



Growing County Economies with Stronger Child Care Systems

October 19, 2021



National Children's Facilities Network

About NACo

The National Association of Counties (NACo) strengthens America's counties, serving nearly 40,000 county elected officials and 3.6 million county employees. Founded in 1935, NACo unites county officials to:

- **Advocate county priorities** in federal policymaking
- **Promote exemplary county policies** and practices
- **Nurture leadership skills** and expand knowledge networks
- **Optimize county and taxpayer resources** and cost savings, and
- **Enrich the public's understanding** of county government.

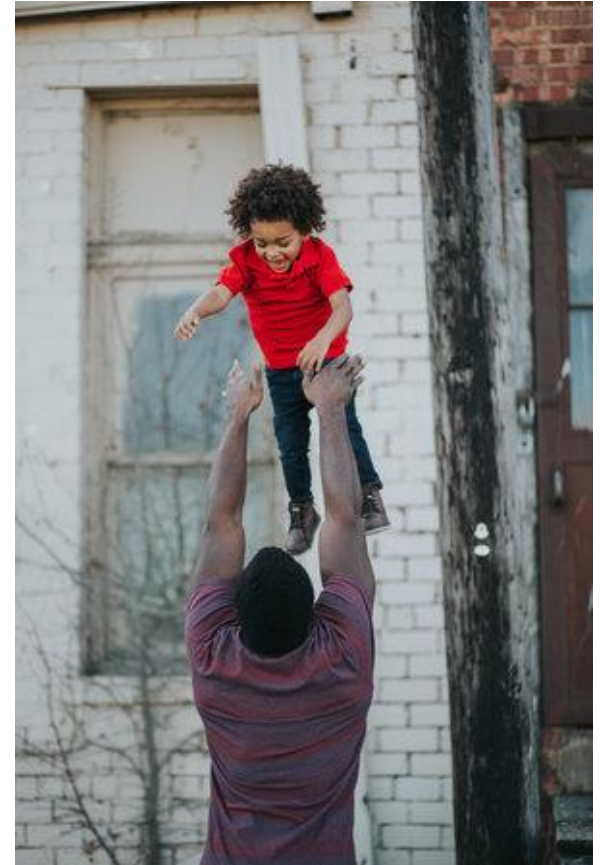
Counties for Kids



**ECONOMIC MOBILITY
LEADERSHIP NETWORK**

Counties Matter

- Counties invest \$63 billion annually in federal, state and local funding in human services
- Counties play a key role in community and economic development and can lead initiatives and partnerships to create opportunities for residents
- Counties:
 - Administer key federal safety net programs serving young children
 - Serve as Head Start agencies or contribute local dollars to expand Head Start programs
 - Function as clinic sites for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
 - Fully or partially oversee the child welfare system in 11 states
 - Invest in core policies and services that align and strengthen PN-3 systems



County Investments in Child Care

Becker County commits \$100,000 in seed money for new home daycares

Oakland County using \$6.6M from American Rescue Plan to support childcare and workforce development

Fort Bend County allocates an additional \$2 million for child care voucher program



What is a Community Development Financial Institution (CDFI)?

CDFIs are financial intermediaries with community development as a primary mission. We cultivate specialized knowledge and forge deep relationships to **channel private investment into distressed communities.**

CDFIs provide a range of services:

- Capital Investments (grants and loans)
- Technical assistance & capacity building
- Emergency/Disaster Recovery
- Policy, Advocacy, Research

CDFIs partner with:

- Public agencies
- Philanthropy
- Community stakeholders
- Resource and Referral Agencies
- Other local and state intermediaries



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National Children's Facilities Network (NCFN)



NCFN is a coalition of more than 50 nonprofit financial and technical assistance intermediaries and other early care and education (ECE) stakeholders involved in **planning, developing, and financing high quality ECE facilities and business models.**

NCFN's purpose is to:

Share information on ECE facilities issues and aligned ECE provider technical assistance and capacity building;

Recommend legislation and regulations affecting access to high quality ECE facilities; and

Develop and support various financing strategies, initiatives and programs.

