

High-quality early care and learning facilities ensure children are in safe environments that support their developmental growth. Yet, with findings showing that 96 percent of child care providers receiving Child Care and Development Fund dollars across 10 states have one or more potentially hazardous conditions, it is crucial for Congress to act on this important issue. We urge Congress to prioritize the quality and availability of early care and learning facilities so our nation's children can learn and be cared for in safe environments. This document lays out recommendations for Congress to consider enacting to improve the quality and availability of early care learning facilities.

CONGRESSIONAL RECOMMENDATIONS

1. HHS National Needs Assessment

Congress should direct HHS to conduct a national needs assessment of quality early care and learning facilities using existing research dollars. Currently, not enough data exists on the quality of early care and learning facilities across the country. A needs assessment will help define the needs for facilities and help policymakers understand possible steps to increase quality.

2. Federal Early Care and Learning Facilities Competitive Grant Program

Congress should establish a federal competitive grant program through HHS that supports center-based and family child care construction and rehabilitation with a funding level of \$250 million. This program would provide competitive grants to states and a National Activities Fund to support capacity building and technical assistance, administered by HHS. Up to 15 percent of the total funding should be allocated to the Fund.

Competitive Grants to States

HHS should award competitive grants to states to support capital grants for renovation, improvement, and construction of early care and learning facilities. Grant funds would also support an evaluation by states detailing the program's effectiveness.

- **Priority for Funding:**

Consideration should be given to both states that have existing plans and capacity to address their facility needs, as well as states that are developing plans and building capacity to address facility needs as part of their overall early care and learning strategy.

- **Competitive Criteria:**

Priority should be granted to states that meet the following criteria:

- Plan to serve center-based and family child care, or a combination of child care and Early Head Start/Head Start programs;
- Aim to meet specific needs across urban, suburban, and/or rural areas; and
- Show evidence of collaborating with city and county-level officials.

- **Matching Requirement:**

States should be required to meet or exceed a 25 percent cash match. Eligible funding resources to meet the match requirement may include federal funds, such as from the Community Development Block Grant, and/or private, philanthropic investments.

- **Maximum Grant Amount:**

Depending on state-level need and capacity, grants awarded should be up to \$25 million.

National Activities Fund for Capacity Building, Financing, and Technical Assistance

HHS should award competitive grants to intermediary organizations, such as Community Development Financial Institutions, to provide technical assistance, capacity building, and financial products to support early care and learning facility financing in all states, including those not receiving grants through the competition.

- **Competition:**

HHS should set aside no less than 10 percent and no more than 15 percent of the full allocation for grants and/or cooperative agreements to intermediary organizations to provide technical assistance, capacity building, and financial products to support early care and learning facility financing.

- **Eligible Entities:**

Community Development Financial Institutions and other entities with demonstrated financing experience in early care and learning, or related community facilities financing.

- **Competitive Criteria:**

Priority should be given to intermediary organizations that meet the following criteria:

- Demonstrated experience in early childhood facilities financing and/or related community facilities financing.
- Services delivered with these funds need not be limited to states receiving capital grant funds.
- Intention to meet diversity of needs across urban, suburban, and/or rural areas and types of center-based and family child care settings. Funded child care programs can be located in freestanding buildings or in multifamily or mixed-use properties.
- Ability to leverage portion of grant to support financing tools to build capacity of child care and early learning providers, such as credit enhancement.

SIGNATORIES

The organizations listed below collaborated with BPC to develop these recommendations and fully support this effort:

