Making

Space -

Matter

The Path to the Child Care and Early Learning Facilities Our Kids Deserve







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NATIONAL CHILDREN'S FACILITIES NETWORK

LOCAL INITIATIVES SUPPORT CORPORATION (LISC)

A Community Development Financial Institution (CDFI), LISC is one of the largest community development organizations, with staff in 38 cities and a rural program serving 2,400 rural counties. Since 1979, LISC has raised and deployed pools of public and private funding to invest \$24 billion in grants, loans, and equity, leveraging \$69 billion for local development projects and programs. These investments have helped finance over 440,000 affordable homes and 74 million square feet of commercial, retail, and community space to date.

In 1979, when the Ford Foundation first conceived of LISC, it envisioned a smart and savvy nonprofit that would connect hard-to-tap public and private resources with hard-to-reach communities struggling to revive. The premise was as simple then as it is now: government, foundations and for-profit companies have the capital; residents and local institutions understand the need; and LISC bridges the gap by offering the relationships and expertise to help community organizations attract the kinds of resources that allow them do their best work.

NCFN

The National Children's Facilities Network (NCFN) is a coalition of more than 30 nonprofit Community Development Financial Institutions (CDFIs), financial and technical assistance intermediaries, and child care 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.

NCFN works to generate federal resources that support the development and improvement of early childhood facilities in underserved communities nationwide. The Network collaborates with other children's advocacy leaders concerned with addressing the supply and quality of early childhood facilities across the country. For more information, visit www.ncfn.org and follow NCFN on Twitter @ECEFacilities.

Making Space: Leading Perspectives on Child Care Facilities: This paper is the seventh in a series of thought leadership pieces produced by National Children's Facilities Network (NCFN) Members. The Making Space series explores the importance of high-quality child care facilities, challenges to financing and accessing this vital infrastructure, and the role of intermediaries in achieving innovative solutions to increase the quality and affordability of child care facilities.

We asked a panel of stalwart child care facilities experts from across the nation, the majority of whom have been involved in this work for more than two decades, for their reflections.

Specifically, we queried,

"When you think of Child Care Facilities (physical space) in America, what 3-5 words or short phrases come immediately to mind for you"?

Here is a snapshot of their reflections.

60% of our experts polled strongly agreed that there is credible research clearly showing a strong causal relationship between physical space and child outcomes. And yet, two-thirds of respondents believe that less than 50 percent of regulated child care programs in America are held in spaces that meet or exceed baseline health and safety standards.















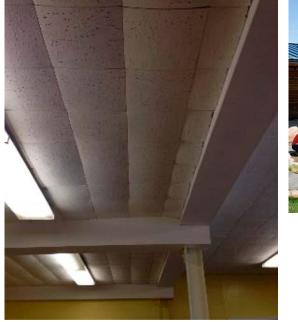


What story do we want children's spaces to tell?











The places and spaces that house child care programs directly underpin care access and quality. Decades of research across a multitude of sectors prove this to be true. So if we know what it takes to provide quality care in quality spaces...

...why aren't we doing it?

The child care sector is diverse, and so it requires diverse funding sources for operating costs. Providers range from small, home-based family operations to mom-and-pop small businesses, sophisticated for-profit chains, nonprofit community-based institutions such as YMCAs, Head Start providers, and even public-school systems. Operating dollars, drawn from disparate sources to meet each particular set of needs, typically need to be allocated towards child care spaces or facilities costs, whether owned, rented or borrowed.

Despite copious evidence that space is important, there is no dedicated source of federal funding consistently available to help with the costs of facilities. While some states have made efforts to support facility needs, for the most part providers are left to their own devices to navigate the complex world of real estate and facility financing. Most projects are funded by braiding capital from a range of sources, which often takes place in stages as funding becomes available over time. This adds not only complexity but cost to many projects.

Child care owners and operators are largely women and BIPOC, groups that have historically faced barriers to accessing private capital.^{3,4,5} Lack of funding and resources for facilities has too-often forced providers, mission-driven developers, educators, and child care advocates to settle for whatever space they can afford. Stakeholders are forced to evaluate space based on marginal standards of licensing and regulatory compliance – whatever that particular jurisdiction has deemed to be *not dangerous* for children. Child care operators not only need to comply with child

care licensing regulations but a myriad of local and state building codes and departments. Sadly, there is little evidence that these interwoven and often-contradictory regulations have produced spaces that align with what children need.

Clearly, the problem is complex and requires innovative solutions. But complexity is no excuse to throw up our hands. It is past time to act and create policy and funding supports that center the needs of children, families, and the child care workforce. Doing this requires a meaningful reckoning with the stark racial, gender, social, and economic inequities that shape the entire child care system and thus its physical spaces. Sound facility policy also requires honest and forthright conversation about what kids and their caregivers actually need in space. It is simply not enough for young children to survive – they need to thrive, flourish, and embark on the expansive brain development journeys that a thoughtfully designed space with rich programming can provide. Furthermore, such policy must acknowledge that this applies to all children in all places and all settings. Children should have what they need whether they are in a home-based setting in Kentucky, a Head Start in Philadelphia, a YMCA in San Diego, a corporate center in Chicago, or a small for-profit center in Maine.

Changing the way we value and plan for child care space requires recognition that **child care is community development**. It is integral to the way we experience the spaces of home, work, and neighborhood. We acknowledge that communities need affordable housing, job training, and social services, but somehow child care space is always treated as an afterthought, even though it is often the first issue on families' minds. For child care space to be given its due, it must be integrated and centered in community planning, reflecting the central place it has in caregivers' lives.



In 2021, with the foundational support of Pivotal Ventures, an investment and incubation company created by Melinda Gates to advance social progress in the U.S., LISC launched a program to explore ways to more intentionality include child care and early learning in broader community development efforts. Jennifer Stybel, Pivotal Ventures Caregiving lead, reflected: "The pandemic has made clear that if we want an economy that works for everyone we can't treat child care as an afterthought. We need new ideas and fresh thinking to fix America's broken caregiving system. Pivotal Ventures is excited to support LISC's innovative approach to bring quality, affordable child care closer to the parents and businesses who depend on these services." Read More

Cornell University environmental and developmental psychologist **Gary Evans** has conducted numerous research studies examining the effects of the physical environment on children's wellbeing. Evans' large and diverse body of research reveals that the effects of the physical environment—noise level, overcrowding, and housing and neighborhood quality—are as significant for children's development as psychosocial characteristics such as relationships with parents and peers. Indeed, the physical environment profoundly influences developmental outcomes, including academic achievement, cognitive, social and emotional development as well as parenting behavior.