NCFN Executive Committee

- [Local Initiatives Support Corporation \(LISC\)](#)
- [Low Income Investment Fund \(LIIF\)](#)
- [IFF](#)
- [Reinvestment Fund](#)
- [Self-Help](#)

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The Role of Capital in Strengthening the ECE Sector

Financing Challenges

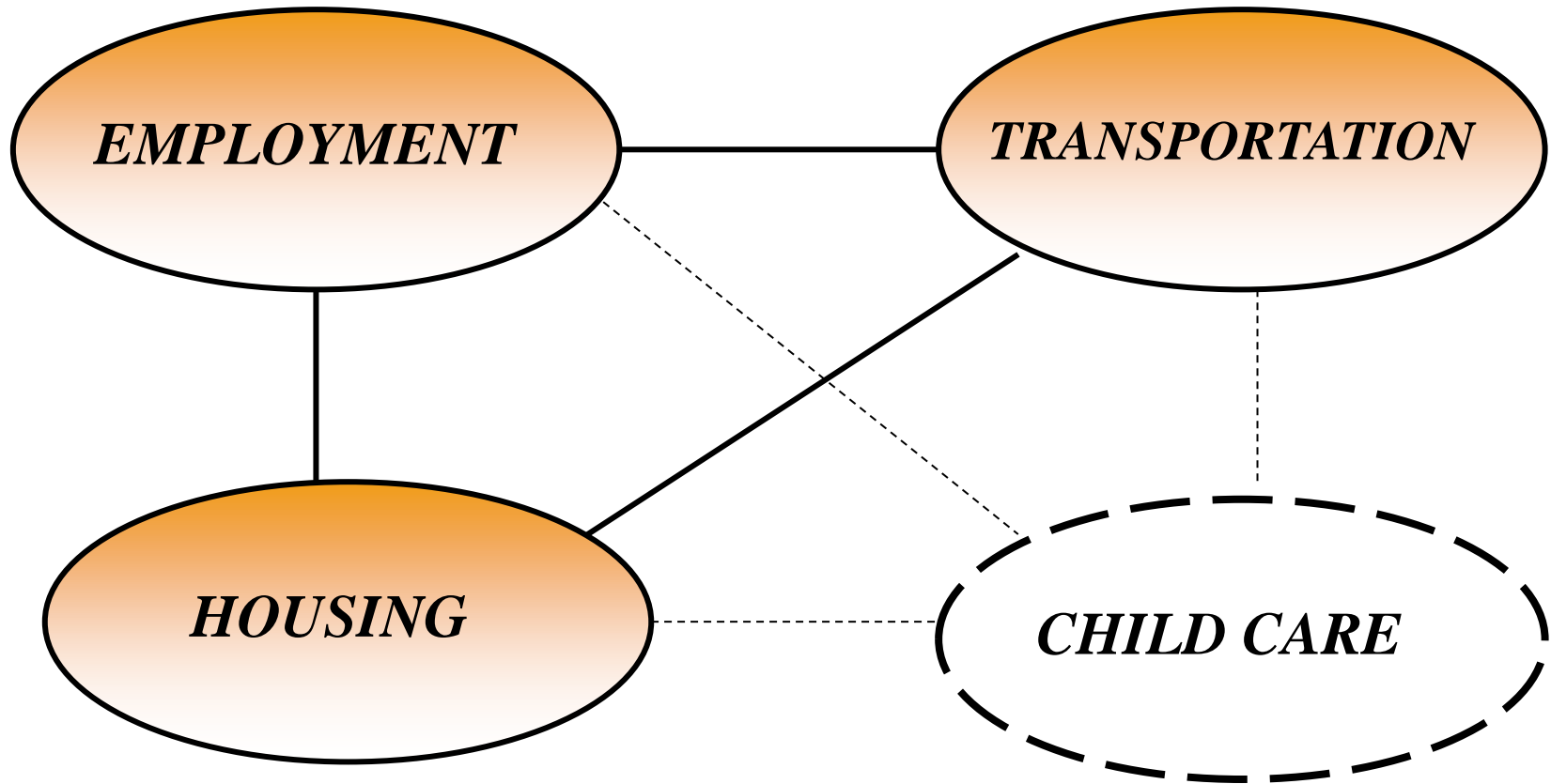
- ECE is a chronically underfunded sector, with governments rarely reimbursing the full cost of quality care.
- ECE businesses have extremely low profit margins, making them hard to finance through traditional methods, and making it nearly impossible for the owners to build wealth.
- ECE professionals are predominately women, with an overwhelming majority being women of color; they face gender and race-based barriers to accessing capital.

