

United States Senate

WASHINGTON, DC 20510

May 9, 2024

The Honorable Chris Van Hollen
Chairman
Senate Appropriations Subcommittee on
Financial Services and General Government
Senate Committee on Appropriations
Washington, D.C. 20510

The Honorable Bill Haggerty
Ranking Member
Senate Appropriations Subcommittee on
Financial Services and General Government
Senate Committee on Appropriations
Washington, D.C. 20510

Dear Chairman Van Hollen and Ranking Member Haggerty:

As you begin drafting the Fiscal Year 2025 (FY25) 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.

With the average annual price of child care increasing nearly 220 percent over the past three decades, the rising cost of child care is financially squeezing families across the country. In addition to cost barriers, a national shortage of child care providers and programs has left over half of American families living in “child care deserts” with few options for licensed child care. Lack of access to affordable, quality child care is an even greater problem in rural, low-income, and minority communities. Increasing costs and a lack of affordable child care options have left many parents facing the decision to choose between their careers or taking care of their children, with women being disproportionately impacted.

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 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.

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*. 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 *non-profit* child care providers access to all SBA loan programs that *for-profit* child care providers may utilize. A qualified *non-profit* 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



Tammy Duckworth
United States Senator



Robert P. Casey, Jr.
United States Senator



Jon Tester
United States Senator



Gary C. Peters
United States Senator



Alex Padilla
United States Senator



Richard J. Durbin
United States Senator



Kirsten Gillibrand
United States Senator