- Kim Kopko, Child Development and the Physical Environment

Why Does Space Matter?

Space Matters! The physical characteristics of an early learning program shape the daily lives of children, staff, parents/caregivers, and the broader community. Quality space supports children's physical, social, emotional, and cognitive development – not only keeping them safe, but giving them the room to discover and relate to the world, which is critical for healthy growth. These early positive experiences take deep root in young kids and create the foundation for resilient, healthy adults who have a symbiotic relationship with their community and surroundings. Conversely, negative experiences with space can exacerbate existing trauma or can even be traumatic in themselves. At best, inadequate space fails to support the healthy growth and development of children, and at worst, causes concrete harm.



In 1998, Carl Sussman, one of the founders of the National Children's Facilities Network, challenged the child care industry to think differently about space in the article "Out of the Basement." The article ran in Young Children, the award-winning, peer-reviewed magazine of the National Association for the Education of Young Children. It spurred dialogue and action on the part of many providers and funders by asking us, literally, to get kids, teachers, and programs "Out of the Basement". And yet, nearly 25 years later, child care programs are still allowed to operate in the basement in virtually every state due to religious exemptions from regulation, "grandfathering" of older spaces, etc.

In the article, Sussman says in part, "In a field struggling to deliver an expensive service to a market with tight family and public-sector budgets, equipment and facility costs are routinely deferred or minimized in favor of bolstering inadequate staff salaries. The result is a norm within much of the child care world, especially among nonprofit providers that accepts extraordinarily low facility and equipment standards. Space in church basements filled with tired-looking hand-me-down equipment is all too frequently seen and accepted. It is so firmly entrenched a reality that providers rarely notice the depressing conditions, reflect on the programmatic ramifications, or imagine changing it." It is disheartening to realize that this could plausibly have been written today rather than two decades ago.

In the article Sussman talks about the impacts of poor space on programs at large — on the children, but also on the teachers. He quotes architect Gail Sullivan, who muses, "While providers correctly believe that good space does not make a good program, negative space is somewhat deterministic—it depletes people." Sussman adds that child care teachers are often subject to burnout, considering the physically and emotionally demanding nature of their work. As we face the absolute workforce crisis in the child care industry today we can't help but wonder if things might have been different had this call to action been better heeded and more widely embraced.

Space affects the experience of teachers and staff as well. Even for the most skilled and competent teachers, space makes a difference in their ability to implement a nurturing, quality program. Physical space drives interactions between teachers and students and supports staff as professionals. Space can also ease the experience of busy working parents at dropoff and pickup, as well as reassure them that their children are in a safe environment that supports their learning. Ideally, child care space is integrated into the context of its community, whether as a home-based facility on a parent's block, or centrally located in the circuit of people's daily lives (i.e. close to major local employers or transit hubs.)

There has historically been little support for experimentation in what kinds of spaces work best for communities and families, whether that be a child care center in an affordable housing complex or a community hub that includes child care. Regulatory and funding barriers can also make integration of child care into community infrastructure overly complicated and unwieldy.

What Does Matter in Space?

Child care space faces two imperatives. One is to reach the bare minimum: meet the fundamental, basic needs of all children throughout the country. By addressing this imperative, we risk limiting the achievement of the other. It should never have been acceptable to limit facilities to meeting the most basic needs – that children are never risking illness or death in a facility, and that they have the minimal necessary accommodations of lighting, square footage, and plumbing. The fact that these things are in question shows how neglected space has been. Imagine going to a restaurant that only meets minimal health and safety standards. Imagine going to a health care facility that barely met safety protocols. Such spaces do unfortunately exist – but we should be particularly horrified that this is so commonplace for the places where children receive their earliest care and education experiences.

The second imperative, which we cannot ignore, is to create spaces where kids thrive. The achievement of these imperatives need not be chronological or linear – the aim should not be to fulfill all the basic needs first, only then to move on to loftier goals. There is a world of creativity and specificity that can be found between the basic and the visionary. Child care facilities *must* go beyond basic health and safety to truly support the growth, learning, and development of happy kids. This document is intended to spur dialogue; it just begins to explore where we should and could be, supported by a rich body of research and the input of practitioners in the field.

Please take it as an invitation to explore further our library of materials and to dream big for space.

When polled about what characteristics of space matter the most, a panel of experts (representing hundreds of years of collective experience) overwhelmingly identified the following five items:

- 1 Enough space for all activities, including teacher and family spaces
- 2 Great outdoor spaces that include natural features
- 3 Lots of natural light, adjustable artificial light and ability to see directly outdoors
- 4 Clean, hygienic and safe spaces
- *Water, bathrooms, sinks located directly in classroom*

None of these are unreasonable requests, particularly when they benefit our country's children.

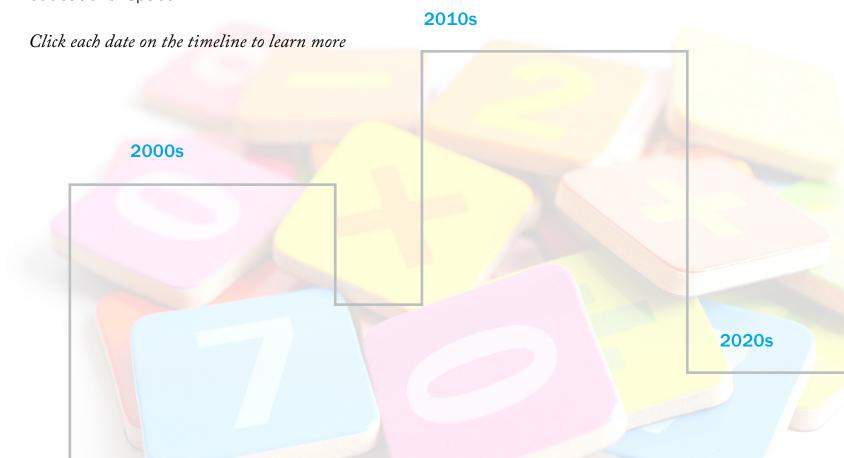
1970s-1980s

Late 1980s-1990s

1990s

What Does the Research Say About Facilities?