Financing Opportunities

- **Technical assistance (TA), capacity building, and flexible financial products (grants and loans)** help ECE providers navigate the real estate, financial, regulatory and other components of creating high-quality ECE programs
- CDFIs have developed decades of expertise assembling and deploying public and private sources of capital



Child Care: A Missing Piece in Community Planning & Development



Source: Kristen Anderson, Child Care Consultant and former Redwood City Child Care Coordinator

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Child Care Gap Analysis

Using 2019 data, BPC conducted a child care gap analysis across all 25 states to understand the pre-pandemic child care landscape. BPC will reevaluate the same 25 states post-pandemic to determine its impact on the child care industry.

Read more at:

www.childcaregap.org
bipartisanpolicy.org

The State of Child Care: Pre-Pandemic

Child Care Gap Analysis

- Across 25 states, BPC found that **8,449,000 children** have the potential need for child care.
- With a supply of **5,901,320 slots**, the families of **2,682,260 children** do not have access to child care.
- **Child Care Gap: 31.7% of the potential need.**

NCFN Mapping Project

Overview of Data on CDFI and Credit Access in ECE

Objective: Understand and measure the degree to which CDFIs and other credit granting institutions are working in the Early Childhood Education (ECE) sector. Develop public-facing mapping tool to share results our results.

Core Datasets

- **CDFI Fund.** AMIS Database
- **SBA.** 7a and 504 Loan Database
- **Candid.** Foundation Grantmaking Database
- **SBA.** PPP Lending Activity (*not shown*)

State and Local Context

- BPC's 25-State Childcare Supply, Demand, and Shortage
- Early Learning Policy and Funding Environments

What's Not Captured

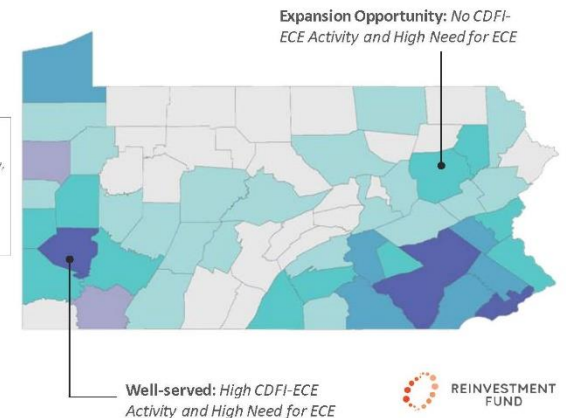
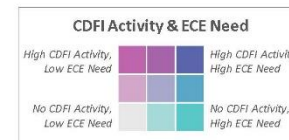
- CDFI Grants and Technical Assistance
- Unsubsidized business loans
- Credit cards, unsecured debt



Mapping Tool Example

Comparing CDFI Activity and Childcare Need

By combining information from the AMIS CDFI database with information on childcare demand (drawn from BPC's Childcare Gap Project), we can identify underserved areas, where CDFI expansion is needed.



