

NATIONAL CHILDREN'S FACILITIES NETWORK

April 3, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
U.S. Capitol Building, S-230
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
U.S. Capitol Building, H-222
Washington, D.C. 20515

The Honorable Charles E. Schumer
Minority Leader
United States Senate
U.S. Capitol Building, S-221
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
U.S. Capitol Building, H-204
Washington, D.C. 20515

Cc: Senate Committee on Appropriations; House Committee on Appropriations

Dear Majority Leader McConnell, Speaker Pelosi, Minority Leader Schumer, and Minority Leader McCarthy:

Thank you for your leadership and commitment to ensuring that all communities and sectors are equipped to face the unprecedented challenges posed by the COVID-19 pandemic. We are writing on behalf of the National Children's Facilities Network (NCFN) to thank you for providing additional resources for early care and education (ECE) providers in the Coronavirus Aid, Relief and Economic Security (CARES) Act. **As you look toward a phase 4 response, we urge you to continue to support the child care sector by including additional emergency funding for ECE providers, including resources for operating expenses, infrastructure and business capacity building needs.**

NCFN is a coalition of nonprofit Community Development Financial Institutions (CDFIs), financial and technical assistance intermediaries, and early care and education stakeholders dedicated to helping low-income child care, Pre-K and Head Start providers plan, develop, and finance facilities, and build business operating capacity. We seek expand equitable access to high quality programs and support working families by providing technical assistance and financing to early learning providers to address capital needs. CDFIs and other ECE intermediaries – many of whom are NCFN members – creatively piece together federal resources from the CDFI Fund, housing, rural development, SBA and other programs to provide support to ECE operators. We have had tremendous success supporting ECE programs nationwide, yet we know there is significantly more need for capital and business capacity building than we can possibly provide given the resources available. There are currently no federal dedicated sources of capital for ECE facilities or business capacity building. Many providers cannot meet the demand for quality programs under normal circumstances and are particularly ill-equipped to manage the extreme health, safety and operations challenges presented by COVID-19.

Network members were encouraged to see that the CARES Act not only allocated additional resources for core ECE programs through the Child Care Development Block Grant (CCDBG) and Head Start, but also modified the

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eligibility requirements of a range of programs – like the Small Business Administration’s (SBA) 7(a) loan and Economic Injury Disaster Loan (EIDL) programs – in a manner intended to provide ECE operators access to critical resources to address immediate health, safety and operations challenges. We are, however, concerned that ECE operators may still face significant obstacles accessing these critical funding opportunities due to underdeveloped and under-resourced business capacity. While providers may be more familiar with CCDBG and Head Start funding streams, the lack of familiarity with SBA and other financial programs may present a significant barrier to accessing vitally important resources. The ability to access a range of financial tools will be key to helping ECE providers in vulnerable urban and rural communities stay afloat and recover post-pandemic. Addressing these barriers should be an immediate goal of any pandemic response efforts because our country will have to depend on a quality, functioning ECE system to support the transition back to a robust economy. Now is a unique opportunity to stopgap the current crisis and create a sustainable, high-quality child care system for generations to come.

The COVID-19 pandemic has elevated the importance of ECE in supporting our collective economic security. Local, state and federal governments have identified ECE for front line employees as an essential service, and many working parents with children at home during the pandemic are feeling the importance of quality care more acutely than ever. We urge you to take immediate steps to ensure that ECE providers’ infrastructure and business capacity needs are not exacerbated by this crisis. All families – particularly those who are low-income or in rural areas – deserve access to the stable, high-quality early childhood programs that parents need to maintain gainful employment and children need to grow and thrive.

We are eager to serve as a resource to you and your staff as you think-through next steps during this challenging time. Please feel free to contact Nicole Barcliff, LISC Policy Director and NCFN Co-Chair [nbarcliff@lisc.org, (202)-739-9296] or Angie Garling, LIIF National Director of Early Care and Education Programs and NCFN Co-chair [agarling@liifund.org, (415) 489-6116 Ext 316] if you have any questions or if we can be of further assistance.

Sincerely,

National Children’s Facilities Network Executive Committee

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NCFN Co- Chair

[LIIF](#)

NCFN Treasurer

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