

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. Without question, the physical environment plays a large role in supporting the quality and availability of early learning programs. It takes the right kind of setting for early care and education programs to flourish. One of the largest challenges facing the early care and education sector is the ability to secure and finance adequate facilities.

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 129,000 center-based early care and education programs serve nearly 7 million children in the United States, and 1 million in-home providers care for 2.7 million children.¹
- 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.

Early learning facilities are critical supports for working families

Child care barriers prevent families from accessing and/or retaining stable employment. The growing cost of child care accounts for significant portion of a family's budget, but becomes unaffordable for low income families. For example, monthly child care costs for a household with one child (a 4-year-old) range from \$344 in rural South Carolina to \$1,472

in Washington, D.C.² As we look at ways of supporting economic mobility of working families, we must address the shortfall of affordable and accessible child care.

What is the need?

- 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 no comprehensive national data on the quality of early learning facilities, several states have embarked upon facilities assessments.

The findings are disturbing and include poor ventilation systems, absence of classroom sinks, no indoor gross motor skills space and equipment, playground safety hazards, and asbestos.²

- Additionally, as states utilize federal resources to expand access to quality programs, providers will need to accommodate additional children in appropriate 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 high quality age-appropriate settings for high quality programs. We have invested more than **\$57 million** in planning and developing **223 new facilities serving 23,617 children** in low-income urban and rural neighborhoods across the country.³
- 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?

- Direct the U.S. Department of Health and Human Services to (DHHS) 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:

Tiered Competitive Grant Program

- Administered through DHHS that supports center-based and family 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

1 Office of Planning, Research & Evaluation. National Survey of Early Care and Education 2010–2015. Available at: <https://www.acf.hhs.gov/opre/research/project/national-survey-of-early-care-and-education-nsece-2010-2014>

2 <https://www.epi.org/publication/child-care-affordability/>

3 <https://cedac.org/Uploads/Files/CIFBldgInfrastructureReport.pdf>, <https://ricelff.org/wp-content/uploads/2014/12/NeedsAssessmentReport.pdf>

LISC is a national non-profit housing and community development intermediary with offices in 35 different cities and a national rural network of 89 organizations.

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