What we know about the importance of child care space comes from a broad body of research in fields such as child development, education, physical health, occupational health, mental health, and sustainable design. In particular, research in environmental psychology and architecture has examined the space question, connecting aspects of school design with student achievement as well as teacher retention. From this research, we can outline the history of study in this area. Recent literature reviews have identified the following trends in the study of young children in educational space:



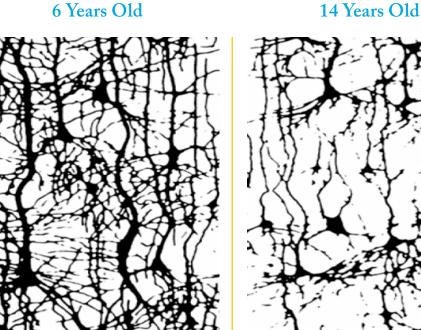
LISC

There is extensive research into the relationship between poor building quality and student learning, largely applied to school-age contexts, available through the U.S. Department of Education website. There is evidence to suggest that poor environmental conditions may have an even greater negative effect on very young, developing children. Children differ from adults in important physiological and behavioral ways that affect the young child's susceptibility and vulnerability to environmental hazards. Young children have higher rates of oxygen consumption and metabolism, differences in body composition, behavioral differences; and their body systems and organs are still developing, making them more susceptible to the negative effects of environmental hazards.²² Risk cannot be entirely eliminated in any environment, but it can be significantly reduced, and all research shows this should be an area of greater concern and focus to improve long-term child health outcomes.

Human Brain at Birth



6 Years Old



During their first decade of life, particularly in their earliest years, there is astonishing synaptic growth in children's brains.²³

Reducing risk and meeting basic health standards is important, but physical space can also have rich developmental and educational benefits that go far beyond this. Space can facilitate productive, imaginative play that has endless positive learning impacts on kids. Space helps teachers, facilitating better and more frequent teacher-child interactions and giving educators the room (literally) to do their jobs well. Outdoor space has the potential to expand the indoor learning experience by connecting kids to nature in ways that are nearly limitless.²⁴



Sensory-Rich Environment²⁵

- Everything we do in our lives depends on our senses. Designing for the most intense needs means we all can benefit. Children rely on their senses to engage with others, be creative, and engage with the environment (i.e., gustatory, olfactory, tactile, visual, auditory, vestibular, proprioception, and interoception).
- Everyone has a unique way of processing sensory information. Each person has different sensory needs:
 - Varying types of input at different times
 - Differing tolerances for types of sensations
 - Unique preferences, likes, and dislikes
- Why provide sensory experiences for children?
 - If you design for the most complex sensory needs, you design for all. When you provide children
 with an enriching, balanced experience you're helping them regulate letting them do what they
 want and need not only in the play space but during their daily lives as well.



Designing for Wellness²⁶

- The idea that spending time in nature can promote well-being and provide restorative benefits to one's mental and emotional states is not new but has returned to be at the forefront of current thinking on well-being and therapeutic design.
- Research evidence finds that spending time outside in nature is an effective and low-cost way to significantly reduce stress and provide much-needed relief and rejuvenation.²⁷

Benefits to child development:

- Physical development (i.e., motor skills)
- Social development (i.e., self-awareness)
- Emotional development (i.e., use of all senses, developing a sense of independence)
- Intellectual development (i.e., communication skills, brain development)

Benefits to mental health:

- Improves Mood
- Reduces Stress
- Provides Exercise
- Raises Confidence
- Fosters New Relationships



A robust body of knowledge and expertise exists around why space and environments are important in early childhood settings. Yet, policy persistently refuses to catch up, leaving providers struggling to identify, develop and operate accessible, high-quality early learning spaces. We must lift up the stories of our families and child care providers experiencing these challenges and prioritize policy solutions with the participation of families, policymakers, designers, and developers to build the kind of spaces we need.

Whose Space Matters?

Space is the visible, tangible inequity in the United States child care system. As in the education system more broadly, the quality of early childhood facilities differs along racial and economic lines, meaning that Black, Indigenous, and People of Color (BIPOC) children and low-income children are more likely to face negative impacts on health and learning in a child care facility. Studies of schools in urban areas in the 1980s and 1990s concluded that the physical environments of schools in underserved communities communicated neglect and a lack of societal priority for their students.²⁹ Just as schools in these communities are underinvested, so are child care facilities.

Our society has a **history** of displaying a widespread disregard for low-income children of **color**, shunting them into buildings that are inadequate, unpleasant, and downright **dangerous** – even as providers work hard to make up for **poor** conditions and **lack** of resources.

It is clear that we, as a nation, know what good space for all kids should look like. There are droves of private and corporate centers that thoughtfully attend to every detail for children, teachers and families. We can look to models such as Educare, which set out to create centers of excellence that show what is possible with sufficient resources and high expectations. We can look to the well-researched Head Start facility standards and to the many state-of-the-art Head Start Centers developed with infusions of federal dollars. However, in our broken and inequitable child care system, only 36 percent of eligible three- and four-year-olds are able to attend a Head Start Center and only 11 percent of eligible children under the age of three attend Early Head Start. Further, only 45 percent of these children attend full-day programs, with the rest relying on wrap-around community-based child care for the balance of the day. Head Start.





Photos of Educare DC (photographer Tom Kessler), Educare Springfield (photographer Thomas Grady), Educare Winnebago (photographer Tom Kessler), and Educare Oklahoma City (photographer Joseph Mills)

Children & Families

More recent research in areas such as social determinants of health and environmental justice has demonstrated how structural disinvestment, inequality, and racism shape health outcomes and give rise to unhealthy, unsafe physical environments for low-income BIPOC. Knowing that young children are in such a sensitive stage of development, it follows that these effects are magnified for low-income BIPOC children. Environmental conditions such as overcrowded schools and exposure to pollutants and toxins can negatively affect socioemotional, physical, cognitive, and academic development. A 2014 study found that low-income, nonwhite young children and elderly people face disproportionate exposure to outdoor nitrogen dioxide pollution (associated with traffic emissions, power plants, etc.). This is of particular concern considering that child care facilities are often situated in areas of high traffic for accessibility purposes. Low-income children and BIPOC children are also disproportionately more likely to live in areas where they are exposed to lead through deteriorating paint in older housing and old water piping. This suggests challenges for the safety of home-based child care, where a provider's home or apartment is used to operate a small yet unique child care experience.