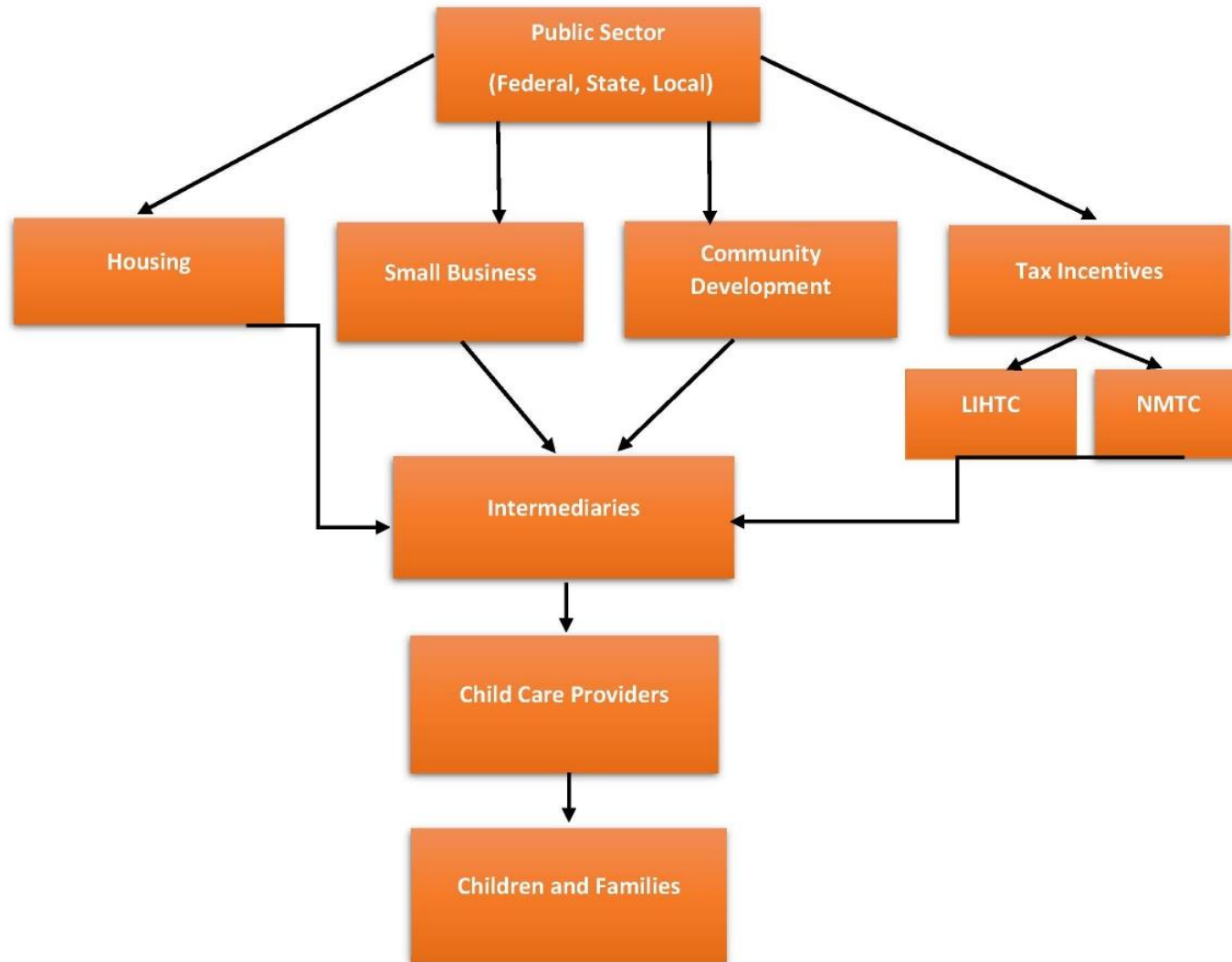
Source: RF Analysis of CDFI Fund AMIS Database, Bipartisan Policy Center "Childcare in 25 States"



Pandemic Recovery Resources and Child Care

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Public Sector Child Care Supports



Federal Resources for Pandemic Child Care Stabilization

Relevant Federal Resources

Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (March 2020)

- ✓ \$3.5 billion in new Child Care Development Block Grant (CCDBG) discretionary funds*

Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA)

(December 2020)

- ✓ \$10 billion for child care through CCDBG*

American Rescue Plan Act (ARPA) (March 2021)

- ✓ \$14 billion in supplemental funds for CCDBG & \$24 billion for child care stabilization grants

