Overview

It is indisputable that an adequate supply of well-designed and optimally located facilities is needed to support sufficient child care capacity. It is also increasingly well-understood that the design and condition of facilities can either enhance or impede child development and overall program quality. The location of the facilities can optimize enrollment and enhance parent involvement, and facilities can help promote a positive workplace in an industry challenged to attract and retain experienced teachers.

With few exceptions, the cost and burden of solving this facilities conundrum has fallen to individual providers. This despite the fact that the cost of constructing facilities designed specifically for young children is high when compared with standard commercial space, appropriate space is challenging to find and very few programs have the experience or personnel to handle the complexities of real estate development tasks.

Despite federal government support of child care in the form of resources for subsidies, quality improvement and most recently stabilization, there has never been a dedicated source of federal funding for child care facilities development or improvement. Thus, states, cities and counties are increasingly taking responsibility for devising creative solutions and identifying funding streams to begin to support this need, tackling it as part of their overall infrastructure challenges. Jurisdictions are showing increasing creativity by tapping into an array of funding sources and blending resources to better support providers with their needs. For optimal effectiveness, states will identify ongoing sources of funding that support facility projects through all phases. This would include:
• **Planning Resources** to support providers with costs associated with assessing the suitability of sites. These may include things such as architectural, engineering, environmental and legal fees. Because planning dollars do not fund actual construction, states have many more options for sources of funding that may be available for this use, including CCDBG dollars and special use dollars such as those through the Preschool Development Grant.

• **Predevelopment Resources** to support providers through all of the steps leading up to construction. This includes things such as development of full architectural drawings, carrying costs on facilities or land, complex environmental studies, project management costs and legal fees. Again, these costs are generally not considered construction-specific and thus may be easier for states to support with federal pass-through dollars.

• **Construction and Renovation Resources** which can be more challenging to fund with many of the child care federal pass through dollars and thus require truly local solutions, such as those in places like [Massachusetts](#) which for many years has funded the construction of child care facilities with general obligation bonds.

Government officials can play an equally essential role in supporting providers with facility needs by funding the technical support necessary for providers to be most effective in managing the complexities of these projects. In [Rhode Island](#), an allocation of CCDBG Quality Dollars has supported highly specialized technical support for child care facility projects for more than two decades, resulting in a nationally recognized program. At the regional level, local dedicated funds can be vehicles to finance children’s services. See [NACO](#) and [Children’s Funding Project](#) for examples from across the country.

While government has a unique role to play in prioritizing and creatively supporting this issue, philanthropy can also be an essential partner. Read more about how philanthropy can most effectively help you in supporting child care facility needs [here](#).

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**MAPPING FACILITIES FUND EFFORTS IN THE US**

- [Map of Facilities Fund Efforts in the US](#)
- [Facility Fund Matrix](#)
- [Capitalizing Child Care Landscape of Grants, Loans, and Community Development Capital in Early Childhood Education](#)
- [How States Can Improve Child Care Facilities](#)
- [Building Quality—Transforming Child Care Facilities in Massachusetts](#)
- [What States Can Do](#)