

United States Senate

WASHINGTON, DC 20510

March 30, 2023

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

The Honorable Bill Hagerty
Ranking Member
Senate Appropriations Subcommittee on
Financial Services and General Government

Dear Chairman Van Hollen, and Ranking Member Hagerty:

As you begin drafting the Fiscal Year 2024 (FY24) Financial Services and General Government Related Agencies Appropriations Bill, we respectfully request that you include report language to allow non-profit child care providers greater access to U.S. Small Business Administration (SBA) loan products, such as the 7(a) and 504. Access to quality and 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.

About half of families in the United States live 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 saw significant disruptions in the child care supply chain over the course of the COVID-19 pandemic. At times, many parents faced the decision to choose between their careers or taking care of their children, with women being disproportionately impacted. As the U.S. economy has recovered from the pandemic, women with minor children saw improvements in employment— with 993,000 more mothers working in December 2022 compared to December 2021.¹ Despite this increase, women with minor children at home are still disproportionately affected in the labor market by this lack of access to childcare, underscoring the need for increased options for quality and affordable childcare.²

Despite a significant need for more child care options, 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

¹ <https://www.americanprogress.org/article/fact-sheet-the-state-of-women-in-the-labor-market-in-2023/>

² <https://www.americanprogress.org/article/fact-sheet-the-state-of-women-in-the-labor-market-in-2023/>


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 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 greater access to SBA loan products, including the 7 (a) and 504 programs. 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.

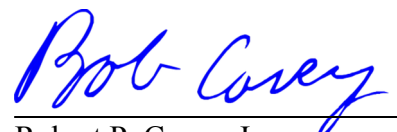
Sincerely,



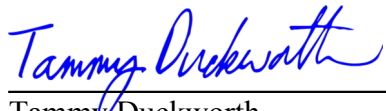
Jacky Rosen
U.S. Senator



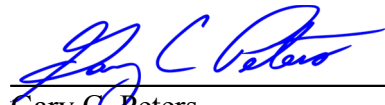
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United States Senator



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