



Photo provided by West Lakes Early Learning Center, Florida.



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# From the Ground Up: Improving Child Care and Early Learning Facilities

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**2023 UPDATE**

By Linda K. Smith, Tara Williams, and Katherine Mercado

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## **AUTHORS**

### **Linda K. Smith**

Director,  
Early Childhood Initiative

### **Tara Williams**

Associate Director,  
Early Childhood Initiative

### **Katherine Mercado**

Project Assistant,  
Early Childhood Initiative

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# Overview

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A child's earliest years are crucial to his or her social, emotional, physical, and cognitive development. The settings in which children learn, play, and grow have an enormous impact on their development. High quality and developmentally appropriate early learning environments promote healthy behaviors, independence, and strong social-emotional skills in young children. High quality environments lead to better outcomes. Yet, the physical environment in which children are cared for can be an afterthought when the child care ecosystem is already so fragile.

The funding programs, innovative child care models, and community partnerships featured in this catalog demonstrate the ways in which tribes, states, and localities invest in child care and early learning facility improvements. Using this catalog, communities can plan how to approach child care infrastructure investments and how to best overcome their child care challenges. Tribal, state, and local officials can begin asking and answering important questions about the current status of facilities in their communities, including which community partners are willing to advocate for and invest in child care and early learning infrastructure, and how to foster innovation in improving the quality and availability of these spaces.

To help move this work forward and foster a shared responsibility for improving child care facilities, the Bipartisan Policy Center, in collaboration with partners across child development, finance, architecture, and community and rural development, created the **Early Care and Learning Facilities Working Group** in 2018. As a first step, the working group developed a [framework](#) for guiding investments and policy in early care and learning facilities. This framework stressed that while child care is important to children's development, it is also essential to a thriving community and should be incorporated into economic and workforce strategies.

This catalog brings the framework to life with strategic policy and investment examples from around the country. Communities have ample federal, state, and local models across government, philanthropy, and public-private partnerships to draw on. These models show that high quality environments lead to better outcomes for young children, and that our nation's children cannot afford to wait for greater investments in early learning infrastructure that support their development.

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# The Scope of the Problem

## CHILD CARE SUPPLY AND DEMAND

Child care facility planning in communities requires understanding the number of families in need of child care and the number of child care programs. Nearly 15 million children under age 6 live in households in which all parents work, leaving many of these children in need of child care and early learning. BPC has calculated that 31.7% of children under age 6 with all parents in the labor force come from families without access to formal child care facilities—America’s child care gap. Rural communities feel the lack of child care and early learning options more acutely than other places, with the average gap in supply at 35.1%.

As communities face gaps in child care supply, families struggle to both find and afford child care. Less than 20% of eligible families are receiving federal child care assistance. Families can lose income and experience financial instability if they are unable to work. Alternatively, families may have to place their children in substandard settings due to a lack of high quality child care and early learning options.

## FACILITY SAFETY AND QUALITY

Working parents need peace of mind that their children are receiving care in safe, developmentally appropriate, high quality settings. Children spend much of their time in child care programs, yet limited data exist on the quality of these facilities—especially across health and safety standards. The research that exists identifies an urgent need to address health and safety issues of early learning facilities—both center-based and family child care (also known as home-based child care)—so that they move beyond good enough.



Holes in the wall within a child’s reach. Source: U.S. Department Health and Human Services Office of the Inspector General.

The U.S. Department of Health and Human Services' Office of the Inspector General, in a 2013 investigation across 10 states, found that 96% of child care programs receiving Child Care and Development Fund dollars had one or more potentially hazardous conditions, such as broken or unlocked gates, water damage, or chemicals within reach of young children.<sup>1</sup> Furthermore, a 2011 Massachusetts study found excessive levels of carbon dioxide in child care facilities throughout the state, as well as insufficient ventilation systems and furnishings that contained formaldehyde. It also found that nearly 70% of programs lacked classroom sinks, which negatively affects infection control and children's hygiene practices.<sup>2</sup>

**“An investigation across 10 states found that 96% of child care programs receiving Child Care and Development Fund dollars had one or more potentially hazardous conditions.”**

The challenges confronting child care and early learning facilities are part of a greater U.S. infrastructure problem. A recent investigation of the New York City Housing Authority found that decades of neglect and underinvestment in public housing led to crumbling and deteriorating buildings. With approximately 100 child care centers renting space from the housing authority, thousands of young children have been exposed to hazardous conditions, including broken heaters, rodent infestations, mold, and lead paint.<sup>3</sup>

## **FINANCING A BROKEN BUSINESS MODEL**

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Child care providers are working within a broken system. Providing high quality child care and early learning is imperative to ensuring that the nation's children are safe, healthy, and learning, yet the high cost of providing child care can prevent providers from running a sustainable business at a price that most working parents can afford. Moreover, child care providers earn a razor-thin profit margin; often, providers are unable to prioritize the facility-related repairs, upgrades, renovations, and maintenance that keep children safe.

Although a few facility funding programs are available in certain areas of the country, many providers only have access to options that will drive them deeper into debt or force them to raise fees to parents. Loans, for example, are a common way of improving facilities, but they require business assets or collateral that child care providers lack. Further, providers may not have enough revenue for loan repayment fees and interest. Loan guarantees, grants, credit-enhancement programs, and tax credits are other ways of financing child care facilities, but providers lack expertise in navigating complex financing systems that can support business growth and sustainability.

## FACILITY NEEDS ASSESSMENTS

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The child care challenges for families and communities are clear, but the extent of the facilities problem is unknown. Estimates are difficult without a nationwide needs assessment, but where to start? One approach is to tier programs based on status, i.e., starting an assessment with programs not meeting health and safety standards, then assessing those meeting licensing regulations, followed by those fulfilling professional-quality expectations; the assessment could conclude with facilities meeting best-practice standards such as accreditation.

The National Children’s Facilities Network estimates that the country would require \$10 billion to upgrade all child care facilities to professional-quality standards and at least \$17 billion to bring existing child care facilities up to best-practice standards.<sup>4</sup> Similarly, a federal Head Start facilities report profiled thousands of Head Start centers. It found that it would cost an estimated \$1.1 billion to address poorly maintained or unclean environments, lack of preparedness for fire and other emergencies, and other potential safety hazards at the 2,201 centers.<sup>5</sup>

**“High quality environments lead to better outcomes for young children and our nation’s children cannot afford to wait for greater investments in early learning infrastructure that support their development.”**



Newport YMCA, located in Middletown, Rhode Island. Photo provided by Local Initiatives Support Corporation.



# A Shared Responsibility

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Ensuring that child care facilities are designed and equipped to facilitate children’s early learning cannot depend only on the child care providers themselves. Rather, it requires an array of expertise beyond child development, including—but not limited to—architecture, design, environmental health, business development, real estate, financing, landscape design, and community development. Bringing these areas of expertise together during the preplanning and development phases of the facility design process contributes to stronger child care facilities and positive child outcomes.

Child care programs are also vital to a community’s development. According to the Committee for Economic Development’s 2019 Child Care in State Economies report, the child care industry has a \$99.3 billion economic impact, reinforcing its value and need for continued investment.<sup>6</sup> The lack of access to formal child care for 3.4 million children in the 35 states that BPC studied costs the United States an estimated \$142 billion to \$217 billion in annual economic productivity. The states with the largest rural child care gaps face the greatest economic impact with costs in rural areas studied by BPC ranging from \$33 billion to \$50 billion.

The American Planning Association, a professional organization that seeks to create stronger communities through urban planning, recognizes the role that child care plays in local communities. In 1997, the association released a statement detailing its policy position on child care. It included advocating for the inclusion of child care policies in local planning, amending local zoning ordinances to remove obstacles to family child care, and negotiating with developers to offer incentives to provide space for child care in commercial, residential, and mixed-use development projects.<sup>7</sup>

**“We are so excited to bring a licensed child care facility to Rensselaer, Indiana! The opportunities this center will provide to the families, by supporting them as working parents, and the children, by providing a safe and nurturing environment, are crucial in supporting the community. In return, the community will thrive and continue to grow.”**

**Margaret Schreyer, Appletree Center Director, Right Steps.**

# Child Care Facility Investment Principles

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Current and future investments in child care facilities should be strategic and thoughtful about the needs of children and families, providers, and communities. The following principles should inform all child care facilities initiatives:

## Investing in early learning facilities supports children’s development.

The environments in which young children learn, play, and grow directly shape their development, especially during their earliest years. Access to safe, high quality, and developmentally appropriate settings and equipment—including child-sized fixtures, appropriate acoustics and lighting, and dedicated spaces for play and engagement with others—helps promote children’s healthy behaviors and independence. Making investments that help providers exceed the basic health and safety requirements will result in strong outcomes for children.



Children of the Rising Sun, Detroit, MI. Photo provided by IFF.

## Investing in early learning facilities helps communities thrive.

Early learning programs are an essential part of economic growth for families, communities, and the nation. When working families have access to high quality child care programs, parents can participate in the labor force, support their own financial security, and contribute to their community’s economic success. Recognizing that communities are diverse and require solutions specific to their needs, investments in early learning should be community-driven and community-led to achieve the most effective and sustainable solutions.

## **Investing in early learning facilities supports small-business owners.**

Financial programs that help improve child care facilities should recognize that much of child care is a for-profit business. Funding opportunities limited to nonprofits leave a substantial portion of the child care industry behind. Many providers are small-business owners<sup>8</sup> who might struggle to make repairs and renovations without falling into greater debt. All providers should have access to training programs and technical assistance to guide them in identifying and accessing financial supports for facility improvements, as well as in prioritizing which upgrades and repairs will have the greatest impact on children’s well-being.

## **Investing in early learning means investing in family child care.**

Families choose family child care for a variety of reasons—including cost, convenience, and culture—making these programs an important component of the early care and education landscape. Similar to center-based child care, family child care providers require infrastructure investments to address their facilities’ needs, which can include minor repairs and renovations to meet state licensing standards. Family child care providers might also require support in addressing additional challenges, including local zoning ordinances and regulations set by homeowner associations.

## **Investing in early learning facilities requires multisector commitments and responsibilities.**

Solutions to improving child care facilities should include engagement across philanthropy, the business and faith communities, and federal, state, and local governments. Each plays an important role in creating funding opportunities for early learning facilities, conducting a needs assessment to identify challenges and possible solutions, and shaping policies to strengthen support for child care providers. Collaborations across sectors and community partnerships also facilitate innovative and local solutions that better meet communities’ needs.



Appletree Rensselaer, Lafayette, IN.

## IMPACT OF DESIGN ELEMENTS ON CHILDREN

Child care and early learning environments directly impact the development of young children.<sup>9</sup> While high quality, developmentally appropriate settings can promote positive outcomes in children, substandard settings can lead to negative outcomes and hinder physical, behavioral, and cognitive development. Child care and early learning environments should be designed and equipped to help young children thrive and should include the following:

- Child-sized toilets, sinks, and other fixtures that help build competence, independence, and good hygiene practices.
- Bathrooms adjacent to classrooms and outdoor spaces that help build autonomy for children while allowing teachers to closely monitor bathroom activities.
- Windows in classrooms and common areas that provide children with natural light and allow them to orient themselves to the outside world.
- Entryways, common areas, and hallways that are used as intentional spaces for early development and that foster engagement with other children and teachers.
- Appropriate acoustics that support positive effects on children's memory, attention, and academic achievement.
- Soothing colors, open spaces, and different types of lighting that are comfortable and homelike, and that are inviting to parents and children.
- Outdoor spaces for play and learning that allow children to connect with nature and can lead to reduced rates of child obesity, depression, and attention deficit disorder.

# Federal Facilities Legislation and Initiatives

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## CONGRESS

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Since the Facilities Working Group's inaugural framework was released in 2018, Congress has continued to champion the need for federal support to retrofit or build child care facilities that meet federal health and safety standards. Facilities-related bills were introduced and included in other proposals, such as the annual appropriations package and Rep. Katherine Clark's (D-MA) Child Care Is Infrastructure Act.<sup>10</sup>

Federal child care facilities legislation seeks to increase dedicated funding streams to meet the needs of the nation's deteriorating infrastructure; improve flexibility in existing funding streams to extend permissible use of funds for brick-and-mortar purposes; and include facilities reporting requirements in future state applications for federal funding. Despite the additional assistance provided to the child care industry by Congress during the COVID-19 pandemic, no funding specifically addressed facilities. For a complete list of child care facilities proposals introduced in the 116th and 117th Congresses, see below. Note, BPC expects some of these bills to be reintroduced in the 118th Congress. Bills with bipartisan support are noted by an asterisk.