Many low-income, culturally and linguistically diverse communities are child care deserts, lacking high-quality, affordable supply that meets their needs.³⁷ Families in immigrant communities may rely on home-based, license-exempt child care, but there are generally inadequate funds and technical supports for this kind of care.³⁸ An early childhood setting that supports the development and strengthening of a child's racial, ethnic, and/or cultural identities, as well as reflects that child's home life and community, benefits that child's learning and development. Physical space can be part of that support.³⁹

After decades of research in support of early childhood development and a global pandemic that made clear families' ability to access dependable, quality child care is vital so they can maintain connections to the workforce, why must we continue to ask the question: Why do we put low-income kids in bad spaces? When there should be access to numerous, safe, affordable, high-quality child care facilities in communities that meet the cultural and linguistic needs of the population. Rather than questions like will my child's care facility make her sick, parents and caregivers should get to ask how many different ways can my child's care facility help her imagination thrive? Rather than will the location of my child's care have adequate plumbing and drinking water, parents and caregivers should get to ask how does the spatial layout of the facility harmonize with programming in a way that reflects our community's values?

Owners/Operators

While children and families are the direct recipients of care and most directly impacted by its quality, equity issues can affect care providers as well. Women own 96.5 percent of child care businesses, and more than half are BIPOC-owned. Child care enterprises operate on incredibly thin margins, and business has suffered even more during the COVID-19 pandemic.⁴¹ These challenges limit eligibility for private-sector financing, such as loans, and most mainstream financial institutions and commercial banks lack underwriters who specialize in the child care

sector. Programs in low-income communities often rely primarily on public funding, which can be unpredictable, unstable, and does not reimburse adequately for the true cost of administering high-quality care. This inoperable financial model stymies an organization's ability to qualify for business or real estate loans and even public funding opportunities.

This is consistent with overall disparities in access to capital faced by women and BIPOC business owners. ⁴² The conundrum described above illustrates some of the consequences of this: care providers must often become their own real estate developer due to lack of support for this kind of development. While inequitable capital access with regard to child care is under-researched, further investigation of this issue is critical. Investment in supply and quality of child care would "support vital infrastructure for workers and families" and serve as "an equitable economic development strategy." ⁴³

The Workforce

The child care workforce also faces low wages, inadequate benefits, and to add insult to injury, are often laboring in the inhospitable work environment of a poor-quality facility. Only 15 percent of the child care workforce receives health insurance coverage, and 14.7 percent of child care workers live below the poverty line compared to 6.7 percent of workers in other industries.⁴⁴ Twenty-two percent of the workforce is foreign-born, and 40 percent are BIPOC. The vast majority (94 percent) are women. All of these challenges make it difficult enough for skilled teachers to do their jobs, which are challenging in themselves.⁴⁵

Space can support teachers in their work, hinder them, or exacerbate negative feelings about their jobs. Teachers that feel control and empowerment in their work and have positive feelings about their work are associated with greater emotional wellbeing for kids.⁴⁶

"Across the country, many early childhood programs have begun to look alike, a mini replica of an early childhood catalog. Usually there are child-sized tables and chairs, primary colors, an abundance of plastic materials, commercial toys, and bulletin board displays. You have to search to find soft or natural elements, places where adults as well as children can feel cozy, alone or with a friend. The smell of disinfectant often floats in the air. Have we forgotten how a cluttered or tattered environment quickly seeps into our psyche? Do we know how a sterile and antiseptic climate shapes our soul?"

—Margie Carter, "What Do Teachers Need Most from Their Directors?"

As we have now discussed at some length, child care facilities scarcely manage to prioritize their youngest occupants, but adults are often not taken into consideration at all.⁴⁷ Examples of recommended work standards for child care teachers **include**: adult-size chairs and work stations in the space; a quiet space for staff to reflect and take breaks; places for staff to add photographs and artifacts of their lives so that the space feels like theirs as well. While space cannot solve all the structural challenges facing providers, it can improve their experience of work and make them feel valued, which in turn will lead to better child outcomes.⁴⁸

When Khadija Lewis Khan opened the Beautiful Beginnings Child Care Center in Providence, Rhode Island, to serve low-income families, she used the only available space she could afford — a former clothing store in a strip mall. Four-foot-high shelving units were all that separated classrooms in the cavernous room. Bathrooms were a long walk from learning areas. The open plan magnified sound and visual distractions. Behavior issues were chronic. Bathroom trips and the quirky layout resulted in lost class time; the center failed accreditation. Teachers suffered from headaches and stiff necks. Khan measured the stress of the day by how quickly the aspirin bottle ran out.

In 2005, with help from Local Initiatives Support Corporation and government funds, Beautiful Beginnings re-opened in a light-drenched building with thoughtfully designed classroom space and a place for parents and teachers to meet. The very same group of kids went without a behavior problem for almost a year. Now, with similar help, the center is expanding to accommodate a long waiting list of working families.

Beautiful Beginnings speaks to what a quality environment can do. Abundant research backs that up: Carnegie Mellon University found young kids were more likely to be off-task when exposed to excessive visual stimulation. A study of schools in Finland suggests children's cortisol levels, a stress barometer, were lower in schools designed with age in mind.

Brick and mortar are only part of the picture. Quality directors, teachers, materials and parent involvement are a must. But even the best efforts will fall short in a building that ignores the needs of its littlest learners.

Above from:

Why are we sending children to pre-k programs in converted salons, bars and turkey coops? The Hechinger Report



LLSC



The Inadequacy and Inequity of Licensing, Regulation, and Quality Rating Standards

Licensing, regulation, and quality rating systems for facilities should, in theory, make facilities safer and improve their quality. However, more often than not, these systems as they exist can actually impede the expansion of equitable access to quality care. Requirements for licensing or for achieving a higher quality rating can be rigid, inflexible, and expensive if not impossible to meet.⁴⁹ These requirements often fail to accommodate care providers who are deeply embedded in the context of their community and desperately needed by the children they serve, in particular home-based child care.

