

United States Senate

WASHINGTON, DC 20510

June 22, 2021

The Honorable Patrick Leahy
Chairman
Senate Committee on Appropriations

The Honorable Richard Shelby
Vice Chairman
Senate Committee on Appropriations

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 Leahy, Vice Chairman Shelby, Chairman Van Hollen, and Ranking Member Hyde-Smith:

As you begin drafting the Fiscal Year (FY) Financial Services and General Government and Related Agencies Appropriations Bill, we respectfully request that you include report language to allow non-profit child care providers access to the same Small Business Administration (SBA) loan products as for-profit child care providers. As we recover from the COVID-19 pandemic, it is important that we make critical investments in our child care infrastructure. By increasing access to additional capital resources through the SBA, this will provide support for non-profit child care providers to expand the availability of high-quality child care for working families.

Even before the COVID-19 pandemic, around half of families in the United States lived in “child care deserts,” with few options for licensed child care. This was an even greater problem for rural areas, low-income, and minority communities. In addition to the lack of availability and high cost of child care, the COVID-19 pandemic has not only made it difficult for child care providers, but also for working families. As schools and child care facilities closed, many parents, particularly women, were faced with the decision to choose between their careers or taking care of their children. According to a recent report, more than 10 percent of mothers with children reported that they left their jobs to care for their children in 2020.¹ The lack of access to affordable, quality child care has created significant financial burdens for working families.

Currently, non-profit child care providers cannot 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 cannot be used to purchase real estate or for existing 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 child care.

We strongly support ensuring that all SBA loan programs are made available to all qualified child care providers. We, therefore, ask the Subcommittee on Financial Services and General We

¹ <https://www.brookings.edu/research/ten-economic-facts-on-how-mothers-spend-their-time/>

Government to include the following 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,



Jacky Rosen
United States Senator



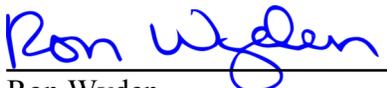
Elizabeth Warren
United States Senator



Robert P. Casey, Jr.
United States Senator



Gary C. Peters
United States Senator



Ron Wyden
United States Senator



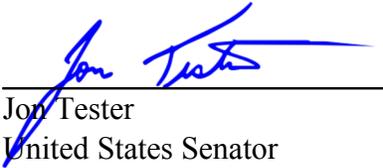
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United States Senator



Thomas R. Carper
United States Senator



Amy Klobuchar
United States Senator



Jon Tester
United States Senator



Tammy Duckworth
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