Congressionally Directed Spending (CDS), previously known as earmarks, returned in 2021 after being banned more than a decade ago. Some members of Congress are requesting federal funding to build child care facilities through CDS requests. Former Rep. Herrera Beutler (R-WA), for example, secured \$583,390 to support local efforts to build a child care facility in her district.<sup>11</sup> This approach has become increasingly popular, with each fiscal year witnessing an increase in CDS requests.<sup>12</sup>

## CHILD CARE FACILITIES PROPOSALS

### 116th Congress Proposals

[H.R. 865/S. 266: Rebuild America's Schools Act of 2019 \(Rep. Scott, D-VA, and Sen. Reed, D-RI\)](#)

[H.R. 1457: School Modernization and Revitalization Through Jobs Act \(Rep. Maloney, D-NY-18\)](#)

[H.R. 3986: Child Care Protection Improvement Act of 2019 \(Rep. McBath, D-GA\)\\*](#)

[H.R. 5185/S. 2876: Green New Deal for Public Housing Act \(Rep. Ocasio-Cortez, D-NY, and Sen. Sanders, I-VT\)](#)

[H.R. 7021: Child Care is Infrastructure Act \(Rep. Clark, D-MA\)](#)

[H.R. 7303: Open Back Better Act of 2020 \(Rep. Blunt Rochester, D-DE\)](#)

[S. 2549: Small Business Child Care Investment Act \(Sen. Rosen, D-NV\)\\*](#)

[S. 3590: Drinking Water Infrastructure Act of 2020 \(Sen. Barrasso, R-WY\)\\*](#)

[S.4277 – Get Toxic Substances Out of Schools Act of 2020 \(Sen. Markey, D-MA\)](#)

### 117th Congress Proposals

[H.R. 540/S. 133: Child Care Workforce and Facilities Act of 2021 \(Rep. Harder, D-CA, and Sen. Klobuchar, D-MN\)\\*](#)

[H.R. 604\\*/S. 96: Rebuild America's Schools Act of 2022 \(Rep. Scott, D-VA, and Sen. Reed, D-RI\)](#)

[H.R. 1460/S. 351: Nicholas and Zachary Burt Memorial Carbon Monoxide Poisoning Prevention Act of 2021 \(Rep. Kuster, D-NH, and Sen. Klobuchar, D-MN\)\\*](#)

[H.R. 1485/S. 531: Open Back Better Act of 2021 \(Rep. Blunt Rochester, D-DE, and Sen. Smith, D-MN\)](#)

[H.R. 1512: CLEAN Future Act \(Rep. Pallone, D-NJ\)](#)

[H.R. 1848 – LIFT America Act \(Rep. Pallone, D-NJ\)](#)

[H.R. 1911: Child Care is Infrastructure Act \(Rep. Clark, D-MA\)](#)

[H.R. 2664/S. 1218: Green New Deal for Public Housing Act \(Rep. Ocasio-Cortez, D-NY, and Sen. Sanders, I-VT\)](#)

[H.R. 3282: Drinking Water Funding for the Future Act of 2021 \(Rep. McKinley, R-WV\)](#)

[H.R. 3291: Assistance, Quality, and Affordability Act of 2021 \(Rep. Tonko, D-NY\)](#)

[H.R. 3797: Increasing Access to Safe Child Care Facilities Act of 2021 \(Rep. Spartz, R-IN\)](#)

[H.R. 4805: Safe School Drinking Water Act \(Rep. Clarke, D-NY\)](#)

[H.R. 5020/S. 2660: Get Toxic Substances Out of Schools Act of 2021 \(Rep. Levin, D-MI, and Sen. Markey, D-MA\)](#)

[H.R. 9375: Build Housing with Care Act of 2022 \(Rep. Bonamici, D-OR\)](#)

[S. 914: Drinking Water and Wastewater Infrastructure Act of 2021 \(Sen. Duckworth, D-IL\)](#)

## AMERICAN RESCUE PLAN ACT

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In 2020, the pandemic further exacerbated the child care industry's challenges, and it affected parents' demand for child care and providers' ability to serve their communities. In the pandemic's early months, child care providers faced intense health and safety pressures to stay open or reopen. Between 2021 and 2023, states leveraged an influx of temporary child care funding with some direct, albeit limited, support for child care facility improvements.

When Congress passed the American Rescue Plan Act (ARPA) in 2021, the legislation designated \$24 billion for [child care stabilization grants](#) and \$15 billion for Child Care and Development Fund (CCDF) discretionary funds. These grants directly supported licensed home-based and center-based child care programs with eligible expenses that included facility maintenance and improvements for health and safety.

The Administration for Children and Families (ACF) issued guidance to states on funding facilities projects with child care ARPA dollars.<sup>13</sup> The same rules for CCDF funds applied here, limiting projects to minor renovations.

*CCDF funds cannot be expended for the purchase or improvement of land, or for the purchase, construction, or permanent improvement (other than minor remodeling) of any building or facility (except for tribes, which may apply to use a portion of their CCDF funds for construction or major renovation). The federal implementation regulations provide additional guidance regarding the use of CCDF funds for renovation. Specifically, CCDF funds cannot be used for major renovations, but can be used for minor remodeling, and for upgrading child care facilities to ensure that providers meet state and local child care standards, including applicable health and safety standards. Major renovation is defined as: (1) structural changes to the foundation, roof, floor, exterior, or load-bearing walls of a facility, or the extension of a facility to increase its floor area; or (2) extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change. Any improvement or upgrade to a facility that is not specified under the definition of major renovation, may be considered a minor renovation and may be allowable.<sup>14</sup>*

## U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)

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The U.S. Department of Health and Human Services conducted a congressionally directed study on the feasibility of a national needs assessment that would be completed by the states and compiled by HHS' Administration for Children and Families (ACF).<sup>15</sup>

The Office of Early Childhood Development, an ACF office, developed a child care resource guide in partnership with the U.S. Department of Agriculture, Rural Development (USDA-RD). The [Joint Resource Guide](#) was created to support stakeholders in rural communities—including tribes and tribal organizations—to address the need for improved access to child care facilities.

In 2022, HHS-ACF partnered with the U.S. Environmental Protection Agency (EPA) to help state and local governments identify and [remediate the effects of lead](#) on children in early care and education settings.



An electrical outlet protruding from the wall and covered with duct tape. Source: U.S. Department of Health and Human Services' Office of the Inspector General.

**Exposure to toxins, including lead, has been a prevalent issue throughout the country with detrimental effects on the development of young children. Currently, there are no federal requirements for child care facilities to regularly undergo lead testing. Only 11 states and two cities (Washington, DC, and New York City) require child care facilities to test their drinking water for lead.<sup>16</sup>**



# Federal Programs for Financing Early Learning Infrastructure

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Several funding sources support providers who want to upgrade or rehabilitate their child care facilities. At the federal level, programs that support child care infrastructure, ranging from financing center-based and family child care programs to addressing broader community and economic development challenges, are available. Many of these programs are highlighted below and are found across several federal departments—including those in charge of health, education, housing, rural development, and treasury.

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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### The Community Development Block Grant (CDBG) Program

[CDBG](#) provides communities with resources to ensure decent affordable housing and job creation in areas of need. CDBG funds can be used for a wide range of public-service activities, including child care, and can be used to pay for labor, supplies, and materials, as well as to operate or maintain the facility in which the public service is located.

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

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### Child Care and Development Fund (CCDF)

[CCDF](#) dollars can be used to help programs and providers bring facilities into compliance with health and safety requirements. Although minor repairs are an allowable use of CCDF funds, major renovations and capital improvement projects are not.

[Tribes](#), however, can use CCDF dollars for the construction of child care facilities or for major renovations that include large structural changes. The Administration for Children and Families must approve the use of tribal CCDF funds for construction or major renovations. Tribes can also use these funds to incorporate child-focused and culturally appropriate elements into construction work or renovation designs.



Photo provided by Educare Winnebago, located in Winnebago, Nebraska.

## Head Start

[Head Start](#) grants can be used to pay rent under operating leases and for minor repairs and renovations to facilities. Other activities, including the purchase, construction, and major renovations of a facility, require a separate funding application. This guidance applies for Head Start, Early Head Start, and the Early Head Start-Child Care Partnerships program.

### Early Head Start-Child Care Partnerships

[The Early Head Start-Child Care Partnerships](#) program, launched in 2014, is a federally funded program that encourages grantees to layer child care and Head Start funding, and to leverage local resources to expand access to high quality care and learning for infants and toddlers from low-income working families. Grantees partner with local child care centers and family child care that agree to meet Early Head Start standards, and in exchange, child care providers receive access to critical resources, including coaching, assistance accessing higher education, and providing learning materials.

A 2019 BPC [study](#) highlighted several Early Head Start-Child Care Partnerships and found that all those surveyed improved their facilities—including both indoor and outdoor learning spaces.

## DEPARTMENT OF AGRICULTURE

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### Community Facilities Programs

The [Community Facilities Direct Loan & Grant Program](#) and the [Community Facilities Guaranteed Loan Program](#) provide grants, loans, and loan guarantees to eligible public bodies, community-based nonprofit corporations, and federally recognized tribes to help build essential community facilities, including child care centers, in rural areas. Funds can be used to purchase, construct, or improve the facilities, purchase equipment, and pay-related expenses.

### Economic Impact Initiative Grants

[Economic Impact Initiative](#) grants provide funding to assist in the development of essential community facilities, including child care centers, in rural areas with extreme unemployment and severe economic depression. Recipients can use funds to construct, enlarge, or improve the facilities, and grants can be made in combination with other financial assistance, such as the Community Facilities grant or guaranteed loan programs.

**The National Agricultural Library of the U.S. Department of Agriculture provides informational resources on starting a rural child care center, including funding programs that have been used to assist rural child care center.**

### Business and Industry Loan Guarantees

The [Business and Industry Loan Guarantees](#) program strengthens the availability of private credit by guaranteeing loans for rural businesses. This program is available to for-profit businesses, nonprofit organizations, public entities, individuals, and federally recognized tribes in cities and towns with fewer than 50,000 inhabitants. Loans can be used for business enlargement, repair, modernization, or development, as well as to purchase and develop land and to buy equipment.

### Rural Microentrepreneur Assistance Program

The [Rural Microentrepreneur Assistance Program](#) provides loans and grants to microenterprise development organizations, which are organizations that support small businesses with 10 or fewer employees. The program provides microloans to help small businesses start up and grow; it also provides training and technical assistance.

## DEPARTMENT OF EDUCATION

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### Child Care Access Means Parents in School Programs

The [Child Care Access Means Parents in School](#) program provides campus-based child care services for low-income parents enrolled in postsecondary education. Funds can be used to support or establish campus-based child care programs, and can be used to serve the child care needs of students and of the community itself. Grants can also support personnel, equipment, and supplies, and minor renovations and repairs to meet state or local health and safety requirements.



Cross Cultural Family Center-Mary Lane Infant and Toddler Center, located in San Francisco, California. Photo provided by the Low Income Investment Fund.

## ENVIRONMENTAL PROTECTION AGENCY

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### Renovation, Repair, and Painting

The [Renovation, Repair, and Painting](#) rule requires that renovations of child-occupied facilities be carried out only by Lead-Safe Certified renovation firms, using certified renovators trained in lead-safe work practices. This requirement helps ensure that these renovations do not inadvertently contaminate a facility and expose children to hazardous lead dust.

### Lead Testing in School and Child Care Program Drinking Water Grant

The [Lead Testing in School and Child Care Program Drinking Water Grant](#), authorized under the Water Infrastructure Improvements for the Nation Act of 2016, is a noncompetitive grant program for states that supports voluntary lead testing in drinking water at schools and child care programs. Congress had appropriated approximately \$25 million each for fiscal years 2019-2021.

In November 2021, the Bipartisan Infrastructure Law (BIL) authorized increasing funding capacity to approximately [\\$200 million over five years](#) for this program for lead remediation and testing.

## **The Safe Drinking Water Act**

The [Safe Drinking Water Act](#) safeguards water quality by establishing minimum standards to protect tap water from contaminants—including lead—and requiring owners of public water systems to comply with these standards through regular monitoring and reporting. In December 2016, Congress made numerous revisions to the act through the Water Infrastructure Improvements for the Nation Act, which authorized the new Lead Testing in School and Child Care Program Drinking Water Grant.

## **Small Business Administration (SBA)**

The [SBA](#) provides resources to small-business owners or entrepreneurs—including child care providers. Resources that support small-business owners offer guidance on writing a business plan, calculating start-up costs, and funding a business. To further assist small-business owners, the SBA helps match them with lending partners who can provide SBA guaranteed loans, reducing the financial risk to the lender while making it easier for small businesses to get loans.

## **DEPARTMENT OF TREASURY**

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### **The Community Reinvestment Act**

The [Community Reinvestment Act](#), passed in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to meet the credit needs of the communities in which they do business, including low- and moderate-income neighborhoods. The act helps rebuild and revitalize neighborhoods by prohibiting banks from denying credit or increasing costs to residents in low-income and racially diverse neighborhoods.

### **Opportunity Zones**

The Tax Cuts and Jobs Act of 2017 established [Opportunity Zones](#), which encourage long-term investments in low-income communities around the nation. Opportunity Zones provide a tax incentive for investors to reinvest their unrealized capital gains in dedicated Qualified Opportunity Zone Funds. As investors, developers, and local leaders consider investments in these under-resourced communities, there is a considerable need—and opportunity—to invest in child care facilities.