The history of licensing early child care and education programs is rooted in the now-antiquated distinction between *child care* and *early education*, which were targeted, respectively, at different socioeconomic statuses. Early child care programs met the needs of families and single parents participating in the labor force with children too young to enter the public school system. Program quality was measured by providers' ability to meet children's custodial needs, and providers that met state standards obtained a license. Children without a parent or caregiver participating in the

labor force typically attended early education programs, emphasizing socialization, education, and school readiness. Providers that met educational standards obtained accreditation status.⁵⁰ Child care and early education are no longer separated, but rather, all child care programs also have early education aims. To fill the gap between licensing and accreditation standards policymakers implemented the quality rating and improvement system (QRIS), a market-based intervention intended to inform parents and caregivers about child care and early education program quality.⁵¹

However, in the contemporary context, there is little investigation into the *adequacy* of existing child care licensing and regulation systems, particularly with regard to facilities. The regulations that affect providers not only concern child care specifically, but can also encompass zoning, general building code enforcement, fire codes and an array of applicable local ordinances. It is not uncommon to see contradictions across these various regulatory bodies and inconsistent interpretation of regulations within agencies. All of this results in time, complexity and cost that many providers simply cannot navigate. Failing to recognize and appropriately support providers through these processes impedes system growth and particularly limits participation in those systems for smaller providers, often women of color and often the very providers most ingrained in community and most essential to lower income families.⁵² Even finding all of the various standards applicable to child care facilities can be cumbersome and, in some cases, nearly impossible.

States' Child Care Licensing Bureau websites and Licensing Laws and Regulations websites are often maintained by separate entities making them difficult to find and navigate. Further, states' licensing laws and regulations are typically embedded in administrative codes which are not easy to understand and interpret. Likewise, states' consumer education websites can be difficult to find and navigate. While states provide information about child care assistance on their consumer education websites, the sites offer limited information to help families find affordable child care options and about other financial family supports.⁵³ Moreover, few states provide child care search options that help meet children's unique needs.⁵⁴

When LISC conducted the 2019 Rhode Island Facility Needs Assessment lack of clarity and inconsistency in regulations enforcement were the chief complaints heard from nearly every provider and real estate developer interviewed. SMILEE Regulations are being adopted as a result.⁵⁹

State regulations set minimal standards that keep children safe and healthy, failing to go further in promoting an environment in which they would flourish – and providers don't have the funds to go above that minimal baseline. Grandfathering of spaces that do not comply with current or newly-promulgated regulations is also common practice in many places, throwing even safety and health into question. This grandfathering can be contradictory to QRIS requirements where it is common to see compliance with current licensing standards as a requirement of moving up in the system. In the majority of states, funding and reimbursement rates correlates directly to QRIS levels, making this a particularly high-stakes variable. Providers may find themselves trapped at the bottom levels of QRIS without access to systems and program resources - which similarly have eligibility criteria, linked to high-quality QRIS ratings – and as individuals, may not have the resources on-hand to make the very improvements needed. This perpetuates a cycle of inequitable funding and inadequate spaces. This particularly disadvantages small, often BIPOC providers who historically lack access to capital markets that could provide financing necessary to improve their spaces.

Licensing, regulation, and quality rating standards are often enforced in a restrictive or punitive way that prevents providers from meaningfully improving quality of their facilities (often because of prohibitive cost). While initially intended to create and maintain safe and healthy learning environments, many fail to address anything beyond that baseline, in particular, true measures of quality for a child care facility. For example, most jurisdictions regulate space at 35 square feet per child, even though all available research shows this is insufficient and does not account for adults in the space, significantly shrinking this allotment in practice. Regulation can also vary wildly by state: in 2019, only 11 states required licensed child care facilities to test their drinking water for lead and in 2015 only a third of states' child care facilities laws and regulations addressed asbestos – even though the risk to kids from these harmful toxins is enormous.⁵⁸ These divergences often lack logic – what a child needs to be safe in Portland, Maine they would also need in Chicago, Illinois or Memphis, Tennessee, yet regulations are often subject to local politics and administrative whims, not to mention often up to the interpretation of a licensing or certification agent(s), and do not reflect the shared needs of all children.

Measurable

(i.e. defined minimum numbers)

Specific

(i.e. defined measurements, such as "provide clear, 2-foot pathway around emergency exits")

Incremental

(centered in ongoing quality improvement with resources to support improvement)

Logical

(research-based and grounded in quality)

Enforceable

(can be enforced without unnecessary confusion or undue burden)