Facilities-Related Legislative Proposals

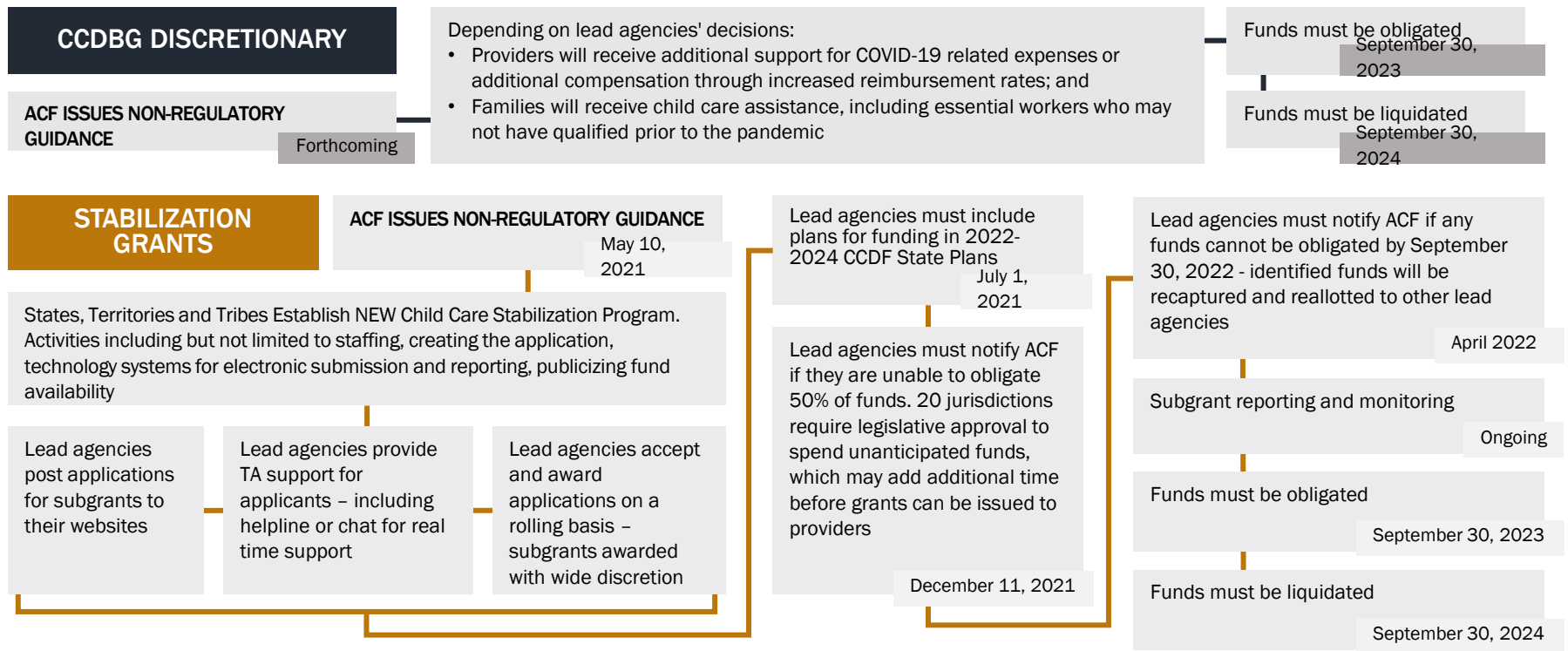
- ✓ \$25 billion for Child Care Facilities (Biden American Jobs Plan)
- ✓ Child Care is Infrastructure Act (Representative Clark; D-MA)
- ✓ Build Back Better Budget Reconciliation Proposals from House Education and Labor and Ways and Means Committees

* CCDBG flexibilities included in the legislation.

American Rescue Plan Act (ARPA) Child Care Resources

U.S. CONGRESS PASSES THE AMERICAN RESCUE PLAN ACT

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES
(ACF) ALLOCATES FUNDING TO STATES, TERRITORIES, AND TRIBES



Source: <https://www.ffyf.org/timeline-deadlines-for-states-to-use-federal-child-care-relief-funding/>

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Other Relevant COVID Relief Resources

Treasury State and Local Fiscal Relief Funds

- \$350 billion for state and local governments to pay for unbudgeted expenses tied to the pandemic.