## Community Development Financial Institution Fund

Congress created the [Community Development Financial Institutions Fund](#) to expand the availability of credit, investment capital, and financial services in distressed urban and rural communities. The Riegle Community Development and Regulatory Improvement Act of 1994 established the fund.

The [New Market Tax Credit Program](#), administered by the Community Development Financial Institutions Fund, is a tool for financing real estate and other projects in low-income communities. Through the program, individual and corporate investors receive federal income tax credits in exchange for making equity investments in financial Community Development Entities, a financial intermediary. The Community Development Entities then invest in nonresidential businesses and real estate projects, including child care facilities.

[Community Development Financial Institutions](#) (CDFIs), established as part of the CDFI Fund, are private, mission-driven financial institutions that provide responsible, affordable financing to help low-income and under-resourced communities achieve economic growth. CDFIs may be banks, credit unions, loan funds, or venture capital providers that offer affordable financial products and services that meet the unique needs of economically underserved communities. These institutions fill the gap brought on by the lack of access to capital investments and financing for small businesses and community development projects. See a full list of certified CDFIs [here](#). Several are highlighted below:

A growing number of CDFIs recognize the critical role of high quality child care in a community's economic growth. Partnering with CDFIs as intermediaries helps expand access to federal and state funds when implementing child care infrastructure policies and programs. When state and local governments work with CDFIs, they leverage their community connections and strategic tools to distribute capital to those that need it most. CDFIs provide technical assistance regarding data, policy, and capital, and they support both the planning and implementation phases of projects. CDFIs have the capacity to manage projects with large amounts of funding, the ability to ensure funds are equitably distributed, and the expertise to support system-level changes.



Infant Toddler Children's Center, located in Acton, Massachusetts. Photo provided by Children's Investment Fund.

### **Children's Investment Fund**

The [Children's Investment Fund](#) is headquartered in Boston and offers facility-development and capacity-building support to nonprofit early childhood education and out-of-school time programs across Massachusetts. The fund supports capital projects seeking to improve early learning environments. Through the [Building Stronger Centers Training Institute](#) and project-specific technical assistance, it also trains providers who are building a facility or undertaking renovations.

### **First Children's Finance**

[First Children's Finance](#) (FCF), headquartered in Minneapolis, is a nonprofit financial intermediary that works in 12 states throughout the Midwest. FCF helps create systems and programs that address the business and financial needs of early care and education programs, as well as supporting access to capital for child care facilities. In rural areas, FCF engages with communities to create rural child care improvement plans that increase the supply and sustainability of child care businesses. This task includes the creation of family child care pods, where several family child care providers are housed in one facility. In urban areas, FCF provides business and financial services to child care programs and supports partnerships. As an example, an urban hospital and the YWCA partnered to create a multicultural center that included four family child care bungalows. Culturally specific providers operate each bungalow, serving Native American, Hmong, and Somali children.

### **IFF**

[IFF](#) is headquartered in Chicago and serves communities throughout the Midwest, including Indianapolis; Detroit; Kansas City, MO; St. Louis; Columbus, OH; and Milwaukee. IFF began financing and constructing child care facilities in 1992; it implemented the Chicago Children's Capital Fund in 2000. In 2016, IFF partnered with Kresge Foundation to launch [IFF Learning Spaces](#), a grant program that supports quality improvements to home- and center-based child care facilities in Detroit.

### **Leviticus 25:23 Alternative Fund**

The mission of the [Leviticus 25:23 Alternative Fund](#), headquartered in New York City, to strengthen communities and provide new opportunities for low-income individuals and families. The fund has invested more than \$117 million in projects to build, expand, and improve homes, child care facilities, charter schools, and health centers in communities across New York, Connecticut, Massachusetts, New Jersey, Pennsylvania, and Vermont. In 1983, the fund was founded by several New York-based religious congregations from the Tri-State Coalition for Responsible Investment, which shared resources to make investments reflecting their faith-driven values. The congregations pooled capital funds for community facilities, and in 1994, became a certified CDFI. In 1997, they expanded their investment portfolio to include early care and education facilities.



East Bay Community Action Head Start, RI. Photo provided by LISC.

### **Local Initiatives Support Corporation (LISC)**

[Local Initiatives Support Corporation](#) is headquartered in New York City, has offices in more than 30 cities, and works in hundreds of rural communities throughout the country. The corporation's [Early Learning Facilities Program](#) expands access to early childhood education by investing in high quality, developmentally appropriate settings.

## **RHODE ISLAND CHILD CARE AND EARLY LEARNING FACILITIES FUND**

The [Rhode Island Child Care and Early Learning Facilities Fund](#), operated by LISC, helps expand access to high quality child care in low-income communities throughout Rhode Island. The fund offers funding and training options for providers, including technical assistance. In 2014, the fund conducted a [statewide needs assessment](#) of child care facilities and found that 69% of centers visited had some structural issues and 100% of playgrounds had safety issues.<sup>17</sup>



With the help of LISC, the Woonsocket Head Start Child Development Association's Highland Park Center was able to undergo a complete renovation. With the exception of some playground and HVAC upgrades, no major renovations had been made to the center since its construction in the 1990s, and the wear and tear of running the program over 27 years had taken a toll. The Head Start program utilized a LISC predevelopment grant for design, an LISC loan and technical assistance during bidding and contractor negotiations, and funds it had set aside for long-term projects. These resources supported overall upgrades and improvements to classrooms, children's bathrooms, offices, and the kitchen.



Photo provided by Neighborhood Villages, Boston, MA.

### **Low Income Investment Fund (LIIF)**

The [Low Income Investment Fund](#) is headquartered in San Francisco and operates in Atlanta; Los Angeles; New York; and Washington, DC. The program has invested \$153 million in child care facilities through the [Child Care Facilities Fund](#) in San Francisco, which offers grants, workshops, and technical assistance for providers to create and enhance child care spaces; the \$10 million New Market Tax Credit Fund, established in 2019, which helps San Francisco child care operators acquire and construct new child care spaces; the Revolving Loan Fund, which provides acquisition, construction, and term financing to build or improve child care facilities; and the Access to Quality Child Care Program, which provides \$9 million in grants, technical assistance, and training to increase the supply of child care services in Washington, DC.

## **MoFi**

[MoFi](#) helps strengthen communities throughout the Northern Rockies, including Montana, Idaho, Utah, Wyoming, eastern Washington, and eastern Oregon. Starting in 1986 as a project of Women's Opportunity and Resource Development, the nonprofit formed to improve the lives of poor women in the Missoula area. MoFi became certified as a CDFI in 1996, and now provides financial and consulting support to entrepreneurs and small businesses. MoFi offers loans to nonprofit organizations, public bodies, and federally recognized tribes to develop essential community facilities. Its loans can be used to purchase, construct, or improve facilities, including child care centers.

## **New Hampshire Community Loan Fund**

The [New Hampshire Community Loan Fund](#), established in 1983, serves as a catalyst to leverage financial, human, and civic resources to enable traditionally underserved people to participate more fully in New Hampshire's economy. In its work, the fund provides loans, capital, and technical assistance to child care programs, including nonprofits, for-profit centers, and home-based programs that serve New Hampshire communities.

## **Reinvestment Fund**

The [Reinvestment Fund](#) is based in Philadelphia, with offices in Atlanta and Baltimore. In Philadelphia, the Reinvestment Fund launched Fund for Quality, which helps child care providers expand their reach to more low-income families, and the Early Learning Quality Fund in Washington, DC, which helps improve facilities to provide safe, high quality early learning environments for infants and toddlers. The Reinvestment Fund also partnered with Public Health Management Corporation and CoMetrics to create [Fiscal Hub](#), an online financial tool for child care providers, with support from the William Penn Foundation.

## **Vermont Community Loan Fund**

The [Vermont Community Loan Fund](#) (VCLF) provides loans and technical assistance to private, nonprofit, and home- and center-based child care programs. VCLF is especially interested in early care and learning programs that serve infants and toddlers, children from low- and moderate-income households and children with special needs. Its Business Resource Center provides free child care business coaching to borrowers and loan applicants. The guidance can cover business and financial strategy and planning; accounting, budgeting, and cash-flow management; personal financial coaching; administration, operating, and control systems; cost of care analysis; professional communications strategies; and connecting with partnerships and external resources.

## NATIONAL CHILDREN'S FACILITIES NETWORK

The National Children's Facilities Network (NCFN) is a coalition of nonprofit Community Development Financial Institutions (CDFIs), financial and technical assistance intermediaries, and early care and education stakeholders.

NCFN members are involved in planning, developing, and financing child care facilities, with a goal of increasing supply and helping to improve the quality of early care and education. The network works to share information on child care facilities issues and to align technical assistance and capacity building; recommend legislation and regulations affecting access to high quality facilities; and develop and support various financing strategies, initiatives, and programs.

# Supporting Child Care Facilities Through State, Local, and Tribal Initiatives

Several states and localities have made public commitments to ensuring quality improvements for child care, including improved and expanded child care facilities. The initiatives below are examples of public investments that help address child care challenges.

## STATE INITIATIVES

### Utilizing State Funds

#### Arkansas

In February 2019, the governor signed into law Act 131, which encourages [child care facility entrepreneurship](#) throughout the state. With the goal of alleviating the lack of high-quality and affordable child care facilities in rural Arkansas, the initiative provides new child care programs with information about licensing and financial support.

## California

The [Child Care Facilities Revolving Loan Fund](#) (CCFRF) was established in 1997 and continued through 2020, providing funding to eligible child care programs for renovation and repair of existing facilities to make the buildings suitable for child care services licensure. CCFRF also provided funding for the purchase of new relocatable child care facilities for lease to school districts and eligible child care programs. The fund was administered by the California Department of Education.

In 2021 the California Legislature passed the [Child Care and Development Infrastructure Grant Program](#), a \$350.5 million investment in the child care infrastructure across the state administered by the California Department of Social Services (CDSS). The CDSS administered \$150 million from state general funds in grants for [major construction](#) of shovel-ready child care facilities.



Wu-Yee Children's Services, located in San Francisco, California. Photo provided by the Low Income Investment Fund.

## Colorado

In 2020, Colorado appropriated state general funds to begin the [Employer-Based Child Care Facility Grant](#) Program. The program was initially funded at \$8.7 million for employers to construct, remodel, renovate, or retrofit on-site or near-site child care facilities. Grant applications required a 50% match from for-profit companies and a 25% match from nonprofit organizations or government entities, such as school districts. Applications required a business plan, a description of how the business would provide care during nontraditional hours or infant and toddler care, and plans for how the child care program would remain financially sustainable beyond the period of the grant. The state could prioritize awards to applicants that designed their programs to advance other objectives, such as serving lower-income families, improving child care quality, or increasing compensation for early childhood staff.

The Colorado Department of Human Services (CDHS) collaborated with Executives Partnering to Invest in Children (EPIC) to create a five-month Design Lab for potential applicants. The [Design Lab](#) helped employers, or community partnerships that included employers, to prepare and plan for their new child care programs and grant applications. A second cohort of the Design Lab was implemented in 2023, with a new round of grant applications available from the state.

In 2022, Colorado enacted the Child Care Property Tax Exemption and created the Colorado Public-Private Partnership Collaboration Unit. The [Child Care Property Tax Exemption](#) legislation expanded the existing property tax exemption for nonprofit child care centers by allowing these exemptions to include properties that are leased by a child care center. The law reduces rent for existing child care tenants, and policymakers hope the tax exemptions will incentivize the creation of new child care spaces. The [Public Private Partnership Collaboration Unit](#) is tasked with identifying state land and properties that could be utilized to support child care, as well as affordable housing, behavioral health, and broadband projects. The unit facilitates collaboration between public entities and private partners, and in coordination with the Department of Early Childhood, distributes funding to help increase the supply of child care facilities utilizing public buildings or other public holdings.

### **Iowa**

In 2020, Iowa started the [Child Care Challenge Fund](#), beginning with \$1.1 million in state general funds, which the state increased to \$3 million. The competitive grant program was designed to encourage businesses, nonprofit organizations, and consortiums to expand and establish child care facilities. Funds can be used for new construction, rehabilitation or the retrofitting of an existing structure. The Child Care Challenge Fund is a match grant: It serves as a match to funds raised privately or donated in kind (labor and materials), and applicants can request a grant for an amount up to the amount of the private funds raised. By braiding together \$6.7 million in state ARPA funds with their state general funds, Iowa was able to award \$9.7 million in Child Care Challenge Fund grants in 2022.

Originally set at \$10 million, Iowa increased available funds for the Child Care Challenge Grant Program to \$36.6 million, including \$26.9 million from ARPA CCDF discretionary funds, \$3 million appropriated by the Iowa Legislature for the Child Care Challenge Fund, and \$6.7 million in state ARPA State Fiscal Recovery funds.

