Overview
Local Initiatives Support Corporation (LISC) appreciates the opportunity to submit written comments on proposed data collection activities for the National Survey of Early Care and Education (NSECE). As you gather data, we encourage you to collect information on early learning facilities, specifically on whether the quantity, type, condition, and quality of space meets the physical infrastructure needs of providers and the children that they serve. If you have any additional questions about our comments, or if we can serve as a resource to you on early learning facilities issues, please contact Nicole Barcliff, LISC Policy Director, at (202) 739-9296 or nbarcliff@lisc.org, or Cindy Larson, RI LISC Deputy Director and Director of the Rhode Island Child Care Facilities Fund, at (401) 519-5834 or clarson@lisc.org.

About LISC
Established in 1979, LISC is a national nonprofit and Community Development Financial Institution (CDFI), dedicated to creating inclusive communities of opportunity across America – great places to live, work, visit, do business and raise families. Over the course of four decades, we have invested $18.6 billion in local communities, leveraging $56 billion in total development. With local offices in 33 cities and hundreds of rural community partners throughout the country, our organization mobilizes corporate, government and philanthropic support to develop the leadership and capacity of partner organizations. We equip talent in underinvested communities with the skills and credentials to compete successfully for quality income and wealth prospects and invest in businesses, housing and other community infrastructure to catalyze opportunities for residents.

Because we recognize the link between human opportunity and social and economic vitality, we have spent the last 18 years working to bring high quality early care and education settings to low-income neighborhoods where children enter the world at high risk for negative outcomes. Through our signature Early Childhood Facilities Program, LISC has invested $57 million in planning and developing 223 new facilities serving 23,617 children in more than 65 low-income urban and rural neighborhoods across the country. That investment has generated an additional $233 million in public and private resources for these early learning centers.

Background
The Quality of Early Learning Facilities Matters
Those active in community revitalization believe that early care and education 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. We also know that space matters: a facility’s layout, size, materials and design features can improve program quality and contribute positively to child development while a poorly adapted and overcrowded environment undermines it.1

Poor quality buildings and spaces can have profound negative impacts on child learning, health and well-being. 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. Additionally, the safety and quality of early learning facilities are key to the success of any federal, state or local efforts to serve additional children. As programs seek to expand, they cannot open or grow without complementary spaces.

Lead, asbestos and radon-free spaces with sufficient natural light are only one aspect of what constitutes a sound early learning facility. 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. 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.

Existing Early Learning Facilities Data is Insufficient
Regrettably, many families – particularly those who are low-income and/or in rural 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; furthermore, many of the facilities available to them are in desperate need of renovation. While there is appropriate information collection related to the quality of curricula and teachers, the physical environment is an essential feature that is often overlooked in early learning studies and needs assessments. There is no comprehensive national data on the quantity, type, condition, and quality of early learning facilities. Providers serving low-income families in the communities that we support aren’t being encouraged or required to document facilities’ costs or needs in a way that links the quality of buildings to the quality of programs.

National Data Could Help Alleviate Early Learning Facilities Financing Challenges
One of the effects of insufficient national data on facilities’ needs is a lack of funding attention to remedy these problems. There is no dedicated federal source of capital to help early care and education programs develop well-designed facilities suitable for our youngest learners, and very few states and localities have dedicated resources. Programs serving low-income communities are highly dependent on public operating revenues that don’t cover the cost of purchasing or renovating an appropriate facility. Federal and state policies that call for expanding early care and education programs require an adequate supply of facilities. Without a consistent and effective financing system or capital subsidies, providers are left to pursue piecemeal approaches, cobbling together small donations and grants from a variety of sources. This prevents the early learning field from addressing its physical facility needs and creating the kind of environments that support high quality programs.

Historically, private financial institutions have not made significant infrastructure investments in early care and education – particularly in economically distressed areas. Few mainstream banks, credit unions, and lending institutions are willing to finance early childhood facility projects, which tend to require relatively small, complex loans often characterized by uncertain future funding for repayment through government operating subsidies. The projects generally have little to no equity, and limited collateral value. In addition, private banks typically don’t employ staff with specialized knowledge of the child care sector, and consequently are unable to understand the needs of child care or preschool centers and assist program directors lacking experience with real estate development and financing.

Certified CDFIs working in market niches that are underserved by traditional financial entities are among the small number of organizations who have made investments in early learning physical spaces. They have a proven track record in economically challenged regions and are experienced with providing a unique range of
financial products and services that spur private investment in their target markets. Unfortunately, given the limited funding available to CDFIs to carry out their comprehensive mission, demand for early childhood facilities capital far outstrips supply.

**Recommendations**

As the Administration for Children and Families (ACF) documents the nation’s current supply of early care and education services, we strongly encourage that the three nationally representative surveys – the Home-based Provider Interview, Center-based Provider Interview, and Workforce Interview – include questions that focus on the condition and quality of the facilities where early care and learning take place. As you gather data, we encourage you to collect information on whether the quantity, type, condition, and quality of space meets the needs of providers and the children that they serve.

Federal data collection efforts should reflect the important role that physical environments play in supporting the quality of early learning programs and healthy early childhood development. In addition to collecting information that quantifies expenses related to occupying a facility, we recommend that the NSECE pose questions that assess the quantity, type, condition and quality of early childhood facilities.

Responses to the following questions would help fill existing data gaps related to identifying what providers need to improve the quality of their facilities.

**Suggested/Sample Questions**

- Does your program currently have facility acquisition, construction or renovation needs?
  - Yes
  - No

- If yes, are the facilities needs related to:
  - Quality (ex: Bathrooms adjacent to classrooms, accessible cubbies, and child-sized sinks, counters, furnishings and fixtures)
  - Capacity (Do you need more space to serve a waiting list for additional children?)
  - Auxiliary Spaces for Teaching Staff (teacher preparation/ resource storage space, teacher lounge, adult-sized toilet facilities)
  - Health & Safety (ex: Lead paint, mold, electrical upgrades, meeting state child care licensing requirements, etc.)
  - All of the Above

- What type of improvement is needed?
  - More Space
  - Upgraded Space
  - Repairs
  - Playground Renovation
  - Other

- Can you estimate the total capital costs of addressing these needs?
  - Yes
  - No

- If yes, what is the estimated cost, and how did you arrive at that number?

**Conclusion**

Without question, the physical environment plays a large role in supporting the quality of early learning programs and healthy early childhood development. Without support for facilities, programs will locate in the least expensive and most readily available spaces – makeshift, donated, or surplus space such as basements and storefronts or outdated classrooms for older students that haven’t been adapted for our youngest children and fall far short of standards to support high quality programs. Documenting the needs and condition of
facilities will not only help providers better understand the link between facilities and program quality, but also provide information critical to securing dedicated financial resources for facilities improvements.