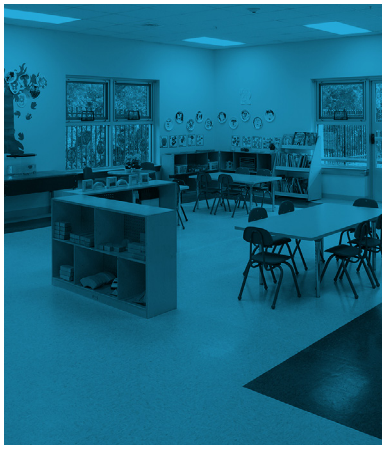
Education

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 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.



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 education; the quality of buildings and indoor and outdoor spaces profoundly impacts child learning, 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:

Establishing Infrastructure Grants for Child Care Facilities

The Infrastructure Grants to Improve Child Care Safety provisions included in the Child Care is Infrastructure Act would create a competitive grant program for states, administered by the U.S. Department of Health and Human Services (HHS), to address renovations or modifications to child care facilities, including any modular adaptations necessary to keep staff and children safe during the COVID-19 pandemic. The provision carves out 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 certified CDFIs or other organizations that have demonstrated experience in developing or financing early care and learning facilities. It directs HHS to conduct two national needs assessments of early child care and learning facilities to understand the impact of the COVID-19 pandemic in the first year, and then to evaluate the ongoing needs of child care facilities by year four.

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 89 percent of child care businesses are women-owned, and minority-owned businesses account for 60 percent of the industry.

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.

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 only high-quality education option available. The charter school sector serves proportionally more minority (most notably, African-American) students than do traditional public schools, and high-performing charters boast gains in student academic achievement. Today, more than 6,700 public schools operate under charters in the United States, educating 2.7 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 nonprofits, and state/local/private nonprofit 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.[1]

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 nonprofit 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.

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. It is important for federal policies to support equitable access to postsecondary education opportunities. Low-income individuals and people of color face multiple, unique 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. To support affordability, the federal government should extend Pell Grant eligibility to students seeking industry-recognized short-term credentials.

The Jumpstart Our Businesses by Supporting Students (JOBS) Act addresses the skills gap, along with career and technical education affordability, by expanding Pell Grant eligibility to cover short-term job training programs. 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. Expanding Pell Grant eligibility would help individuals afford skills training and attain industry credentials that are high-demand in today's job market.

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 talent pipelines of skilled workers to meet future demand. LISC supports the Community College to Career (CC2C) Fund in Higher Education Act, which would create a competitive grant program to support more partnerships between two-year colleges and businesses. The goal of this legislation is to help reduce education costs for students, fill jobs, and increase America's competitiveness in the global economy.

LISC also supports the Assisting Community Colleges in Educating Skilled Students (ACCESS) to Careers Act, which creates a grant program to help community colleges and states address changing workforce demands. The bill encourages partnerships among local community colleges, employers, and workforce entities to create training pathways to in-demand industries. It authorizes the Secretary of Education to provide grants to states to develop innovative models that support workforce preparedness as well as grants to community colleges and consortia of community colleges to carry out program activities; increase the number of students who attain postsecondary credentials in high-skill, high-wage, or in-demand industry sectors; and assist colleges to develop and improve strategies to support student success. This bill builds on lessons learned in the U.S. Department of Labor's Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant program.

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 three 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. Nearly 50 percent of HBCUs are located in economically distressed communities. 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. **Extending and making permanent the Department of Education's Title III (SAFRA) funding for HBCUs.** This mandatory funding is allocated to HBCUs via the Department of Education's Strengthening Historically Black Colleges and Universities Program (Title III, Part F of the Higher Education Act). Funding expired at the end of fiscal year 2019, and represents an $85 million financial cliff for HBCUs collectively.

2. **Robustly fund the Historically Black Colleges and Universities (HBCUs) 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.