### **Illinois**

The Illinois General Assembly and the Pritzker administration appropriated \$100 million in state capital funds in 2019 for the Illinois [Early Childhood Construction Grant \(ECCG\) Program](#). The program, run by the Capital

Development Board, allows school districts and nonprofit child care centers to apply for capital funding to improve facilities. The ECCG Program provided \$60 million in the first round of grants for child care centers that were ready to renovate, expand, or construct facilities to serve more children. A second round of grants will invest \$40 million in facility construction.

### **Maryland**

The [Family Child Care Provider Grant Program](#), administered by Maryland's Department of Education, Division of Early Learning, provides support to registered family child care providers by offsetting some of the costs of opening a child care program. This program reimburses up to \$1,000 in expenses that a provider can incur to achieve or maintain compliance with family child care regulations, including small household repairs in approved child care areas and expenses related to local water, sewer, fire, and health requirements. To be eligible, a provider's annual income must not exceed 60% of Maryland's current state median income for the applicant's family size.

### **Massachusetts**

Among the oldest state grant programs for facilities, the [Early Education and Out of School Time Capital Fund](#) provides grants of up to \$1 million to improve child care facilities that support low-income families. The Massachusetts Legislature authorized the financing in 2013, recognizing the critical role that these programs play in promoting health and sustainable community development. The capital fund was the first provision included in the state's \$1.4 billion housing bond bill to focus on early education and care. It was also the first time that general obligation bonds were used for these facilities. The Children's Investment Fund and its affiliate Community Economic Development Assistance Corporation oversee the program alongside the Department of Early Education and Care. In 2018, the program was reauthorized for an additional \$45 million for up to five years.

### **Oregon**

In 2021, Oregon approved \$10 million to support financing for [child care that is co-located with affordable housing developments](#). Oregon Housing and Community Services (OHCS) partnered with the Oregon Early Learning Division (ELD) to develop the [program framework](#) that will support facility construction, maintenance, or improvements. The Low Income Investment Fund (LIIF) and ECONorthwest, on behalf of OHCS, prepared a [report](#) with a formal set of recommendations on how the state might best use funding to support co-location.

In 2022, Oregon invested \$22 million in the development of the [Oregon Child Care Capacity Building Fund](#), which provides two types of grants. One is for individual providers to expand their program capacity; the second is for community-based organizations working directly with child care programs to expand their capacity or start a new child care facility.

## **Washington**

The [Early Learning Facilities](#) grant and loan program, administered within the Washington State Department of Commerce and in collaboration with the Department of Children, Youth, and Families, supports additional high quality child care programs for low-income children. The program is a partnership among government agencies, CDFIs, and affordable-housing developers. It helps early learning settings—including nonprofits, public entities, K-12 schools and districts, tribes and for-profit businesses—to expand, remodel, purchase, or construct child care facilities and classrooms that will benefit low-income children. Grants are awarded through a competitive application process, ranging from \$10,000 for predesign grants to \$800,000 for facility renovation, construction, and purchasing. Applicants can also apply for a loan through a CDFI partner who has been contracted to support the work and bring in private match dollars.

## **Utilizing Federal Funds**

From 2021-2023, at least 26 states have targeted federal COVID-19 relief funds for child care facility projects. After the American Rescue Plan Act (ARPA) designated \$24 billion for [child care stabilization grants](#), a few states chose to designate a portion of their ARPA Child Care Stabilization subgrants to health and safety facility improvements. Many states chose to allocate a portion of the ARPA Child Care and Development Fund (CCDF) Discretionary funds toward minor renovations or invest part of their \$195.3 billion in ARPA State and Local Fiscal Recovery funds in major renovations and construction. Even though child care ARPA funding could support only minor renovations, many states tried to implement initiatives to build child care supply through start-ups or the expansion of current programs. Idaho, Iowa, Kentucky, Missouri, Nebraska, Texas, and Utah focused grant programs on employer partnerships or employer-based child care.

## **Iowa**

Iowa created a second type of [Child Care Challenge Grant](#) in 2021 (see its state initiative above) with \$27.9 million in ARPA CCDF Discretionary funds. The grants could be used for the minor remodeling and upgrading of child care facilities for health and safety and to meet requirements of the Americans with Disabilities Act. Iowa started a [Child Care Business Incentive Grant](#) program in 2022. The investment of federal funds included \$25.9 million from ARPA State Fiscal Recovery funds to support building on-site employer child care centers or partnerships with existing child care centers to expand their facilities, as well as \$1.4 million from ARPA CCDF Discretionary funds for employers to subsidize the cost of child care for employees in partnership with licensed child care homes and centers.



Costal Interprises, Inc. (CEI) headquartered in Brunswick, ME created a new program, the Child Care Business Lab in 2020 that helps develop child care programs. Photos provided by CEI.

### **Nevada**

Nevada utilized federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funds to create [Care Access Real Estate \(CARE\) Nevada](#). The new partnership is between the Division of Welfare and Supportive Services in the state Department of Health and Human Services and the Children’s Cabinet and Mission Driven Finance. The program is starting in Clark County and is helping home-based child care providers rent a new property that will allow them to serve more children and families. Mission Driven Finance finds properties that can be renovated for large family child care operations and offers them to child care providers. After leasing a CARE Nevada property for at least two years, the tenant can have the opportunity to purchase the property at a discounted price.

## **CARE ACCESS REAL ESTATE—MISSION DRIVEN FINANCE**

[Care Access Real Estate \(CARE\)](#)<sup>™</sup> is a real estate investment trust (REIT) that seeks to expand access to quality child care. CARE is an investment mechanism for both family child care and child care centers that is focused on expanding the supply of quality child care for under-resourced families and communities, increasing the strength of child care businesses with stable leases and a child care-friendly landlord, and building the finances of child care providers by creating opportunities to expand their business and own their facility.



## ARPA State and Local Fiscal Recovery Funds

### Connecticut

Connecticut invested \$15 million of its ARPA State Fiscal Recovery funds in the [Early Childhood Facility Renovation and Construction Fund](#). Through an RFP process, [LISC Connecticut](#) was selected to administer the grant program. It provided technical assistance and distributed facilities funding to child care centers and family child care homes, with the goals of increasing infant and toddler care and establishing programs in areas with unmet child care needs.

### Idaho

Idaho invested \$15 million from its ARPA State Fiscal Recovery funds in [Child Care Expansion Grants](#), administered by the Workforce Development Council, to support employers or current child care providers to build facilities or expand current ones. The state prioritized applications that included employer partnerships, served communities with [child care gaps](#), focused on quality programming, prioritized above market staff wages and benefits, and planned to operate beyond typical business hours to support working families.

### Kansas

Kansas invested \$20 million of its ARPA State Fiscal Recovery funds in [Child Care Capacity Accelerator](#) grants. The full grant program is funded at \$43 million, with an additional \$20 million coming from ARPA CCDF Discretionary funds, \$1 million from federal Preschool Development Grant (PDG) funds, and \$2.5 million from a private foundation. The ARPA State Fiscal Recovery dollars will be directed for construction and renovation of facilities to expand capacity of Kansas child care programs.

### Maine

Maine invested \$15 million of its ARPA State Fiscal Recovery funds in the [Child Care Infrastructure Grant Program](#). Administered by a CDFI called CEI, the grant funds support the start-up costs or expansion of family child care and child care centers. Applicants expanding or starting new child care centers can use the money to purchase and renovate a building or to construct a new space. Family child care programs can use the money to renovate a home, including adding a room to be used exclusively for the child care business. The infrastructure grant funds are all matching grants that cover a percentage of costs. The grants prioritize applications from the most rural counties in Maine and for child care programs that participate in the USDA Child and Adult Care Food Program, enroll families income-eligible for subsidy, or provide care for infants and toddlers.

### New Jersey

New Jersey invested \$54.5 million of its ARPA State Fiscal Recovery funds and \$4.45 million of state general funds in its [Child Care Facilities Improvement Program](#), which is being administered by the New Jersey Economic Development Authority (NJEDA). In December 2020, NJEDA issued a Request

for Information asking how the authority could support the child care sector. One of the primary themes that emerged was that many child care facilities needed upgrades, but providers were unable to secure the funds to make those improvements. The state responded with this new grant opportunity, which can cover the full amount of interior and exterior facility project costs between \$50,000 and \$200,000. Licensed child care centers with at least one child in the state's Child Care Assistance Program were eligible to apply in the first round of grant funding. Home-based child care providers will be eligible in subsequent grant phases.

### **North Carolina**

North Carolina invested \$20 million of its ARPA State Fiscal Recovery funds in [Care & Learning Expansion & Access Grants](#). The funds can be used for start-up costs for new child care programs and projects to expand capacity of existing programs. Awards of up to \$125,000 can support improvements to indoor and outdoor facilities, renovations, and capital improvements.

## **ARPA CCDF Discretionary Funds**

### **Indiana**

Indiana undertook a \$10 million [Child Care Expansion Grant](#) program utilizing ARPA CCDF Discretionary funds and state general funds. Existing child care programs could apply for up to \$200,000 to support expansion activities, including updates to existing facilities with priority given to those adding capacity and serving infants and toddlers. New child care programs could apply for up to \$750,000 per program to assist providers in establishing new facilities in underserved areas of the state. Facilities costs could include expenses related to construction services and materials, such as building walls, adding or upgrading a bathroom, installing fencing, replacing flooring, adding a door, or installing a fire suppressant system.

### **Kentucky**

Kentucky allocated \$26.5 million of its ARPA CCDF Discretionary funds for two [child care facility grant programs](#). The facility repair grants, a \$20 million investment, were for essential facility updates that could include roofing, HVAC systems, structural repairs, and hot water heaters. The additional \$6.5 million was allocated for three types of start-up grants: Individuals could apply for \$2,500 to help start a new family child care program. Businesses interested in starting on-site child care for their employees, or current child care providers opening a new program in a high need county, could apply for a grant match of up to \$100,000 to help with costs to open the new child care facility.

### **Massachusetts**

Massachusetts allocated \$15 million in ARPA CCDF Discretionary funds for family [child care facilities grants](#). All licensed family child care programs in the state were eligible and could receive \$3,000, plus a \$150 bonus if they were

supporting remote learning for school-age children. Funds could be used for health and safety or quality enhancements to their facilities.

### **Michigan**

Michigan partnered with IFF to administer \$50 million in ARPA CCDF Discretionary funds for the [Caring for MI Future: Facilities Improvement Fund](#), a grant program for new and expanding child care providers. Grants are for minor renovations and upgrades to providers' child care facilities to accommodate additional child care slots, especially in geographic areas with limited providers. IFF is using its [Learning Spaces Program](#) as a model. Michigan also allocated \$23 million of their ARPA CCDF Discretionary funds for [Our Strong Start](#) grants. These grants can support several types of start-up costs, including minor renovations, facility maintenance, and other facility improvements that are not considered major renovations or new construction.



West Lakes Early Learning Center, FL.

### **Minnesota**

Minnesota has a two-year partnership with First Children's Finance to administer \$22.5 million in ARPA CCDF Discretionary funds for child care providers for facility improvements, minor renovations, and related equipment and services, including assistance meeting licensing requirements. Applicants for the [Child Care Facility Revitalization Grants](#) can request up to \$300,000 and must have secured a 50% match in either cash or in-kind contributions. The competitive grant cycles run every three months for two years, and eligible expenses include some costs for child care business start-ups or expansion as well as facility modifications or improvements required for licensing.

### **Missouri**

Missouri allocated [\\$95 million](#) of its ARPA CCDF Discretionary funds to support facility improvement and minor renovations that would help open new child care programs and slots; \$15 million was designated to help child care programs make upgrades to their facilities. Another \$20 million was for

[Start Up Business](#) grants for employers with less than 500 employees in rural areas who wanted to open new child care facilities themselves or in partnership with a child care provider. The state divided \$60 million into two types of Innovation Grants to increase the availability of quality child care. [Innovation Grants](#) can expand an existing program or start up a new program, and the program must be in partnership with local employers or community programs, which are required to match funds or provide in-kind contributions.

### **Montana**

Montana allocated \$18 million of its ARPA CCDF Discretionary funds for [Child Care Innovation and Infrastructure Grants](#). The grants prioritized areas of the state with shortages of child care capacity, places offering care during nontraditional hours, and programs that increased access for infants, toddlers and vulnerable populations. Award amounts ranged from \$142,000 to \$1 million for 31 grantees.

### **Nebraska**

Nebraska is using both its ARPA CCDF Discretionary funds and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funds to invest \$26 million in [Business and Child Care Partnership Grants](#). The grant program is designed for current child care program owners looking to expand their licensed capacity or individuals, businesses, or community organizations starting a child care program. Funds can be used for certain types of start-up and expansion costs, including facility improvements and minor renovations.

### **New Hampshire**

New Hampshire allocated \$2.75 million of its ARPA CCDF Discretionary funds for [Provider/Program Facilities Improvement Grants](#). The grants support facility improvements and minor renovations and are part of the state's Child Care Business Improvement Project.

### **South Dakota**

South Dakota allocated \$12.5 million of its ARPA CCDF Discretionary funds for [Child Care Expansion and Startup Grants](#). Eligible expenses included facilities maintenance and improvements. Grant amounts ranged from \$55,000 to \$1 million depending on the size of the program. New and existing child care programs, employer sponsored programs, community collaboratives, public-private partnerships, nonprofits, municipalities, and schools were all eligible to apply.

