

CHILD CARE AND EARLY LEARNING FACILITIES FINANCING



High quality early learning programs are an essential part of a healthy community—preparing young children for success in school and life, supporting working parents, bolstering family well-being, and promoting economic growth and development. The condition, quality, and availability of indoor and outdoor spaces profoundly impacts child care and early learning programs, directly influencing both program quality and the health and safety of children and staff. The COVID-19 pandemic has exacerbated existing child care infrastructure inadequacies and created a new sense of urgency to address the condition of the physical spaces where young children learn and receive care. Dedicated federal resources to support the acquisition, construction, and renovation of early childhood 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.

What are early learning facilities?

- Early learning facilities are the physical environments where many types of out-of-home care (including child care centers, family child care homes, Head Start facilities, and preschool) are offered. Approximately 121,000 center-based providers of early care and education programs serve nearly 7.15 million children in the United States, and 5.2 million home providers care for children under age 13.
- The physical configuration of early care and education spaces – both home based and center based – directly affect adult/child interaction, health and safety, and influence how children grow and learn. A facility's layout, size, materials and design features can improve program quality and contribute positively to instruction and child development. Bathrooms adjacent to classrooms, accessible cubbies, and child-sized sinks, counters, furnishings and fixtures increase children's autonomy and competence while decreasing the demands on teachers.
- Early learning spaces with ample classrooms divided into well-configured activity areas support uninterrupted self-directed play and exploration, help foster staff retention by using teachers' time more efficiently, and facilitate professionally rewarding interactions with children, parents, and co-workers. Ill-adapted and overcrowded environments undermine programs, and pose potential safety hazards. Poor indoor air quality, lack of natural light, and contaminants like lead, asbestos, and radon threaten the health and safety of young learners and early learning providers. These conditions detract from positive learning experiences.

What is the need?

- Regrettably, many families—particularly those in high poverty areas—lack access to the stable, high quality early learning programs that parents need to maintain gainful employment and children need to grow and thrive. While there is no comprehensive national data on the condition, quality, or availability of child care facilities, a few states have embarked upon facilities assessments. Their findings have been disturbing—poor ventilation systems, absence of classroom sinks, no indoor gross motor skills space and equipment, playground safety hazards, and asbestos.

What is the need? cont.

- In many urban areas, providers struggle to finance costly adaptations that support high quality programming in neighborhoods with an insufficient supply of indoor and outdoor spaces. In rural areas where many families struggle to find care within their own communities, providers operate in a diverse array of settings (centers, homes, etc.) in order to meet the needs of parents. Rural providers face great difficulty accessing flexible financing that can be utilized to

improve their spaces and face economic challenges distinct to rural geographies, such as the lack of high-speed internet or cell service.

- COVID-19 has further challenged child care providers operating in facilities with longstanding inadequacies, necessitating that infrastructure shortcomings be addressed to meet evolving health and safety best practices for all those interacting in their physical spaces.

What has been LISC's involvement?

- LISC's Early Childhood Facilities program has worked to expand and promote early childhood education by investing in age-appropriate settings for high quality programs. LISC has served as an advocate, thought leader, and resource to the field for more than two decades and is the only CDFI with a national reach relative to early learning facilities. Over the past two decades, LISC has invested **more than \$62 million**, leveraging an additional **\$250 million**, for the development of **more than 225** new, high quality child care and early learning environments for more than **29,000 children** across 27 states.



- LISC offers financing tools that bring low- or no-cost capital to early childhood facilities projects, including partnerships with state governments to create facilities funds. We also provide expertise and technical assistance to build the capacity of early childhood providers and nonprofit community developers that build and improve facilities.

What can Congress do?

As states draw down federal resources to stabilize the child care sector and expand access to quality programs, they will need to meet the needs of children and staff in appropriate spaces. Congress can help states by taking the following actions:

- Direct the Administration of Children and Families (ACF) at the U.S. Department of Health and Human Services (DHHS), to conduct a national needs assessment on the condition, quality, and availability of early care and education facilities across the country.
- Create a **dedicated source of capital** for early learning facilities. The program should consist of the following components:

Infrastructure Grant Program for Child Care Facilities

- Administered through DHHS that supports center based and home based child care acquisition, construction, and renovation.
- Funding disbursed via an intermediary structure (eligible entities are CDFIs or other intermediaries with the ability to leverage dollars).

National Activities for Capacity Building

- Grants to intermediary organizations, such as CDFIs, to provide technical assistance, capacity building, and financial products to support early care and education financing in all states.

LISC is a national nonprofit housing and community development intermediary with offices in 38 different cities and a national rural network of 146 organizations.

For more information about child care and early education facilities, please contact Nicole Barcliff at nbarcliff@lisc.org.