



Considerations for CDFIs: Supporting the Early Care and Education Sector During this Time of Unprecedented Federal Investment

The National Children's Facilities Network (NCFN) is a coalition of Community Development Financial Institutions (CDFIs) and other stakeholders dedicated to helping early care and education (ECE) providers develop high-quality physical learning environments and sustainable business models. By serving as financial intermediaries with expertise across planning, development, finance, and other issue areas, CDFIs have been able to successfully support ECE providers navigate various real estate and business management challenges.

In response to the COVID-19 pandemic, Congress has enacted more than \$50 billion to stabilize the child care sector and sustain providers throughout the public health emergency. [These significant investments in the ECE sector](#) have the possibility to stabilize the sector, advance racial equity, and tackle systemic issues impacting child care facilities and businesses. Several leading national coalitions have developed planning tools and frameworks for states to consider when implementing stabilization resources, including:

- [*How States Can Spend \\$10 Billion for Child Care Well, Wisely, & With Urgency*](#)
- [*How States Can Improve Child Care Facilities & Physical Spaces Using Federal Relief Dollars.*](#)

CDFIs also have an important role to play in supporting thoughtful deployment of federal ECE resources, including expertise that state and local public sector entities should consider when seeking to maximize the impact of this once-in-a-generation investment. For examples, CDFIs have deep expertise in a variety of topics relevant to the ECE sector, including engaging communities, identifying the unique needs of historically underserved communities and targeting investments to ensure meaningful impact.

CDFIs have an important role to play in supporting the thoughtful deployment of federal ECE resources.

Regardless of a CDFIs' length or depth of involvement in their local early learning communities, CDFIs offer an important perspective in the equitable distribution of funds as officials look to create state plans. CDFIs can share best practices around community engagement, identify the unique needs of historically underserved communities, and target investments to ensure meaningful impact.

CDFIs can elevate the following considerations to support a long-term sustained recovery of the ECE sector.

- 1. Plans that are data informed.** NCFN supports the call for a national assessment of the quality and availability of facilities and believes that state and local assessments can expedite and inform national data collection efforts. ***Strategies informed by hyper-local research play an important role in responding to geographically specific nuance and need.*** More granular [qualitative](#) and [quantitative assessments](#) such as those completed by Reinvestment Fund in Philadelphia and IFF in Milwaukee are a necessary complement to national research and tailor macro level responses to meet local need. Additionally, state-wide assessments, like one completed in Massachusetts for the [Children's Investment Fund](#), that inventory and evaluate the quality of facilities are necessary to paint a clear picture of need and advocate for further investment. ***States and localities should consider directing resources to assess the quantity, quality, condition and availability of ECE facilities.***
- 2. Plans led by equity in practice.** For too long the voices of women and people of color who represent an [overwhelming majority of ECE providers](#) have not been centered in policy and funding conversations. There are multiple examples from across the country of ***tables that have been set for system investment and redesign centered in equity and provider voice***, including the [Playbook in St. Louis](#) and [Hope Starts Here in Detroit](#). These provider and parent centered frameworks provide a fresh perspective on coordinated and aligned systems investments.
- 3. Plans that include expanded networks (i.e. not the usual suspects).** Funds typically flow through established program specific networks and structures for efficiency, however, ECE systems in many states are siloed and require more innovative and intentional approaches to support a paradigm shift toward mixed delivery models. NCFN's membership of ***nonprofit financial and technical assistance intermediaries play an important role in stitching together funding sources, leveraging philanthropy, tailoring innovative financing tools, and leading facilities solutions.*** Moving beyond the traditional networks and structures supports innovation, leverage, and a holistic strategy which will yield longer-term and more permanent results, such as [SELF-HELP's Childcare Business Resources](#). Some CDFIs are also uniquely positioned to take on advisory or even intermediary roles in the administrative deployment of resources if primary organizations are at capacity.

4. **Plans that are nimble and responsive.** NCFN members have created and tailored programs over time that continue to evolve in service to the ECE sector such as [LISC's Rhode Island Early Child Care and Early Learning Facilities Fund](#) and [LIIF's Child Care Facilities Fund](#). NCFN members responded throughout the pandemic with Paycheck Protection Program access, emergency grant creation and administration, and tailoring technical assistance to support providers. Members remain engaged in ongoing partnership with philanthropy to innovate, informed by deep place-based relationships, to support the “right now” phase, the recovery phase, and the resiliency phase post pandemic. ***Ideation beyond state agencies is critical for long-term success.***

5. **Plans that support healthy communities.** Despite what is known about the importance of the spaces where learning takes place, the physical environment is an essential feature of programs that is often overlooked. To date, there is no federal dedicated source of capital to help ECE programs develop suitable well-designed facilities, and very few states provide dedicated funding for ECE infrastructure. The ***proposals to strengthen the nation's infrastructure in order to respond to the new challenges of the COVID-19 pandemic present an incredible opportunity to allocate resources to address health and safety challenges faced by providers, enhance positive developmental outcomes for children and families, and support the needs of ECE staff.*** NCFN members are positioned to co-create solutions by leveraging their scale, sources of funding, and expertise to maximize federal and state investments and align facilities and programmatic quality.

Looking to learn more?

If you are already an NCFN Member, consider signing up for the “[State and Local Implementation Working Group](#),” where members will have the opportunity to dive deep into issues of importance and develop solutions that positively impact the field.

If you are interested in becoming a member please visit the NCFN website, www.ncfn.org, or contact Bevin Parker-Cerkez, Chair of the NCFN Membership Committee, at bparkercerkez@lisc.org.

About the National Children's Facilities Network (NCFN)

The National Children's Facilities Network (NCFN) is a coalition of 37 nonprofit Community Development Financial Institutions (CDFIs), financial and technical assistance intermediaries, and childcare stakeholders dedicated to helping ECE providers develop high-quality physical learning environments and sustainable business models. By providing technical assistance and financing to early learning providers, we seek to address capital needs and business capacity challenges that limit working family's ability to gain equitable access to high-quality ECE programs. For more information, visit www.ncfn.org and follow NCFN on Twitter @ECEFacilities.