### **Texas**

Texas allocated \$159 million of its ARPA CCDF Discretionary funds for a [Child Care Expansion Initiative](#). The initiative includes three types of capacity-building grants: serving families in a region with a lack of access to child care; operating in partnership with a local company or consortium of companies to serve children of their employees; and expanding the availability of care

for infants. Funding can be used to offset some start-up and expansion costs, including facility improvements, but the money cannot be used on major renovations or on construction.

### **Utah**

Utah allocated \$5 million of its ARPA CCDF Discretionary funds for an [Employer Child Care Startup Grant](#) program. Employers can use the grants to cover some of the expenses associated with starting on-site or near-site child care centers, or partnering with child care providers to increase slots for their employees. Allowable expenses include licensing and inspection fees, some supplies and equipment, and minor renovations and facility improvements.

### **Washington**

In 2022, Washington ran a [Child Care Minor Renovations](#) grant program, separate from its ongoing Early Learning Facilities program that is state funded. The program generated so much interest that it was unable to meet the requests from all 946 applicants requesting \$169.4 million. The allocation of \$27.3 million from ARPA CCDF Discretionary funds supported grants at 253 child care facilities.

## **ARPA Child Care Stabilization Funds**

### **Arizona**

LISC Phoenix administered the [Arizona Child Care Infrastructure](#) grant through a partnership with the Arizona Department of Economic Security's Division of Child Care and First Things First. Arizona designated \$60 million from its ARPA Child Care Stabilization grants to support the grantmaking and technical assistance activities of the initiative. Eligible expenses included predevelopment planning and training; quality infrastructure assessments; expansion activities to increase capacity that would not increase square footage; and minor renovations to improve quality, health, and safety.

### **Arkansas**

Arkansas designated \$44 million of its ARPA Child Care Stabilization funds for [child care expansion grants](#) that could include facility improvement and renovation work. Types of eligible expenses included renovating an existing room, closing in a specific area of the home or facility to create an additional classroom, or converting an existing space such as a spare room, garage, or shed into a functional classroom. Arkansas allocated \$25 million of its ARPA CCDF Discretionary funds for [child care supply building grants](#) that could include minor renovations for new child care programs.

### **California**

In 2021, the California Legislature passed the [Child Care and Development Infrastructure Grant Program](#), which included a total of \$350.5 million in child care infrastructure funding administered by the California Department of Social Services (CDSS). The CDSS designated \$200.5 million from its \$2.3

billion from ARPA Child Care Stabilization for subgrants funding [minor construction, renovations, and repairs](#) to address health and safety concerns.

### **New Mexico**

New Mexico designated \$10 million from its ARPA Child Care Stabilization grants to support its [Child Care Supply Building Grant](#). The grant was for facility maintenance, improvements, and minor renovations. Eligible providers were existing licensed child care centers or family child care programs, including tribal early care and education programs and Head Start programs, that were expanding capacity, or local employers that were creating or expanding child care for their employees.

### **New York**

New York designated [\\$100 million](#) of its ARPA Child Care Stabilization Grants to help increase the capacity of child care programs in areas of the state with insufficient supply. Eligible expenses of the [Child Care Deserts Grants](#) included facilities maintenance, improvements, and minor renovations. \$30 million was awarded to help increase capacity at more than 400 existing state-licensed, registered, or permitted child care programs located in underserved areas of the state. \$68 million helped establish 344 new child care programs.

## **LOCAL INITIATIVES**

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### **County**

#### **Arapahoe County, CO**

To create its Early Childhood Education Center, Arapahoe County allocated more than \$1 million in ARPA Local Fiscal Recovery funds for the Generational Opportunities to Achieve Long-Term Success (GOALS) program. GOALS is a four-to-nine-month structured residential program for parents seeking to gain and enhance the skills and resources needed to achieve economic self-sufficiency for themselves and their families. This capital investment [renovated an existing building](#) on the program's campus to provide 70 year-round child care slots for children ages birth to 5 years old. About 90% of the slots serve families who are eligible for the Child Care Assistance Program, Early Head Start and Head Start programs.

#### **Forsyth County, NC**

Forsyth County granted \$500,000 in ARPA Local Fiscal Recovery funds for a down payment to buy property that was [converted into a child care center](#) serving up to 100 children, ages birth to 5. The Family Services child development programs prioritize low-income families enrolled in Family Services Head Start and Early Head Start programs.

## Development Impact Fees

Many localities throughout the country impose development impact fees on new commercial and residential developments to compensate for the increased strain placed on public facilities by these projects. Impact fees most commonly support roads, water and sewer systems, law enforcement, parks, libraries, and schools. Some communities also impose impact fees to support new child care facilities to accommodate new families and employees.



Photo provided by Neighborhood Villages, Boston, MA.

### San Mateo County, CA

Cities and counties throughout California are using development impact fees for child care. Based on the 1987 [California Mitigation Impact Fee Act](#), local agencies in California can impose onetime fees on new developments to finance public infrastructure, including child care. The child care development impact fees collected from new commercial and residential developments are used to extend loans and grants to construct, rehabilitate, purchase, or lease child care facilities.

Development impact fees vary by locality. In 2018, [San Mateo](#) collected a fee of \$1.08 per square foot on commercial developments that exceeded 10,000 square feet. This fee applied to new developments, expansion of existing commercial developments, and commercial tenant improvements. More than \$2 million from these fees were offered as forgivable loans to community programs to create new child care spaces.

### **Santa Barbara County, CA**

In response to the COVID-19 emergency, the Santa Barbara County Board of Supervisors allocated \$2 million of ARPA Local Fiscal Recovery funds to support the child care sector. Through the First 5 Santa Barbara County organization, a competitive RFA process was launched to grant [Child Care Sector Pandemic Recovery and Resiliency Contracts](#). Two organizations were chosen: United Way of Santa Barbara County is tasked with conducting municipal needs assessments and starting-up and expanding employer-sponsored child care options. It is also working with the County Office of Emergency Services to design a First Responder and Essential Worker child care plan. The Santa Barbara Foundation is tasked with doing a countywide child care facility study; this study will look at supporting the larger workforce eligible to work with infants and toddlers, and transitioning existing child care providers to working with younger children. Both grants include business support for sustainability to stabilize the child care sector. First 5 Santa Barbara County will oversee this effort.

### **Santa Clara County, CA**

Santa Clara County allocated \$15 million in ARPA Local Fiscal Recovery funds for [child care facilities grants](#). The county chose to prioritize facilities serving low-income families and those looking to increase services for infants and toddlers. Grants cover the costs of construction and renovation of child care facilities and help pay operational expenses. In addition, the county created the Office of Children and Families Policy to support and manage children, youth, and family programs.

### **Solano County, CA**

The county received \$5 million in state funds to renovate the Beverly Hills Elementary School site, transforming it into the [Vallejo Early Learning Center](#). The center will provide quality early care and education for 300 children, including infants, toddlers, and preschoolers. The partnership between the county, school district, Head Start, and local child care programs will allow multiple child care providers in the area to expand their operations. Classroom spaces can be rented and will be offered to a mix of for-profit and nonprofit and private and publicly funded providers. The renovation will update the building's exterior, all 18 classrooms, the multipurpose room, the kitchen, and the playgrounds.

## **Municipal**

### **Estes Park, CO**

In November 2022, residents of Estes Park approved Ballot Issue 6E, increasing the lodging tax rate from 2% to 5.5%. Ninety percent of the new revenue must be used to address housing and child care issues in the Estes Valley. 2023 is the first year the town is receiving revenues from the [Workforce Housing and Child Care Lodging Tax](#), estimated at \$5.3 million. Each year, a portion of the



revenue will be allocated for child care facilities. Funding for facilities/capital-related expenditures will be allocated using an application process. The money can go to purchasing land or an existing building to be used for child care; to financial assistance for child care providers wishing to purchase a facility as a direct subsidy or through a low interest loan; to rental assistance for child care providers; or to funding for capital improvements to existing facilities needed to open or maintain or increase capacity.

### **Lanesboro, MN**

In 1988, after the school board in Lanesboro—a town with approximately 800 residents—recognized a community need for child care, Lanesboro Public Schools opened the town’s only child care program using extra space in the school. Reports said it was the first public school in the nation to open a child care program, and it is still thriving after 30 years of serving the community’s families. The child care center is supported by Minnesota’s school community service and general education dollars, which keeps prices down for families. Because the child care program is co-located with the public school, children and providers benefit from increased access to resources, support staff, and other services. In late 2018, the community voted to renovate Lanesboro schools, including the child care center. [Renovation plans](#) included expanding to serve more children in the community as well as investing in solar energy to reduce electricity costs.

Decades of established trust between the residents and community leaders have contributed to the model’s success in Lanesboro. Members of the community trust leaders to embrace change that can improve the community while ensuring that their traditions are not lost.



Mission Neighborhood Centers, Centro De Alegria, San Francisco. Photo provided by the Low Income Investment Fund.

### **Philadelphia, PA**

The [Child Care Facility Fund](#) supports high quality child care providers in Philadelphia for facility maintenance and improvement. Specifically, the awards are to maintain a provider's high-level rating or to improve a rating in Pennsylvania's child care Quality Rating and Improvement System (QRIS), Keystone STARS. Center- and family-based child care providers with QRIS STAR 2, 3, or 4 ratings are eligible for the fund, which helps with minor to midlevel renovations and the purchase and installation of large appliances. The Child Care Facility Fund website also provides a list of resources for providers, including a list of contractors who recently completed projects, sample materials, and budget templates. This program is made possible by the city of Philadelphia in alignment with the city's [early learning plan](#).

### **Pittsburgh, PA**

In February 2019, Pittsburgh's mayor introduced the [Child Care Quality Fund](#), which provided \$2 million over two years to improve the quality of child care facilities around the city. Recognizing that only 18% of child care facilities in Pittsburgh had reached the designation of STAR 3 or 4 in Pennsylvania's Quality Rating and Improvement System (QRIS), Keystone STARS, this program helped lower-quality facilities to meet higher-quality standards. The program made quality coaches available to work with child care providers on a plan to improve their facilities as part of their application.

## **Tribal Initiatives**

### **Eastern Shawnee Tribe of Oklahoma—Oklahoma**

The lack of child care for the Eastern Shawnee Tribe of Oklahoma reached a tipping point in 2015, when the only child care options in the area were four small home-based programs that rarely had openings. This shortage led to the establishment of the [Early Childhood Learning Center](#), which initially served 20 children and increased to 76 by the end of 2016. An \$800,000 HUD grant, along with \$400,000 of tribal funding, first financed the program. The center was able to fund a \$1 million expansion in 2020. This funding came from the Tribe's Child Care Development Fund Program and a \$250,000 grant from the Shakopee Tribe of Minnesota, which is known for its foundation that supports many projects. The construction enabled the facility to serve 130 children; the center was also able to offer summer and after-school programming.

### **Red Lake Nation—Minnesota**

In Minnesota, USDA Rural Development has continued to cultivate partnerships with tribes throughout the state. One trend that has emerged in many of the partnership projects is a focus on youth and education. USDA Rural Development joined members of the Red Lake Nation in 2015 to celebrate the grand opening of the \$11.3 million [tribal college facility](#), funded through the Community Facilities Direct Loan program. The 42,094-square-foot facility has a child care center that provides on-campus child care to single parents while

they take classes. A kitchen was included to provide meals for both college students and children.

### **The Peoria Tribe of Indians—Oklahoma**

The Peoria Tribe of Indians of Oklahoma converted a former country club into a [child care center](#)—the Woodland Academy Learning Center—in Miami, OK. The 2020-2021 project was the first phase of an effort to create the Peoria Community Campus, which will also include after-school programming, a community center for tribal members, and a space for cultural and social events. The Peoria Tribe received federal funding to complete this project, including an \$800,000 award from the Indian Community Development Block Grant to support construction.

### **Winnebago Tribe of Nebraska—Nebraska**

In Winnebago, the Head Start program was originally housed in an old boarding school that needed continuous repairs, and the child care program was across town in a double-wide trailer. The community recognized that children were not thriving in these settings, so the Head Start, child care partners, local school system, and Winnebago tribal members came together to plan how to best serve their children. With the support of Winnebago tribal leaders, they established a partnership with Educare Learning Network to create [Educare Winnebago](#), the first Educare school to serve Native American children and families.



Photo provided by Educare Winnebago, located in Winnebago, Nebraska.

Completed in 2014, Educare Winnebago combines the Educare model's best practices with activities that honor local culture and traditions. Children are taught in the native Ho-Chunk language in addition to English, and the school includes a cultural resource room that houses events and community college classes for parents. Educare Winnebago serves 72 infants and toddlers, and 119 preschoolers.