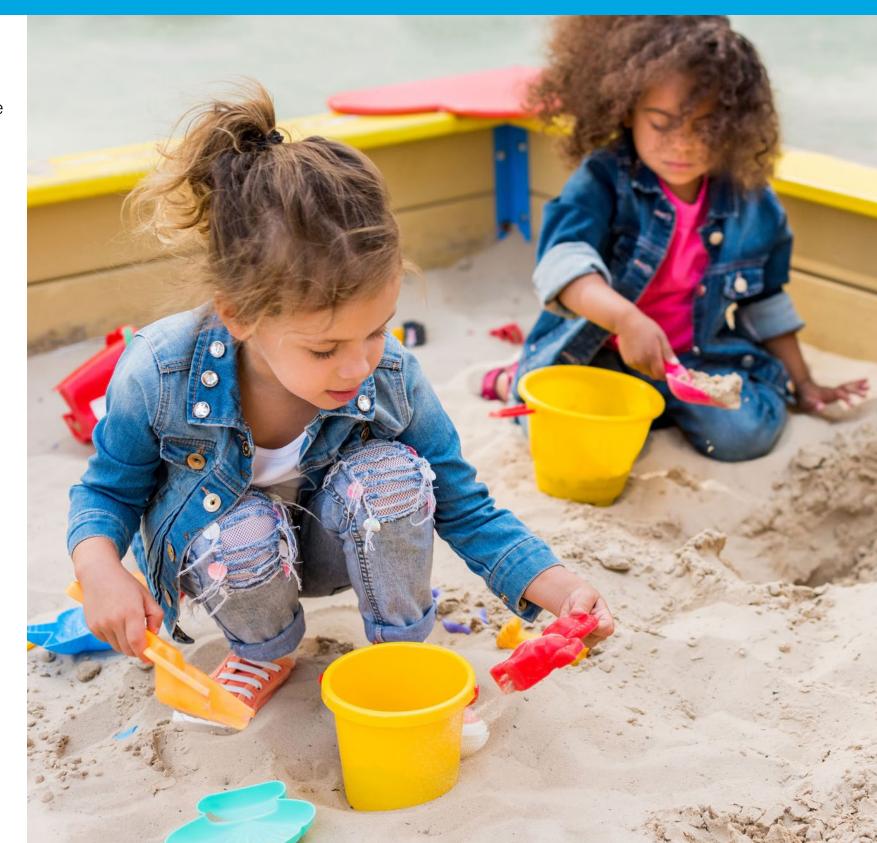
Enforced

(systems that support monitoring and enforcement in consistent and equitable ways)

There are innumerable other changes that could transform the role played by licensing and regulation. Another might be to redefine the role of the licensor as someone whose job is to improve quality. Rather than reducing quality to a checklist, the licensor would meet providers where they are and work with them to improve. Michael Lindstrom of studioMLA suggests having model programs that providers could visit and observe, giving them concrete examples rather than rigid, inflexible requirements. Providing technical assistance and financial resources to operators as they embark upon quality improvement projects can have a big impact on local systems, but we can get farther when support agencies coordinate efforts and make information accessible.

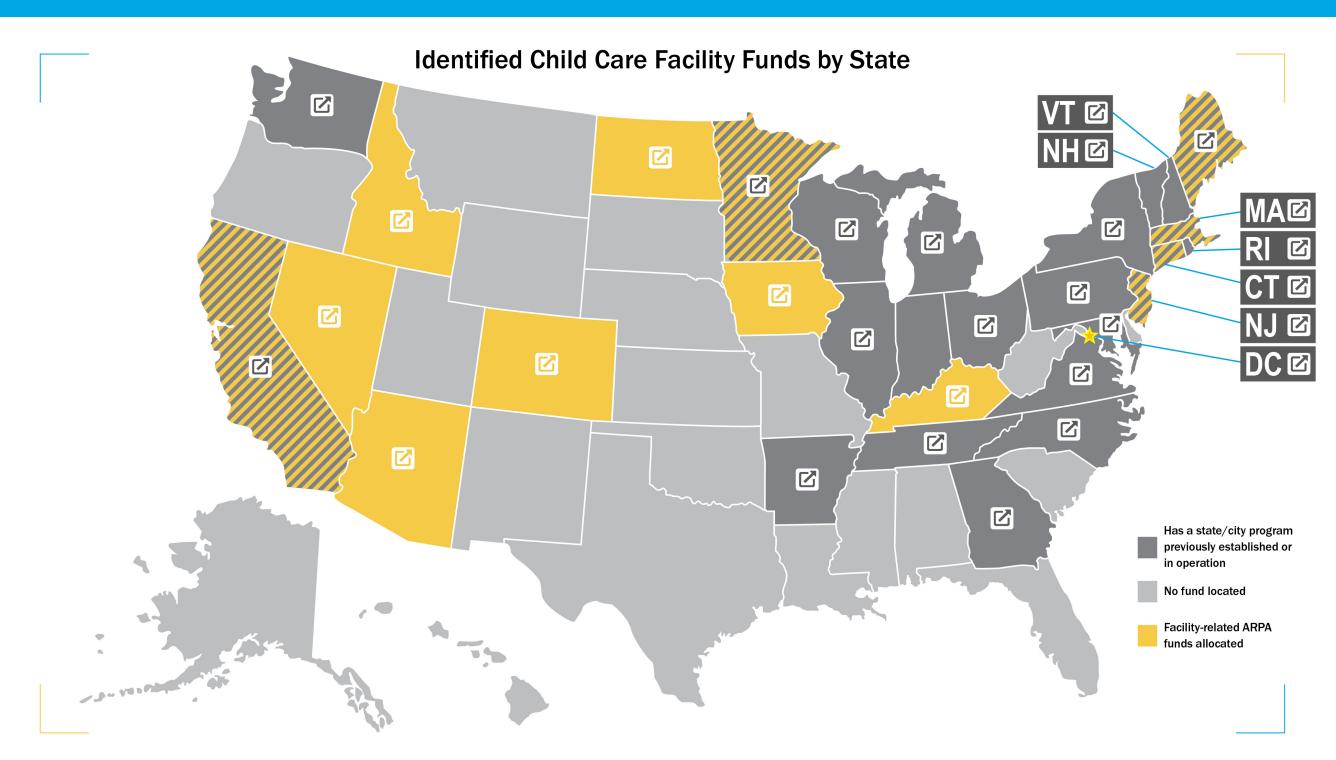
How Have We Tried to Make Space Matter?

Given that discussions of child care space have dated back to the 1970s, how have states, municipalities and local leaders fashioned policy solutions related to the creation and maintenance of child care facilities over time? Upon review, many past models of facilities support have been beacons of hope, dating back to the inception of dedicated **child care facilities funds** in the late 1980s. Many of these efforts helped to spur the development and improvement of facilities while creating aspirational space and financing models. Funded publicly, privately, and with artful combinations of both; operated by state economic departments, offices of child care, municipal and county governments, private philanthropy, community development financial institutions, and more, this patchwork of efforts sprinkled across twenty states was remarkable despite the challenges these funds faced to scalability in their own geographies, let alone on the national level.









These efforts have all been more or less bundled under the umbrella of "child care facilities funds," but in reality they have taken varied forms. Some have essentially been loan programs, often with favorable interest rates. Others have centered on the distribution of grant dollars, usually over a shorter period. Some programs, most often those operated within Community Development Financial Institutions (CDFIs), focus on building out a set of complementary grant and loan products, often assembled from both private and public sources. 62 These financial resources are then paired with robust technical resources and training for maximum impact. For this reason, this last type of fund has largely stood the test of time. In fact, experts in this work consistently assert that the most important component of facilities funds may not be the funds at all but the deep technical support that accompanies those dollars.



technical assistance can make all the difference.





