initiative and appropriating additional funding. The program encouraged partnerships among local community colleges, employers, and workforce entities to create training pathways to in-demand industries through a partnership between DOL and the U.S. Department of Education. In total, the program provided \$1.9 billion in four-year grants to 256 community colleges to develop innovative consortia models that support workforce preparedness and deliver high-quality education and training programs for unemployed workers and others seeking postsecondary credentials in high-skill, high-wage, or in-demand industry sectors. By providing renewed support for TAACCCT, Congress can strengthen the ability of community colleges to promote economic mobility while also meeting the needs of employers.

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### Supporting Funding and Research Partnerships with HBCUs

Historically Black colleges and universities (HBCUs) are postsecondary institutions that were established in order to serve the educational needs of Black Americans at a time when they were largely denied admission to traditionally white institutions. HBCUs became the principal means for providing postsecondary education to Black Americans. One could argue that HBCUs were among the first institutions of higher learning to have a focus on racial equity in education. While HBCUs make up only 3 percent of the country's colleges and universities, they enroll 10 percent of all African-American students and produce almost [20 percent of all African-American graduates](#). HBCUs are most often located in communities that are considered to be [economically distressed](#) – 81 percent of HBCUs are located in counties where the median wage is below the national average, and 65 percent are in geographic areas with slower than average net job growth. The historical significance, mission, and location of HBCUs position them as potential strong partners in community development.

The federal government can help to strengthen the ability of HBCUs to carry out their mission and impact their surrounding communities by:

- 1. Robustly funding programs that support HBCUs.** Over the past few years, a [significant amount of federal funding](#) has been directed to HBCUs in an attempt to assist with challenges presented by the coronavirus pandemic and foster equitable access to higher education. [According to the UNCF](#), despite the recent infusion of federal funding, longstanding fiscal challenges coupled with historical underfunding still places the institutions in vulnerable, insolvent situations. Additional resources must be allocated consistently over a sustained period to



properly support HBCUs. There are several federal programs across multiple agencies that support HBCUs (the Department of Education’s Strengthening Historically Black Colleges and Universities Program, the Department of Agriculture’s 1890 Land-Grant Institutions National Program, the Department of Defense’s HBCU and Minority-Serving Institutions Program, the Department of Commerce’s Connecting Minority Communities Pilot Program, etc.). LISC supports robust funding of these federal programs to support HBCU sustainability.

- 2. Robustly funding the Historically Black Colleges and Universities Program at HUD.** The [U.S. Department of Housing and Urban Development \(HUD\) HBCU Program](#) helps HBCUs support their local communities with neighborhood revitalization, housing, and economic development. HBCU grants are awarded on a competitive basis and support a range of activities that meet both a Community Development Block Grant (CDBG) Program national objective and the CDBG eligibility requirements, including: property acquisition, clearing land or demolishing buildings, renovating homes and businesses, direct homeownership assistance to low- and moderate-income people, special economic development activities (described at 24 CFR 570.203), and establishment of a community development corporation to undertake eligible activities.