During the design phase, the community worked with an early education design team to help the latter understand the tribe's culture and traditions, which could then be incorporated into the facility's design. Participants identified two themes: path and earth. Path represents the beginning of the Winnebago tribe's journey as a single tribe after its split with other Siouan tribes. Earth represents the tribe's respect for and dependence on the earth as vital to the existence of the Ho-Chunk people. The themes of path and earth were weaved into the design of Educare Winnebago as a physical pathway through the school, framed by nature and sculpted earthwork. The pathway leads to a communal space adorned with cultural artwork representing the tribe and the Ho-Chunk culture.



Beautiful Beginnings Child Care Center, located in Providence, Rhode Island. Photo provided by Local Initiatives Support Corporation.

## Innovations in Child Care Facilities

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Stakeholders across philanthropy, businesses, and nonprofit organizations have come together to address some of the challenges around early learning facility quality. The following are illustrative examples of philanthropic, private-sector, and public-private partnership programs that address aging infrastructure, health and safety concerns, and capacity building for early care and learning providers.

## IMPROVING CHILD CARE FACILITY QUALITY THROUGH PHILANTHROPIC INVESTMENTS

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The philanthropic community recognizes the value of investing in early childhood and that these investments see strong rates of return for individuals, communities, and the nation. Philanthropic organizations invest in children, families, and communities, as well as in innovative solutions to communities' most pressing child care challenges.



West Lakes Early Learning Center, FL.

### Bainum Family Foundation—Maryland

In 2020, the Bainum Family Foundation granted \$12.75 million for the development of the [West Lakes Early Learning Center](#). The project was funded in partnership with the AdventHealth Foundation Central Florida and Lift Orlando. AdventHealth for Children partnered in developing the 150-seat child care center for infants and toddlers, as part of the resident-centered development of The Communities of West Lakes near downtown Orlando, FL. The Bainum Family Foundation's investment included technical assistance for the design, operations, governance and ongoing monitoring and evaluation of the early learning center, as well as financing for the facility's design, construction, and operations.

### Child Care Facilities Fund, LIIF—California

In 1998, LIIF launched its first child care program, the [Child Care Facilities Fund](#) (CCFF), as part of its strategy to create opportunity for low-income families. CCFF offers grants, workshops, and technical assistance for child care

providers to create, enhance, and preserve quality child care spaces. CCFF is a public-private collaboration that uses flexible capital, one-on-one technical assistance and group trainings to expand and improve both center- and home-based child care facilities in San Francisco and Alameda County, CA.

LIIF's Child Care Facilities Fund provided a grant for the start-up and operating costs of an infant child care center at the Cross Cultural Family Center. The center is at the Cecil Williams House, a supportive housing site for families in the Tenderloin neighborhood of San Francisco. The center provides care for infants and young toddlers of homeless and housed families in the neighborhood.

## **Communities for Kids, Nebraska Children and Families Foundation**

Nebraska Children and Families Foundation coordinates the [Communities for Kids](#) initiative, which brings together public and private partners, supports a community assessment and planning process, and helps stakeholders use research, data, and child care expertise to implement solutions. *Tiger Cub Childcare* in Bayard, NE, is an example of one of its projects. Before the Tiger Cub child care center opened, Bayard had only one home-based family child care program with a capacity for 12 children. After the community engagement planning process, the local school district offered the location for the new center, the city became the fiscal sponsor to help get the nonprofit child care launched, and philanthropic funds paid for the classroom materials and early learning scholarships for families. The center opened this year with 56 spaces for the care and early education of Bayard's youngest children.

## **Early Learning Quality Fund, Bainum Family Foundation—Washington, DC**

The Bainum Family Foundation partnered with the Reinvestment Fund and Public Health Management Corporation to launch the [Early Learning Quality Fund](#) (ELQF) program in 2017. ELQF provides technical assistance and financing—including a \$3.8 million loan fund—to help both center-based and family child care providers serving infants and toddlers in Wards 7 and 8 in the District of Columbia. Specifically, the money enables providers to make necessary improvements that meet the highest level of quality in the District's new Capital Quality QRIS system.

ELQF uses a three-step process to help providers raise the quality of their early-learning programs: (1) assessing providers to help identify areas for improvement; (2) providing training and technical assistance, with potential to access financing for facility improvements; and (3) making facility investments. Through the ELQF Project, Bainum Family Foundation released a [study](#) identifying child care gaps in the Washington, DC, area and a [child care facility design guide](#).

## Hope Starts Here, W.K. Kellogg Foundation and the Kresge Foundation—Detroit

[Hope Starts Here](#), a joint initiative of the W.K. Kellogg Foundation and Kresge Foundation, helped create Detroit’s community framework that prioritizes the needs of young children and families. The Hope Starts Here [framework](#), developed during a yearlong participatory planning and engagement process, identified six imperatives for creating a city that puts children and young families first: promoting the health, development, and well-being of all children; supporting parents and caregivers as children’s first teachers and champions; increasing the overall quality of programs; creating tools and resources to better coordinate systems that affect early childhood education; finding new ways to fund early childhood programs and make better use of current resources; and guaranteeing safe and inspiring learning environments.

From a facilities perspective, Detroit lacked a shared definition for “high quality early learning environments,” as well as a sufficient supply to meet the community’s need. To address these challenges, the framework offers a 10-year plan with a dedicated workstream focused on improving facility quality and leveraging available resources to increase the number of facilities. Success toward this goal will mean increasing the number of providers reporting facilities conditions; expanding the number of providers earning high-quality ratings; and increasing the number of new high-quality early learning spaces and child care seats.



Renovation of the Little Scholars Child Development Center (before and after). Photo provided by IFF.

## IFF Learning Spaces, Kresge Foundation

Recognizing that undertaking facility repairs and improvements might be overwhelming and burdensome for many child care providers, especially

for programs with small budgets and few staff, IFF partnered with Kresge Foundation to launch [IFF Learning Spaces](#). The initiative was expanded with the collaboration of the W.K. Kellogg Foundation, the PNC Bank Foundation, the M.M. Fisher Foundation, and the Ralph C. Wilson Jr. Foundation.

Learning Spaces provides up to \$75,000 in grants that support improvements to home- and center-based child care facilities through funding, technical assistance, and consultation. The program helps providers prioritize facility improvements, so the most pressing improvements can be made to raise quality and enhance children’s early learning experiences. After starting in Detroit, the program has grown to fund facilities in Chicago, East St. Louis, Grand Rapids, and Milwaukee.

### **Tracy Family Foundation—Illinois**

The Tracy Family Foundation financed a new child care center in Illinois called the [Brown County Early Learning Center](#). The center cares for and supports the learning of about 80 children ages 5 and under with hours from early morning to early evening. It is operated by the YMCA of West Central Illinois and serves Brown County and the surrounding areas. The Brown County Early Learning Center addresses the need for child care in the area, as most existing providers are at capacity, and 89% of children under age 5 have working parents.

**“Expanding our child care center to double the number of slots we can provide and increase our infant and toddler capacity means that I can say yes to more desperate, hardworking families that ring our doorbell every day.”**

**Camelia Babson-Haley, Youth and Family Outreach, Portland, ME**

## **ENGAGING THE PRIVATE SECTOR IN IMPROVING CHILD CARE FACILITIES**

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The private sector—including mission-driven, private nonprofit organizations and for-profit businesses—is finding new and innovative ways to invest in child care facilities, including partnering with public-sector agencies to improve child care quality and increase access for families. Illustrative examples of private-sector engagement and community partnerships are highlighted below.





Appletree Rensselaer, Lafayette, IN.

## Appleseed Childhood Education—Rensselaer, IN

A collaboration between [Appleseed Childhood Education](#), Franciscan Health, Right Steps, IFF, and several other community partners, helped create a 7,500-square-foot [early childhood education facility](#) in a rural area that lacked access to child care. Appleseed is a new grassroots nonprofit whose vision is that all children in the nonprofit's area of Indiana will have the chance to engage in meaningful learning so they can reach their full potential as students and human beings. Franciscan Health is leasing spots for its employees with the goal of increasing its ability to recruit and retain medical professionals. Right Steps is administering the child care program. Right Steps is a nonprofit in Indiana that operates child care centers, is a child care resource and referral agency, and oversees the Child and Adult Care Food Program (CACFP) for the area.

## Child Care Connections—Montana

Child Care Connections is one of seven Child Care Resource and Referral Agencies (CCR&R) in Montana. The nonprofit supports the development of new or expanding providers—both center-based and family child care—across six of the state's counties through [mini-grants](#). The goal of the grants is to increase the number of child care openings in licensed programs. Awards range from \$2,000 to \$3,000, depending on the type of provider, and funds can be used for facility repairs and upgrades that will make the facility compliant with licensing requirements. Money can also go to business equipment to support billing and enrollment. Funding is made available by Greater Gallatin United Way, United Way of Lewis and Clark Area, and the Park Community Foundation.

## Child Care of the Berkshires—North Adams, MA

Child Care of the Berkshires underwent a [\\$1.75 million renovation](#) from 2019-2020. The project focused on updating accessibility, utilities, security, and space in the 1922 building that the child care center has occupied since 1980. In addition to the nearly 100 children cared for, the renovations benefited the 85 full- and part-time staff who work in the building and the parent resource and

training programs and free clothing exchange that are housed there. Funding for the project came from a \$1 million grant from the state Department of Early Education and the Children’s Investment Fund, as well as local banking institutions, foundations, and the U.S. Department of Agriculture.

### **Community Resource Center Energy Project Partnership—East Liverpool, OH**

The Community Resource Center (CRC) provides low-income families with child care, as well as health and education services. Housed in a school building more than a century old, CRC struggled to afford its high utility bills—often exceeding \$2,000 monthly—as a result of extreme temperatures during the summer and winter. In 2017, CRC reached out to community partners for support. Columbia Gas conducted an energy audit and identified several opportunities to improve energy efficiency in the building. Then, CRC connected with the Community Action Agency of Columbiana County, the Corporation for Ohio Appalachian Development, and American Electric Power to establish the [Community Resource Center Energy Project](#).

Columbia Gas and American Electric Power agreed to use philanthropic funds to pay for two hot-water heaters, six furnaces, air sealing, duct repairs, and more than 10,000 pounds of insulation, as well as new energy-efficient LED lighting. The Community Action Agency weatherized and insulated the building with the support of the Corporation for Ohio Appalachian Development, which helped coordinate the project. In May 2018, the community celebrated the partnership’s success, recognizing that without these investments, CRC would still be at risk of shutting down.

### **Dr. Jerry Hamm Early Learning Center—Coffeyville, KS**

Located in Coffeyville, a town of approximately 10,000 residents, the Coffeyville Coalition for Early Education (CCEE) supports working families by expanding access to high quality child care for children ages 5 and under. CCEE, a nonprofit organization made up of business leaders and early childhood professionals, identified short- and long-term goals and strategies for supporting early learning. This included a \$2.1 million expansion and renovation of the [Dr. Jerry Hamm Early Learning Center](#) to increase access to full-day child care for the community’s working families.

In raising money for the expansion, CCEE learned that the local business community was motivated to invest in early learning based on how access to full-day child care benefits their employees. Business leaders found that when employees are not struggling to find consistent, full-day child care, they are more engaged in the labor force. This realization led local businesses and philanthropy, including John Deere and the Coffeyville Community College Foundation, to raise funds for the expansion of the Hamm Early Learning Center. These resources, in addition to funds from the Kansas Early Childhood Block Grant, helped Coffeyville reach the \$2.1 million needed for the expansion.

The Dr. Jerry Hamm Early Learning Center, run by the Coffeyville School District, is now a 12-classroom facility that serves 220 children from birth through age 5. The center offers blended classrooms with children from Head Start, Early Head Start, and subsidized and full-pay child care. In addition, the center has a community health facility that provides physical and mental health services.

## Early Learning Property Management—Atlanta

[Early Learning Property Management](#) (ELPM) helps providers find the right spaces for their child care programs. ELPM focuses primarily on underserved areas in metro Atlanta, where providers can deliver high quality child care to young children, through age 4, at free or reduced rates. It works with prequalified nonprofit early care providers to evaluate existing space needs, explore available options to expand program services, and find buildings to renovate into high-quality early learning environments. ELPM helps raise the capital funds for purchase, construction, and/or renovations, and offers affordable, long-term leases at below-market rates. ELPM uses the rent proceeds to reinvest in facilities to provide ongoing maintenance services and capital projections and repairs. The ELPM model has given child care providers the resources to deliver programs in rich learning environments that support high-quality early learning and where children benefit from caring relationships and nurturing program staff.



Renovation of a closed school building into an early learning center. (before and after)  
Photo provided by Early Learning Property Management.

## Educare Learning Network—Chicago, Illinois

The Educare Learning Network began in 2000 with one school and has grown to become a national network working together to improve access to high-quality early care and education across the country. Each [Educare](#) program begins with the community developing strong public-private partnerships. Partners include a program provider, which is usually a Head Start, a lead philanthropic organization, a school district, other community partners and nonprofits, and parents. The core partners share governance and funding to both build and sustain the school. The network now numbers 25 schools for children 5 and under.