New Loan Fund Banks on Better Day-Care Centers: The private project offers funds and expertise to help struggling agencies improve their facilities.⁶³

The late 1980s through the early 2000s saw the greatest surge in facility fund efforts, during an era of broad sweeping changes in federal child care programs and subsidy streams, as well as the era of welfare reform which emphasized funding and supports to help families enter or reenter the workforce. The heightened focus on access to quality child care also accompanied women entering the workforce in record numbers. This era predated the development of QRIS systems and many of the overwrought regulations and requirements we see today, allowing operators to dedicate more of their time and their resources to family, program, and community needs. In this era, tremendous federal and state dollars were funneled into child care, leading to confidence in future economic stability of the industry. It is no coincidence that this heightened economic confidence coincided with the emergence of numerous targeted loan funds and a belief that it would be beneficial to make loan capital more readily available to an industry with historically limited access.

Unfortunately, by the mid-2000s, the economic outlook for child care had taken a dramatic turn. Faced with dramatic government funding cuts, impacts of a recession and heightened regulations, providers were left with scarce resources to pursue debt-financed projects.

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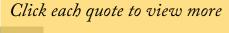
So compelling was the notion of child care facilities loan funds in the late 1990s that two extensive resource guides were developed for the Carnegie Corporation Finance Project in 2000 and 2001. These guides present a look into the thinking and action of that era and a snapshot into the diverse set of partners that came together to tackle facility issues at that time. For anyone interested in exploring the roots of the child care facility fund movement they are well worth a deep dive. They also signal that it is time for new toolkits to guide the leaders of today coupled with a renewed call to action.

Particularly notable was just how complicated it was to uncover and digest this information. Because of the widely disparate nature of facilities fund efforts it quickly becomes unwieldy to describe and categorize them in ways that people outside the industry can understand. Child care facilities fund efforts exhibit high variability in products, services, target populations, eligibility and more. They also vary widely in how they track and talk about impact. In today's era where funders are hyper-focused on impacts, facility fund efforts are most frequently described in outputs: dollars invested, square feet developed or child care slots improved. While such terms have great meaning to those tracking them, they are not used and defined across efforts in a coordinated way, making them confusing at best to most potential funders or lawmakers.

One thing is consistent through the pockets of promise where facility efforts have succeeded and been sustained: vocal, passionate champions for the cause. Individuals who are unwilling to accept the status quo or dance around the reasons that bad spaces persist. Individuals who are unwilling to accept that children whose families cannot afford more should have to accept less for their children in the most formative moments of their lives. These champions come from an array of backgrounds – they are educators, architects, community development professionals, government officials, funders, physicians – but all share a compelling belief that space matters. Also noteworthy is that the best-recognized and longest-running initiatives were funder-driven at their roots, with funders and advocates coming together to strategize a sustainable and impactful platform

for change. The efforts were not rushed, haphazard or reactive. Rather, they were grounded in thoughtful planning and responsiveness to need.

Funding sources tapped by child care operators to pay for acquisition, construction, renovation and ongoing upkeep of facilities are as diverse as the providers themselves. All projects must braid various funding sources, complicating the task of aggregating and generalizing data across the field. Facilities funds have not focused on all provider types equally, and thus not all providers have had equal access to these resources and efforts. The following chart is not all-inclusive but is intended to be representative of the most commonly accessed sources of capital for buildings by provider type.



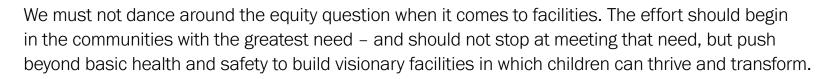




Currently there is no dedicated federal source of capital accessible to **all** provider types in **all** communities to assist with infrastructure needs. That is why NCFN and its member organizations so passionately support the establishment of dedicated public sector (federal, state and local) resources for ECE facilities.

Click each tab to learn more





Equity issues are systemic, and thus require systemic solutions. We need a dramatic rehaul – or rather, *first-time introduction* – of robust supports for child care facilities on the levels of financing, technical support, regulation, quality standards, and accessibility. Racial, social, and economic equity is not incidental to this project, but central, and must be *embedded* in the project of access to quality spaces. In scanning more than thirty years of dedicated facilities funds efforts across the nation, an equity framing was rarely front and center in either the messaging or the externally reported data. While equity very likely did play an essential role in how funding decisions were prioritized or approved by various facility funds and projects, there was little visible evidence of a foundational intent to drive capital to the people and places who need it most.

The good news is that there remain many people and organizations committed to solving this crisis. Driving change and scaling impact requires a strong and solid platform from which to do so. Several foundational elements are needed, and many already exist within the NCFN policy platform. These include:

Click each element to view more

A look back at decades of efforts to improve and expand quality child care infrastructure quickly reveals what a long, slow and expensive slog it has been. We live in a world of sound bites and instant delivery. Funders, both public and private, frequently seek short-term investments and rapid outcomes. Developing child care facilities does not fit this bill: it is complicated, costly and time consuming. The most successful efforts we have seen have been operating for decades, and have invested tens or even hundreds of millions of dollars. Yet this has resulted in mere thousands of spaces being developed and improved. The stories behind those numbers undoubtedly show that the impact has been transformative for those particular programs, operators, families, teachers and communities. However, an objective look at the data also demonstrates that we desperately need new approaches.

With few exceptions, the history of facilities fund efforts has assigned each individual provider the responsibility of developing and maintaining their own space. An emerging and perhaps more impactful way of thinking about this is elevating a commitment to meaningfully integrate child care into overall community planning, rather than treating it as an afterthought. Too often, planning does not take into account the need for child care space, in direct contradiction to the priorities of community residents. Providers are forced to take whatever space is available, no matter how inadequate. Due to lack of support, resources, and integration with other existing space, providers often have no choice but to act as their own real estate developers in their limited spare time. Co-location models – for example, an affordable housing complex designed to include a child care facility – are one way to incorporate child care into traditional community development. 64,65 Colocation acknowledges that child care does not occur in a vacuum – that parents are rushing from home to school to work, and that the location of their care facility might determine their ability to pursue a certain job or live in particular housing. These projects also allow child care providers and community developers to partner and benefit from one another's expertise. Sadly, these models have been underexplored, but pilot programs are underway to investigate the challenges and potential benefits of supporting such projects on a greater scale.⁶⁶

Conclusion: How Do We Make Space Matter for Everyone?