Community Development

- \$5 billion in the Community Development Block Grant CDBG program to states, metropolitan cities, urban counties, and insular areas to prevent, prepare for, and respond to the coronavirus.

Small Business Support

- Increased the Paycheck Protection Program (PPP)'s lending authority by \$7.25 billion, to \$813.7 billion, and expands PPP eligibility to larger nonprofits by a rule change to allow for 501(c)(3) groups to calculate employee totals per physical location rather than national number;
- \$10 billion for the State Small Business Credit Initiative, which would support small business financing and technical assistance through state and local programs, and includes a requirement for states to submit a plan on encouraging CDFI and MDI participation; and
- \$100 million for the SBA to establish a community navigator pilot program for small businesses and \$75 million for the SBA to promote navigator's services and establish a national hotline.

Homeownership Aid

- \$9.96 billion to establish a Homeowner Assistance Fund at the Treasury Department to help distressed homeowners;
- \$750 million to provide housing assistance and community development services through tribal grant programs.

Promising Practice Geographies: County Spotlights

- **Buncombe County, NC**
- **Kent County, MI**
- **Rural County Innovations**
 - Maine
 - Minnesota
- **San Mateo County, CA**



Buncombe County, NC



Speakers

- **Rachael Nygaard**, Strategic Partnerships Director, Buncombe County, North Carolina
- **Tasha Lewis**, Workforce Development Program Director, Buncombe County Partnership for Children
- **Jenny Vial**, Director of Child Care Resources, Buncombe County Partnership for Children
- **Jessie Maxwell**, Senior Business Development Officer, Self-Help

Initiative



Buncombe County's Early Childhood Fund and Workforce Development Initiative



Breakout Session 2: Creative Funding for Child Care Infrastructure

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Kent County, MI



Speakers

- **Annemarie Valdez**, President, First Steps Kent
- **Ashanti Bryant**, Director, Early Childhood Services, IFF



Initiative

First Steps Kent

Website: www.firststepskent.org

Breakout Session 1: Models for Supporting Child Care Infrastructure

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Rural

Speakers

- **Cynthia Murphy**, Senior Program Director, Workforce Solutions, Coastal Enterprises Inc.
- **Heidi Hagel-Braid**, Chief Program Officer, First Children's Finance

Breakout Session 3: Identifying Spaces and Places for Development (CEI)

Breakout Session 4: Building Partnerships with Key Stakeholders (FCF)

Initiatives



Coastal Enterprises

Child Care
Business Lab

CEI Website:

<https://www.ceimaine.org/childcare/child-care-program-overview/>

FCF: [Rural Child Care Innovation Program](#)



First Children's Finance

FCF Website:

<https://www.ruralchildcare.org/>

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San Mateo County, CA



Speakers

- **Shelly Masur**, CA State Director, Council for a Strong America
- **Christine Padilla**, Build Up San Mateo County



Initiative

Build Up San Mateo County

Website: www.buildupsmc.com

Breakout Session 4: Building Partnerships with Key Stakeholders

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Breakout Sessions

Breakout Rooms

- What does child care supply look like in your county?
- Particularly in light of COVID-19, many counties are reporting that child care is a key barrier to parents returning to the workforce. What is your county is facing on this issue?
- Please share some of the programs and services that support family stability and economic support for communities in your county (i.e., workforce training, small business development, affordable housing). What role is child care playing in these initiatives? Tell us what your county is doing to support these efforts.
- How is your county leveraging American Recovery Plan Act (ARPA) funds to address the economic impacts of COVID-19? Do any of these efforts focus on or include building the supply of child care?
- Which partners and stakeholders have been involved in supporting the economic needs of your county? Have gaps in child care services come up in any of your conversations with partners and stakeholders? What voices might be missing in helping to fill these gaps?

Breakout Room Takeaways

- **What are the highlights / key takeaways from your breakout session?**
- **Did your session make you think about new partners or stakeholders that could be engaged to address the needs of working families in your counties?**
- **How might your county think about helping to fill child care gaps?**

Contact Information

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