A key part of the Educare model is the design of the early care and education facility, which is often done through new construction, but could also be accomplished through the renovation of an existing facility. The classrooms are designed with intentionality for appropriate staffing and space considerations to meet the needs of infants, toddlers, and preschoolers, including directly accessible restroom and diapering facilities. Every Educare building has outdoor play spaces, a welcoming common area, a parent and family resource area. These spaces provide an opportunity for collaboration and consultation among staff and families, a training room for staff and parents, designated space for child assessment and screening, multipurpose space for children's gross motor use and parent and community functions, and office space that reflects an interdisciplinary approach, where family support and instructional support staff offices are adjacent to classrooms.

## Elevate Rapid City—Rapid City, SD

Elevate Rapid City is an economic development nonprofit that has created a funding assistance program to help increase the capacity of available, quality child care. Funds from the [Down Payment Assistance Program](#) can be used to expand, build, or buy a child care center or building. The program provides a zero-interest loan for center-based providers looking to expand, which is then forgiven after five years of operation.

## Empire State Development—Ithaca, NY

Empire State Development (ESD) oversees New York's two principal economic development public-benefit corporations, the New York State Urban Development Corporation (UDC) and the New York Job Development Authority (JDA). In 2019, [Empire State Development provided \\$790,000](#) to the Ithaca Community Child Care Center (IC3) to help it expand capacity. The \$3.3 million project added four classrooms, expanded utility space, improved security, and enhanced the exterior, such as adding parking spaces and improving lighting, landscaping, and stormwater management.

## Great Falls Chamber of Commerce—Great Falls, MT

The Great Falls Chamber of Commerce formed a task force to address child care needs in the downtown area. The task force included the Great Falls Development Authority, the Montana Department of Labor and Industry, the City of Great Falls, local technical assistance providers, downtown restauranteurs and hoteliers, and other interested parties. The Great Falls Development Authority conducted a survey to better understand the needs of working families. The survey estimated that about 580 area children needed child care. Survey results indicated a need for more child care options in convenient locations and for those services to be available during nonstandard hours, especially for employees in the health care industry.

After the survey, several organizations in the Great Falls area started working on establishing a [Child Care Cooperative](#). Organizations involved included Family Connections, the Great Falls Area Chamber of Commerce, Job Service, United Way of Cascade County, and the City of Great Falls. The group is exploring how to acquire, renovate, or build facilities to meet child care needs, and it believes a downtown location will benefit both parents and businesses.

## Huntsville/Madison County Chamber—Huntsville, AL

The Huntsville/Madison County Chamber of Commerce brought together business leaders from the area in the fall of 2021 and hosted a child care summit. After the summit, the chamber worked with stakeholders that had launched [Best Place for Working Parents](#)<sup>®</sup> in Fort Worth, TX, to bring the initiative to the Huntsville/Madison County area. Under the initiative, the 10 research-backed policies that businesses work toward providing for their employees include child care assistance, onsite child care, and backup child care. In June 2022, the program debuted in Huntsville. By December 2022, 90 companies had earned the Best Place for Working Parents<sup>®</sup> designation.



Photo provided by Neighborhood Villages, Boston, MA.

## IFF & Local Businesses—Kansas City, MO

In February 2020, the [Emmanuel Family & Child Development Center](#) expanded into a newly constructed \$9.6 million early childhood facility. The center had opened in 1986 in central Kansas City, serving+ 15 children the first year. It became an accredited Head Start program and later a pre-K co-operative site. In addition to early childhood programming, Emmanuel provides before- and after-school care, transportation services, health clinics, and family-focused emergency aid. The new facility has the capacity to serve 370 children, thanks to the support of the City of Kansas City, MO, and principal funders IFF, AltCap, PNC Bank, Central Bank of Kansas City, and the North American Saving Bank.

## MAHUBE-OTWA Community Action Partnership Collaborative “Pod” Model—Detroit Lakes, MN

The [MAHUBE-OTWA Community Action Partnership](#) is a private, nonprofit organization that provides services to low-income families in Greater Minnesota, including Detroit Lakes, a town of fewer than 10,000 residents. A Head Start grantee, MAHUBE-OTWA has been linking Head Start and Early Head Start with family child care in a collaborative child care “pod” model since the 1990s.

The Detroit Lakes Community and Cultural Center approached MAHUBE-OTWA before the facility’s renovation about using the space for its Head Start program. MAHUBE-OTWA chose to use this space in partnership with family child care providers. It first piloted with one family child care provider and, in time, contracted with three others. MAHUBE-OTWA leases the space from the city, and providers pay a small portion of the rent.

MAHUBE-OTWA encountered some hurdles when establishing the “pod” model. Specifically, it faced licensing issues, and the organization worked with legislators to add a provision allowing a family child care provider to be licensed in a nonresidential facility if they offer child care in partnership with a community action agency.

## Missoula Area Chamber of Commerce—Missoula, MT

The Missoula Area Chamber of Commerce has a [child care initiative](#) focused on understanding and supporting the needs of local businesses and working families. This effort included a 2018 survey of the business community, through which the chamber found that nearly half of the 550 respondents had either scaled back or abandoned their career due to the lack of child care options. The chamber then partnered with local businesses, child care experts, and architectural and design experts to identify child care models that could be scaled in the community.

As part of its child care initiative, the Missoula Area Chamber of Commerce partnered with Missoula County Public Schools and the Missoula Early

Learning Center to [relocate the early learning program to a vacant elementary school](#). This space became available after the district chose to rebuild the school elsewhere and needed to find a new use for the existing facility. The Missoula Early Learning Center owner retired, so a new group took over the concept and created a child care in the vacant school. The Missoula Chamber continues to provide child care connection and support in its community, helping local providers access funding.



Natural Beginnings, Kalispell, Montana. Photo provided by MyVillage.

**Parents of young children choose family-based child care for a variety of reasons, such as cost, convenience, or cultural traditions. In some rural communities, family child care might be the only option available. An estimated 1 million family child care providers care for more than 3 million children ages 5 and under, making family child care an essential component of the early care and learning system.<sup>18</sup>**

### **MyVillage—Bozeman, MT**

[MyVillage](#), founded in 2017 and headquartered in Bozeman, is a for-profit organization that helps new and existing providers run high quality home-based child care businesses. Operating in Colorado and Montana, MyVillage

uses early learning experts to mentor providers. The program teaches best practices and provides tools and resources for running a business—including billing, scheduling, enrollment, marketing, and financial management. Each member provider becomes a MyVillage franchisee with the flexibility to design his or her own program. Providers must structure their programs around basic tenets of quality that include licensure, participation in the state’s child care Quality Rating and Improvement System (QRIS), and use of approved curriculum. Following these guidelines, providers can design their program to meet the needs of their communities. In addition to helping providers run their own family child care business, MyVillage helps new providers start their business and assess what is needed to bring their existing homes into alignment with state licensing standards.



Nurtury Learning Lab in Boston, Massachusetts, was located in a basement of a public housing development for years before moving to their new location. After its renovation, includes natural light and child-sized furniture. Photos provided by Children’s Investment Fund.

## Nurtury Learning Lab—Boston

[Nurtury](#), one of the largest providers of early education and care in the Boston area, operated a program out of the basement of a public-housing development from the 1960s through 2014. The center suffered from a lack of natural light, poor indoor air quality, crowded classrooms, and insufficient heating and cooling. To continue its commitment to serving families living in the housing development and surrounding neighborhoods, Nurtury redeveloped property down the street from its existing program. With more than \$16 million in financing from federal, state, and local sources, Nurtury constructed a state-of-the-art 22,000-square-foot center and a 12,000-square-foot outdoor play space to serve 175 infants, toddlers, and preschoolers. In April 2017, the [Nurtury Learning Lab](#) received LEED Gold Certification and continues to deliver comprehensive services to families and their children.





Portland Housing Authority and Youth & Family Outreach, a child care center, have partnered on the development of [affordable housing with an early education center](#). Floor plan photo provided by [yfoureachme.org](#).

## Portland Housing Authority—Portland, ME

The Portland Housing Authority and Youth & Family Outreach, a child care center, have partnered on the development of [affordable housing with an early education center](#). The plans include 60 new apartments in downtown Portland, with 48 permanently affordable units and 12 priced at market-rate. Residents will have walkable access to jobs, stores, transit, and other services. The new child care space will be on the ground floor of the building, allowing Youth and Family Outreach to serve 80% more children, and to expand its capacity to serve more infants and toddlers.

## Prosser Career Education Center—Floyd County, IN

The New Albany-Floyd County school board approved plans in spring 2023 for the Prosser Career Education Center, a Career and Technical (CTE) high school, to create an [early childhood education lab](#). The funding will come from Prosser’s operating budget instead of the district budget. The child care and preschool program will have two classrooms for 3- and 4-year-old children and enable Prosser students to receive work experience for their Child Development Associates (CDA) credential.

## Reeb Avenue Center—Columbus, OH

[Reeb Avenue Center](#) in Columbus houses the South Side Early Learning Center, with eight classrooms and an outdoor learning space for infants and young children. Residents of Columbus recognized a need for community revitalization after the closure of the South Side Settlement House in 2012.

Champions, including former Mayor Michael Coleman, local business owners, and community members, created the vision to renovate a century-old elementary school that closed in 2009. After four years of planning and fundraising, the community raised more than \$12 million toward the capital campaign, which included \$2 million from the state's capital budget, \$6 million from the city of Columbus, and donations from local businesses and families. Construction took one year, and the Reeb Avenue Center opened in September 2015.

## Rural Studio—Newbern, AL

[Rural Studio](#) is an architecture studio run by Auburn University in Alabama. It teaches students about the social responsibilities of the architecture profession while also providing safe, well constructed, and inspirational homes and buildings for underserved communities in rural Alabama. In 2018, Rural Studio partnered with [Capita](#)—a national ideas lab in Greenville, SC, that unleashes big ideas to help children and families flourish—to develop a prototype of a house for in-home child care providers, called the Child Care Home. This Child Care Home will be an efficient, durable, and affordable home designed to meet the needs of family child care providers living and working in the rural South.

## San Diego Police Department Child Care

The [San Diego Police Department](#) is partnering with KinderCare to develop a first-in-the-nation child care program specifically designed to meet the needs of police officers' families. The child care center will be open from 5 a.m. to 10 p.m. and during holidays, emergencies, and disasters. The center will charge 50% less than the market rate, and employees will be paid 20% above market rate. The program, expected to launch by the end of 2023, is housed in a city facility that is leased to the Police Officers Association. The initiative is funded at \$4.7 million for three years and includes a \$3 million investment from state grants that was allocated in the fiscal year 2022 budget, with additional philanthropic support from KinderCare and the Cushman Foundation's Making a Difference for San Diego grant program.

## South Dakota Child Care Business Collaborative

A new statewide collaborative includes Early Learner South Dakota, Elevate Rapid City, the Greater Sioux Falls Area of Commerce, the South Dakota Chamber of Commerce and Industry, the Bipartisan Policy Center, the U.S. Chamber of Commerce Foundation, and the John T. Vucurevich Foundation. The partnership is known as the [South Dakota Child Care Business Collaborative](#). This collaborative hosts community meetings and works locally to help move initiatives forward that expand access to child care. Small communities are brainstorming solutions, including local business collaboratives, groups of legislators are having round table discussions on child care, and statewide funders are exploring ways to work together to support child care.

## The Metro Early Learning Center—Kansas City, MO

The [Kansas City Area Transportation Authority](#) established an early child care center and Head Start Program at the Metro Center Transfer Point, a transportation hub in Kansas City, MO. This program was established in a public-private partnership with KCMC, the local child development corporation. In 2002, the Federal Transit Administration provided \$2.2 million to build the exterior shell for the child care facility and a transit waiting area, and the local transit authority provided an additional \$560,000. The child care operator paid for all the interior improvements, which cost \$656,000. The transit authority owns the building and the operator leases the space at a market rate.



Before and after of The Rock at Stony Point Learning Center (formerly Little Land of Love Learning Center) in Kansas City, KS, before its relocation to a new space in a church with support from The Family Conservancy. Photo provided by the Family Conservancy.

## The Rock at Stony Point Learning Center—Kansas City, KS

The Rock at Stony Point Learning Center in Kansas City, KS, is a true collaboration among community partners, including Early Head Start and Head Start, child care, and the faith community. The Rock was formerly the Little Land of Love Learning Center, a center-based program housed at a rental property in need of extensive improvements. The space was small and dark, and it lacked child-sized fixtures to meet the children's developmental needs. The play area consisted of grass with patches of concrete slabs. The program served 23 children despite the great need for child care in the community.

The center director attended a recruitment event with [The Family Conservancy](#) (TFC), a community organization that helps children and families build better

futures in Kansas City, and decided to pursue a partnership with TFC to provide Early Head Start services in the program. The partnership developed quickly, and together they decided that the best solution to address the facility issue was to move the program to a new site.