The lack of attention paid to facilities is a consequence of the gap between wealthy and lowincome families. Across the nation, many child care facilities in low-income, under-resourced communities are located in buildings that were never designed for children to spend almost half of their waking hours. If we acknowledge the inequities that divide the wealthy and lowincome communities, we can improve and create environments where we raise all children.

- Theresa Jordan, Children's Investment Fund

Our child care buildings are the leaky roof in a care system that overall fails to provide. Care costs too much for most families yet generates few profits to provide or improve quality. Systems funding constraints have forced us to value engineer projects and make poor decisions around space from the start. This has given rise to a pernicious culture of low expectations, where we cheer reaching the floor when the ceiling is not even in sight. Our children, and those who do the labor of caring for and educating them, deserve high expectations and all the support and resources they need to meet them.

We need DEDICATED **FUNDING** SOURCES to support this work.

But it is not only funding holding us back. It is the industry's own narrative around the subject that keeps us stuck in bad spaces and places, preaching that if the teachers – the same teachers not even receiving a living wage for their work - just work harder, better, more creatively, they can somehow provide an experience that overcomes the barriers of a bad space. We force parents to accept that good enough will have to do for their child, not because they don't want better for them, but because there are no better options in sight. We talk about developing child autonomy and meaningful interactions while accepting spaces that promote neither. And, quite simply, we continue to look the other way because the problem just seems too hard and too costly to fix.



In 2022, with so many children facing the traumas of racial injustice, the COVID-19 pandemic, and more, we cannot settle for facilities that are "safe enough." Children today need trauma-informed design. Trauma-informed Design (TiD) is a framework that has not yet achieved a unified definition. However, the seed for TiD has been around for some time. studioMLA Architects defines it as a design process for the built environment based on trauma-informed care principles. All decisions about the physical environment must be filtered through the overlapping lenses of psychology, neuroscience, physiology, and cultural factors. The intent is to create uniquely-designed spaces where all users feel a sense of safety (both real and perceived), respect, connection and community, control, dignity, and joy. Each TiD environment should aim to specifically meet the unique needs of the intended users, recognizing that some helpful and healing design elements may look different for different populations.⁶⁸

Trauma-informed Design is more than just picking the right shade of a "calming" color. By adhering to the six principles of the trauma-informed approach, the result is a built environment that is inclusive of many voices, not just one.

- 1 Safety and Accessibility
- 2 Trustworthiness and Transparency
- 3 Peer Support
- 4 Collaboration and Mutuality
- 5 Empowerment, Voice and Choice
- 6 Cultural, Historical, and Gender Differences

TID in the child care space is still being studied and considered. studioMLA Architects is a leader in this work, dreaming big for facilities that are healing and supportive for children.⁶⁹



What is indisputable: the cost of making space matter will be significant. What should also be indisputable: that cost cannot rest solely on families and already overburdened providers. We cannot avoid raising this issue and push it off for another several decades just because we are afraid of how much it costs or because it is unclear how we will fund it. A look back at the history of the child care facilities fund movement shows that the longest-ranging, furthest-reaching efforts have been created and sustained with a blending of public and private capital. They also incorporate both grant dollars and flexible loan products, including debt that may be partially forgiven if certain milestones and benchmarks are achieved. These have been ground-up state and local efforts. While many of the efforts have leveraged federal resources, none have waited for federal solutions to get moving on the urgent solutions in their states and communities for their families, children and economic wellbeing. The time is now for state and local champions to act, looking to previous successes for guidance.

In some ways this piece may feel like a walk down memory lane – so many of the references are more than two decades old. This is intentional. It is important to be honest about the state of affairs. We have known for a very long time what children, teachers and communities need. Still, we have failed to generate the public and political will to make it happen. The issue of addressing the child care space challenge is plagued by a fear that resources pulled for buildings will take away from resources for the workforce. This is an unacceptable construct - it is simply not an either/ or question and never has been. Advocates who believe that children and teachers deserve to spend their days in spaces that nurture their wellbeing are not the enemy of advocates who want living wages for a workforce and sustainable business models for providers. Further, criticizing the spaces that currently house the majority of child care programs is not a criticism of the providers themselves but rather a criticism of the system that has allowed this to happen.

Fledgling movements towards solutions are often stymied by a lack of good data on the current state of facilities and honest data on the cost of solving the issue. However, we know how to answer these questions and have done so for other infrastructure – from school buildings to

roadways. The federal government could fund a study, and failing that, states could look to places that have taken this on themselves from the coast of California to the coast of Rhode Island and in between.⁷⁰ Too many years have passed with too few meaningful solutions. **We need a cadre of champions for this cause and history has shown that those champions are local.** They come from state, city and county government, from private philanthropy and financial institutions, they are providers, advocates and parents, and not only are they local, but their solutions are too.

Community Development Financial Institutions (CDFIs) such as LISC are key players in these solutions. CDFIs understand the importance of space and buildings as not just material and aesthetic, but important factors in the equation of solving social problems. Buildings alone cannot address inequity, but equitable solutions also need buildings. Child care facilities are some of the most important buildings out there, playing the dual role of nurturing the next generation and fulfilling a core, basic need for any community. Children, families, and providers deserve quality facilities. For them, we have to make space matter. That's why LISC is launching the *Making Space Matter platform* to help these essential local leaders across the nation actively plan for the interconnected system of supports needed to finally get kids – and teachers – "Out of the Basement." This tool will walk leaders step by step through creating a robust facilities needs assessment plan to strengthening and streamlining facilities regulations and standards, exploring diverse funding sources, engaging new partners, building out meaningful technical supports and launching an impactful policy and advocacy platform.

This platform is for our **leaders**, our champions: for all of **you** to **identify** concrete, immediate **action** steps to finally make space matter for all **kids**, families, and educators in every **COMMUNITY**.









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