



Bipartisan Policy Center

Investments in Child Care Facilities as Infrastructure

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IMPORTANCE OF HIGH-QUALITY CHILD CARE FACILITIES

High-quality child care programs provide young children with safe, developmentally appropriate environments that support their positive growth. Access to quality child care also allows parents to remain in the workforce, achieve economic stability, and contribute to the economy—making child care facilities an important component of our nation’s infrastructure. However, many child care facilities do not meet basic health and safety standards and are in need of repair, renovation, and ongoing investment. To ensure parents can work and their young children are able to attend safe, healthy, and developmentally appropriate child care settings, child care facilities should be considered an essential component of the nation’s infrastructure. As Congress considers funneling additional resources to our nation’s infrastructure, they should also contemplate improvements to our child care facilities.

Early learning environments directly impact the development of young children.¹ 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.² Conversely, substandard settings can lead to negative outcomes and hinder physical, behavioral, and cognitive development.

AVAILABLE DATA ON THE CONDITION OF CHILD CARE FACILITIES

The Child Care and Development Fund Final Rule requires all providers receiving subsidies to meet minimum health and safety requirements.³ However, existing data found that many facilities—both home-based and center-based child care programs—fail to meet these minimum requirements and are in urgent need of infrastructure improvements. An investigation across ten states by the Department of Health and Human Services’ Office of the Inspector General found that 96% of child care programs receiving CCDF dollars had at least one potentially hazardous condition, such as broken gates and water damage.⁴



Steel pipes poking out of the ground in an outside play area. Source: Department of Health and Human Services, Office of the Inspector General

On a statewide level, a 2011 study of Massachusetts’ child care facilities found excessive levels of carbon dioxide, insufficient ventilation systems, and furnishings containing formaldehyde in child care centers. The study also found that 70% of programs lacked classroom sinks, which has negative implications for hygiene and the spread of illnesses within the facility.⁵

Given that limited data exist on the condition of home- and center-based child care facilities, a national effort to understand the extent of facility challenges and the required infrastructure investment is needed.

CHALLENGES ACCESSING SUPPORTS FOR CHILD CARE INFRASTRUCTURE

Despite the established benefits of high-quality child care facilities for children and families, many providers cannot renovate or repair their facilities for a variety of reasons—such as the high costs of facility improvements, concerns over taking on debt, and a lack of access to technical assistance and business support.

- 1. High costs of infrastructure improvements.** Despite the need for facility upgrades and improvements to create safe spaces for children’s health, learning, and development, these upgrades are often cost prohibitive for child care providers. Many providers earn a thin profit margin that prevents them from prioritizing infrastructure renovations, repairs, upgrades, and ongoing maintenance.

2. **Concerns about taking on debt.** Capital financing opportunities specific for child care facility upgrades are not widely available across the country, leaving many providers to decide between not making necessary infrastructure improvements or taking on substantial debt. For many child care providers, loans that are common for small business owners in other industries are not an option. Providers may lack the business assets or collateral necessary for the loan application process, or may be concerned about the lack of steady revenue needed for loan repayment fees.



Hole in bathroom wall exposing pipes. Source: Department of Health and Human Services, Office of the Inspector General

3. **Lack of technical assistance and business supports.** Certain funding mechanisms can be useful for child care providers—such as grants, forgivable loans, credit-enhancement, and tax credits—yet may be out of reach to providers who need assistance navigating the complex financial system. With technical assistance, business training, and relationship building with lenders, child care providers can work toward building the credit needed to finance infrastructure investments that can improve the quality of their program.

RECOMMENDATIONS

BPC recommends the following to better understand the need for and to ensure financial investments in child care facility upgrades, repairs, and renovations. Doing so would create a multifaceted approach to improving the quality and supply of child care facilities around our country.

- Congress should direct the Department of Health and Human Services to conduct a comprehensive national assessment of the condition of child care facilities, for both center-based and home-based programs.
- Congress should establish a competitive grant program that provides at least \$10 billion for states to fund child care facility construction and renovation projects, including support for business development and technical assistance to providers.

For additional resources, visit the Bipartisan Policy Center's Early Learning Facilities webpage at <https://bipartisanpolicy.org/early-learning-facilities/>.

Endnotes

- 1 Linda Smith and Sarah Tracey, Early Learning Facilities: Moving Beyond a Culture of Low Expectations, Bipartisan Policy Center, February 14, 2019. Available at: <https://bipartisanpolicy.org/blog/early-learning-facilities-matter-moving-beyond-a-culture-of-low-expectations/>.
- 2 Bipartisan Policy Center. "From the Ground Up: Improving Child Care and Early Learning Facilities." Early Childhood Initiative, May 2019. <https://bipartisanpolicy.org/wp-content/uploads/2019/07/From-the-Ground-Up-Improving-Child-Care-and-Early-Learning-Facilities.pdf>.
- 3 Child Care and Development Fund (CCDF) Program: Final Rule, 81 Federal Register 190, September 30, 2016, pp. 67438-67595. Available at: <https://www.govinfo.gov/content/pkg/FR-2016-09-30/pdf/2016-22986.pdf>.
- 4 U.S. Department of Health and Human Services, Office of the Inspector General, "Child Care Providers Compliance with State Health and Safety Requirements." Available at: <https://oig.hhs.gov/oas/child-care/>.
- 5 Children's Investment Fund, Building Infrastructure for Quality: An Inventory of Early Childhood Education and Out-of-School Time Facilities in Massachusetts, July 2011. Available at: <https://cedac.org/Uploads/Files/CIFBldgInfrastructureReport.pdf>.