TFC partnered with the Rock Church of Nazarene to provide space for the child care program. Using Early Head Start-Child Care Partnership funds, the partners invested in facility renovations by a local business. Renovations took two months and included adding new walls to provide sound barriers between rooms; installing child-sized toilets and fixtures; replacing kitchen appliances, heating systems, and windows; updating equipment and furniture; and adding a fenced-in playground. The center now serves 50 children, more than doubling the capacity of the previous center.

## Through the Looking Glass—Berkeley, CA

[Through the Looking Glass](#) (TLG) runs an Early Head Start program that provides services to children under age 3 with disabilities or whose parents have disabilities. It is on the Ed Roberts Campus development at the Ashby BART station in Berkeley. The campus, an 80,000-square-foot transit hub that is fully inclusive and accessible, houses numerous programs—including child care, community supports, vocational training, technology adaptations, disability rights organizations, and a medical clinic—that support people with diverse disabilities. TLG’s location allows families with disabilities to receive other services within the same development.

**“Through the Looking Glass is an inclusive program providing services to children under age 3 with disabilities or whose parents have disabilities.”**

Established in 1982, TLG was first located in a converted garage, followed by a commercial space before relocating to the Ed Roberts Campus in 2010. To cover the fees for the architect schematic, design, and other costs, LIIF awarded TLG a \$20,000 repayable planning grant through the Affordable Buildings for Children’s Development (ABCD) Fund. This grant also supported a child care consultant who helped build the budget and reviewed options for subsidized child care and Early Head Start funding. TLG and the six partners on the new site raised money to meet the cost of renovations and construction, and LIIF closed the gap in funding for TLG’s space by awarding it a \$100,000 facilities capital grant through the Child Care Facilities Fund, allowing construction to begin. In addition to these funds, TLG was awarded an Early Head Start grant with stimulus dollars to serve 24 infants and toddlers with disabilities in the new location, which also provided support for playground improvements.

## TOP Early Learning—Wichita, KS

[The Opportunity Project](#)—founded by businessman Barry Downing, who believes that ensuring access to high quality early learning experiences is the best financial investment for fighting poverty—is a nonprofit organization that provides child care to children in low-income families. The Opportunity Project established the first TOP Early Learning Center in 2003 in Wichita, and by 2011, two additional early learning centers were built, providing full-day care to children ages 1 through 5 in low-income neighborhoods. TOP Early Learning serves approximately 600 children each year, providing them with research-based curriculum and materials, nutritious meals, and a safe facility in which to learn, including child-appropriate furniture, secure classrooms, an on-site tornado shelter, and annual inspections by the fire marshal and the Department of Health and Environment.

TOP Early Learning is a public-private partnership model that includes federal, state, and local funding, including Head Start and Early Head Start. Through the partnership, participants also collaborate with community organizations that provide comprehensive health services to children and additional supports to children with special needs. In addition to providing high-quality early learning to young children, TOP measures its outcomes through ongoing student data collection in areas such as social development, language and literacy, and scientific thinking. A 2019 longitudinal study conducted by Wichita State University found that TOP graduates have higher grade point averages, are less likely to be placed in special education classes, and are less likely to be suspended compared with their peers through 11th grade.<sup>19</sup>

**“A 2019 longitudinal study conducted by Wichita State University found that TOP graduates have higher attendance rates, are less likely to be placed in special education classes, behave significantly better, and are more emotionally mature compared with their peers through 11th grade.”**

## Tyson Foods—Humboldt, TN

Tyson Foods helped fund onsite child care for its employees in a pilot project called [Tyson Tykes](#). The \$3.5 million child care facility, which opened this year, is supporting up to 100 children with a staff of 18. KinderCare is contracted to operate the early childhood learning center, and Tyson Foods is subsidizing costs to lower child care payments for its employees.

## United Way of Greater Austin—Austin, TX

The Austin Independent School District is [turning Pease Elementary School](#) into a high quality, affordable early childhood education center. After a community engagement and planning process, the District found overwhelming support to convert the former elementary school, which closed in 2020. United Way for Greater Austin, a community partner, wants to repurpose the building and collaborate with a local child care provider to operate the new center. United Way wants to house its administrative offices alongside the child care center. The organization and the child care center would build a comprehensive early childhood institute supporting the professional development of the local early childhood workforce, while expanding access to high quality, affordable child care.



Wu-Yee Children's Services, located in San Francisco, California. Photo provided by the Low Income Investment Fund.

## Utah Child Care Cooperative—Salt Lake City, UT

[Utah Child Care Cooperative](#) (UC3) helps bring together businesses, working parents, and child care providers to address families' child care needs. Launched in March 2019, UC3 helps employers create child care options for their employees. Through its near site child care consortium model, UC3 partners with businesses to help them understand their employees' child care needs, and then connects them with child care providers in the community. After UC3 connects employees with a child care, the employer makes investments to help subsidize the cost of care and support provider quality.

## **BUILDING THE CAPACITY AND TECHNICAL KNOWLEDGE OF CHILD CARE PROGRAM ADMINISTRATORS**

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Technical assistance and capacity-building for child care providers are critical to fostering their role as business owners. Providers, especially those running small, center-based and family child care programs, can benefit from training

that supports finance, marketing, and grant writing. Some training better equips providers to undertake major and minor facility repairs and renovations, as well as new construction. Providers also receive technical support and capacity-building through the shared-service model, or networks of providers that pool funds to increase access to resources.

## **Building Stronger Centers Training Institute, Children’s Investment Fund—Boston**

At the Children’s Investment Fund, experience has shown that planning and support are crucial to ensuring that early care and learning providers gain the knowledge, skills, and professional help to plan a project with a strong likelihood of success. A key element is the four-day [Building Stronger Centers Training Institute](#), launched by the fund in 2001. Building Stronger Centers offers to early care and learning providers in Massachusetts the knowledge and skills to undertake a large-scale capital project. The training includes all phases of the facility-development process and provides access to highly skilled consultants, architects, financing experts, and providers who have completed successful projects. The fund provides follow-up training, technical assistance, and access to financing for two years after participation in Building Stronger Centers.

### **BUILDING STRONGER CENTERS TRAINING INSTITUTE: DESIRED OUTCOMES AND LEARNING OBJECTIVES**

#### **Conceptual Planning and Early Feasibility**

- Knowledge of the whole facilities-development process and each of its components.
- Understanding the roles of the development team members and how to select and manage consultants on the team.
- Understanding the organization’s financial capacity and what funders want to know.

#### **Financing and Design**

- Knowledge of key elements of high quality early education and/or out-of-school environments.
- Understanding the design process and technical considerations to developing a facility.
- Knowledge of capital funding and financing resources and how to seek these resources.

#### **Management of the Real Estate Development Process**

- Understanding project leadership, tools to think strategically to move a project forward, and practice communicating the organization’s vision.

- Familiarity with the construction process and schedule, including key actors, regulations/approvals required, spending plan and ways to work with parents and staff.



Coastal Enterprises, Inc. (CEI) headquartered in Brunswick, ME created a new program, the Child Care Business Lab in 2020 that helps develop child care programs. Photos provided by CEI.

## Coastal Enterprises Inc. (CEI)—Brunswick, ME

CEI is a certified CDFI headquartered in Brunswick that helps to strengthen economic mobility for Maine’s rural community. CEI established a new program, called the [Child Care Business Lab](#), in 2020 after receiving a \$400,000 award from the U.S. Department of Health and Human Services’ Community Economic Development program. This five-year initiative focuses on expanding access to child care in rural Maine. The program helps individuals plan and launch their new child care and then operate it sustainably. Together, CEI and partners offer specialized knowledge of the child care industry as well as the resources to support business plan development and accreditation, access to capital, staffing, hiring, and operations.

## Early Learning Ventures—Colorado

[Early Learning Ventures](#) (ELV), based in Colorado, is a nonprofit dedicated to expanding access to quality, affordable child care. ELV recognizes that 85% of child care programs are small, independent businesses that lack the resources and infrastructure to invest in quality improvements. The ELV model equips child care providers with the tools and resources—including a robust web-based record-keeping and compliance management system, as well as financial services—that can improve quality, save time, and lower costs for providers, resulting in better outcomes for all children. Currently, ELV serves more than



600 child care businesses, benefiting more than 40,000 young children—and provides a return of up to \$8 for each dollar invested in Colorado.

## Opportunities Exchange

[Opportunities Exchange](#) is a nonprofit consulting group that promotes the development of Shared Service Alliances by providing technical assistance to child care providers interested in transforming their business to improve outcomes for children. Shared Service Alliances, a membership organization that facilitates shared services among members, allows providers to access resources, including billing and fee collection, payroll, and professional development.

Opportunities Exchange helps providers and communities interested in pursuing this resource by identifying the needs of member providers, identifying an Alliance Hub that will host the Shared Service Alliance, and developing a business plan and a plan for sustainability. It also offers [tools and resources](#), including a start-up guide, profiles of existing alliances, lessons learned, and templates.

## Family Child C.A.R.E. New York City—New York

A collective of early-care and learning partners—Low Income Investment Fund (LIIF), Ramapo for Children, ParentChild+, and All Our Kin—began a technical assistance hub for family child care programs in New York City called [Family Child C.A.R.E. New York City](#). The online hub has resources focused on improving child care facilities and early learning environments. Technical assistance supports marketing and community relations, human resources, fiscal management, record-keeping, and risk management.

## Neighborhood Villages—Boston

[Neighborhood Villages](#) is a nonprofit focused on child care systems change. It provides centralized support for a collective of child care programs using a structure modeled after the central office of a school district. Neighborhood Villages supports specific staff positions in their “neighborhood” of child care centers, such as family navigators, instructional coaches, and operations managers who provide wraparound services, professional development, and infrastructure resources across centers. Neighborhood Villages brings resources to the facilities that cover all facets of the learning environment, from safety upgrades, to supplying [loose parts](#) and other learning materials that support healthy early childhood development.

Its model is flexible, emergent, and responsive to current needs in the collective of programs. For example, in the early months of the pandemic, it set up a large COVID-19 testing operation in partnership with home-based and center-based

program administrators that allowed programs to safely stay open. The method of testing it scaled up in area child care centers and family child care homes became a model for school districts in the state.

Each “neighborhood” program receives annual funding to hire operations managers and annual grants to fund organizational and facility needs. Programs have used annual \$10,000 grants to renovate learning and therapeutic spaces, to purchase supplies, and to refresh and organize materials. The funding and support provided to child care programs partnering with Neighborhood Villages supports and sustains facility maintenance, upgrades, and high quality learning environments.

## Quality Care for Children—Georgia

Quality Care for Children (QCC) manages the [Provider Resource Hub \(PRH\)](#), a membership-based shared resources platform that provides early care and learning professionals with administrative resources and cost savings. PRH also offers workshops and training to help providers run their programs more effectively and efficiently. Specifically, the PRH provides administrative and human resource templates; budgeting and finance tools; a free child care job board; and discounts on classroom and business supplies and services that child care programs use.

To further support providers, in 2019, QCC created a director of ECE business support services. This new position is responsible for supporting improvements, increasing the use of resources, and providing business technical assistance to center directors and family child care providers. QCC is also piloting the ECE Business Leadership Training and Development Institute to help high quality child care providers excel, grow, and sustain their business. Participating programs receive intensive, ongoing business technical assistance, as well as grants and assistance to migrate business operations to child care management software.

## State Early Learning Alliance of New Hampshire

[The State Early Learning Alliance](#) (SELA) is a shared services model for early childhood programs to strengthen business practices and enhance program quality in order to give children a better start. Currently, SELA members include 23 agencies that have a combined buying power topping \$30 million. Participating members see a number of benefits, including a network of providers, increased purchasing capability, and facilities management and support.

The majority of SELA’s facility-related support is arranged through a contract with [Great North Advantage](#), a property management company that serves New Hampshire and northern New England. This partnership extends beyond early care and learning providers, providing SELA with greater access to preferred vendors, professional services, and cost savings.

# Conclusion

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The United States faces two core child care facility challenges: the need to update and improve rundown facilities, and the need to build and create new child care programs. With the current focus on expanding the child care supply, the importance of improving existing facilities is often forgotten. Despite the focus on expansion, very little federal funding is available to cover construction and major renovation costs.

However, innovative and impactful child care facilities work is happening in communities around the country. Community Development Financial Institutions and other intermediaries are poised to provide support and technical assistance. Local businesses, nonprofits, child care programs, and philanthropy are partnering and finding collaborative ways to improve facilities and increase child care options for families.

When states have access to flexible funding for child care facilities, they can leverage opportunities to support renovations and construction and increase the supply of child care programs. Many states allocated additional state or federal funds for child care facilities' grant programs, when the number of applications far surpassed the available grants.

The United States possesses many pieces to the child care facilities puzzle but lacks a national strategy to put it all together. A nationally representative assessment of child care facilities could determine the scope of the problem and inform national, state, and local solutions. In the meantime, questions remain: How many child care facilities require renovations to meet basic health and safety standards? What types of renovations are necessary to ensure that these facilities are developmentally appropriate for young children? And where are the best opportunities to build new child care facilities? As we work to answer these questions, **the nation's young children wait**. They need healthy, safe, and developmentally appropriate child care facilities that can help them thrive now.

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