

United States Senate

WASHINGTON, DC 20510

May 12, 2022

The Honorable Chris Van Hollen
Chairman
Senate Appropriations Subcommittee on
Financial Services and General Government

The Honorable Cindy Hyde-Smith
Ranking Member
Senate Appropriations Subcommittee on
Financial Services and General Government

Dear Chairman Van Hollen, and Ranking Member Hyde-Smith:

As you begin drafting the Fiscal Year 2023 (FY23) Financial Services and General Government Related Agencies Appropriations Bill, we respectfully request that you include report language to allow non-profit child care providers access to the same U.S. Small Business Administration (SBA) loan products as for-profit child care providers. Access to quality, affordable child care has a direct impact on the broader workforce, especially for women. Increasing access to capital for non-profit child care providers is an important piece of the puzzle to expand the availability of high-quality child care for working families.

Even before the COVID-19 pandemic, about half of families in the United States lived in “child care deserts,” with few options for licensed child care. This is an even greater problem for rural, low-income, and minority communities. We also have seen significant disruptions in the child care supply chain throughout the course of the pandemic. Additionally, at the height of the pandemic, many parents faced the decision to choose between their careers or taking care of their children, with women being disproportionately impacted. According to a recent report, over 1 million women left their jobs between February 2020 and January 2022¹.

Currently, non-profit child care providers are unable to access the same types of SBA loans as for-profits. For-profit providers have access to larger and more flexible loan programs that range up to \$5 million, which can be used for real estate purchases to increase child care capacity, construction and remodeling to upgrade and expand facilities, and other expenses critical to maintaining and expanding high-quality child care operations. However, non-profit providers are limited to only the SBA microloan program, which is capped at \$50,000, and these funds cannot be used to purchase real estate or for existing operational debts. Ensuring that qualified non-profit providers have equal access to SBA loans will allow providers to invest in and expand their operations, creating local jobs, and giving working families more options for quality, affordable child care so they do not have to choose between their careers and supporting their families.

We strongly support ensuring that all SBA loan programs are made available to all qualified child care providers, whether they are for-profit or non-profit operations. Therefore, we ask the Subcommittee on Financial Services and General Government to include the following report

¹ <https://nwlc.org/resource/men-recouped-losses-women-lag-behind/>

language in your forthcoming legislation to help extend SBA loan programs to non-profit child care providers.

The Committee recognizes the critical role of child care providers in supporting the economy and workforce, and directs the Administrator to allow qualified nonprofit child care providers access to all SBA loan programs that for-profit child care providers may utilize. A qualified nonprofit provider must be in compliance with state licensing requirements, operate as a 501(c)3 organization, primarily engage in providing child care for children from birth through school age including preschool or prekindergarten or care for school-age children outside of school hours or schedule, and comply with background checks for each employee and regular volunteer.

Thank you for your attention to this important issue. We look forward to working with you and appreciate your consideration.

Sincerely,



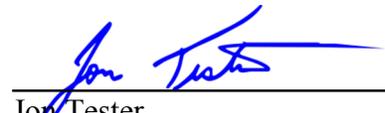
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Tammy Duckworth
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