



Early Learning Facilities Landscape Analysis 2025

CONNECTICUT



LLSC CONNECTICUT

Contents

04	Methodology
05	Key Terms and Acronyms
07	Section 1: Why a Facilities Analysis?
17	Section 2: Current State of Facilities
35	Section 3: Building for the Future
55	Section 4: Best Practices & Innovative Models
75	Section 5: Strategic Recommendations & Implementation Roadmap

Purpose and Scope of Report

This report assesses the state of child care and early learning facilities in Connecticut, identifying critical infrastructure challenges, funding gaps, and opportunities for strategic investment. It assesses current conditions, highlights best practices, and provides recommendations to ensure sustainable, high-performing learning environments for young children.

Methodology

To develop data-driven recommendations, this landscape analysis utilized multiple research methods, including:

- Analysis of data from the current early learning facilities grant program
- Provider surveys and stakeholder interviews
- Review of existing regulations, funding streams, and best practices
- Research on emerging trends in early childhood facility investments

Overview

This report examines the needs of the early care community within the broader early childhood system, emphasizing the critical role of facility investments, both for increased capacity and to renovate outdated buildings. The following sections will provide a detailed analysis of the current condition of Connecticut's child care and early learning facilities, highlighting both pressing concerns followed by promising models for improvement, and strategies for sustained investment locally.

The production of this report was supported, in whole or in part, by federal award number SLFRP0128 awarded to the State of Connecticut by the U.S. Department of the Treasury.

Disclaimer: *To understand our communities and the impact we seek, LISC supports rigorous qualitative and quantitative methods to draw out themes and lessons across the places where we work. Because LISC is committed to building communities of opportunity for all, grounded in the core belief that fostering a sense of belonging is vital to achieving shared prosperity, these reports go where the data and our partners direct our attention – presenting findings and observations in the extraordinarily varied places where we work across the US. By sharing these data and stories, we hope to contribute to the active removal of barriers to opportunity and economic mobility for all residents, regardless of background or zip code.*

Key Terms and Acronyms

The American Rescue Plan Act (ARPA) – Federal COVID-19 relief funding. ARPA added significant supplemental funding to ongoing federal child care and early learning programs.

Blue Ribbon Panel – A group appointed by Governor Ned Lamont in 2023 to provide recommendations on how to implement a viable and sustainable system of early care and education.

Care 4 Kids (C4K) – Connecticut’s child care subsidy program that helps low-to-moderate-income families pay their child care expenses.

Child Care and Development Block Grant (CCDBG) – A federal funding source for child care subsidies.

Child Care Desert – Any census tract with more than 50 children under age 5 that contains either no child care providers or so few options that there are more than three times as many children as licensed child care slots.

Child Care Supply Gap – The difference between the number of available licensed child care slots and the number of children needing care.

Early Care and Learning – Refers to the education and care provided to young children, typically from birth to age 5. It encompasses child care, preschool, and early education programs that foster foundational skills in literacy, numeracy, and critical thinking while ensuring a safe, nurturing environment for growth.

Early Head Start & Head Start – Federal programs providing early education and family support services for low-income families.

Facility Funding Shortfalls – The lack of dedicated funding for improving or expanding early learning spaces.

Office of Early Childhood (OEC) – State agency that oversees a network of programs and services that help young children and families thrive. OEC inspects and licenses child care programs and camps, helps parents find and pay for high-quality licensed care, and offers training and development opportunities to professionals to build their careers.

Mixed Delivery Model – A system of child care that includes various types of providers (large/small, for-profit/non-profit, center-based/family child care).

Social Vulnerability Index (SVI) – A composite measure created by the Centers for Disease Control and Prevention (CDC). The SVI takes into account 15 different variables about the demographics, income, and living conditions of residents of a community.

Subsidized Slots – Government-funded child care placements that help low- to moderate-income families access care.

Wrap-around Care – Extended hours of child care to accommodate parents’ non-traditional work schedules.

SECTION 1:

Why a Facilities Analysis?



Why a Facilities Analysis?

Providing quality spaces for early education and care is critical for children's physical, social, emotional, and cognitive development. Well-maintained, safe, and engaging spaces enhance learning, while inadequate facilities can impede development and pose health risks.

Connecticut has been committed to investing in early care, but the early care system is fragile; care is not affordable for many families, yet the revenue generated, including from parent tuition, state subsidies, and other sources of income, barely covers the cost of providing care. Additionally early care for infants and toddlers is very limited in many areas of the state.

Connecticut is making incremental progress. Funding has been increased through the Care 4 Kids program, allowing more families to receive and retain the subsidy as their income grows; infant/toddler care has been expanded through subsidized slots; and payment rates have increased for state funded programs. However, these steps have not solved the critical needs of the early childhood system and the physical infrastructure remains a key challenge.

Facility Challenges and Funding Gaps

In 2022, Connecticut allocated \$15 million in ARPA funds to increase capacity through the expansion of early learning facilities. The distribution of this funding highlighted barriers and provided a window into an industry under strain. Many facilities require urgent upgrades, and the lack of capital for maintenance, improvements, and expansion hinders the sector's ability to meet growing demand.

Key challenges include:

- **Deferred Maintenance:** Without reserves for repairs, programs delay necessary upgrades, leading to facility deterioration.
- **Capital Barriers:** With many programs barely breaking even, the struggle to secure resources for improvements, renovations, or expansions only increases financial strain and limits growth.
- **Health & Safety Concerns:** Many existing facilities are in disrepair, needing upgrades and improvements to both indoor and outdoor learning environments – including remediating asbestos, installation of HVAC systems, and structural deficiencies that threaten long-term viability.

Without sustained investment, these challenges contribute to capacity shortages, higher costs, and program closures, further straining the child care system.



New Opportunities
Waterbury, CT

Child Care in Connecticut: The Early Childhood Landscape

In 2014, the Connecticut Office of Early Childhood (OEC) was established by executive order, and the following year passed through the Connecticut General Assembly. Since then, the Office of Early Childhood has unified the state's early childhood network through departmental mergers, the consolidation of funding streams, and by making incremental steps toward a cohesive and viable system of care.

Providers operate in a mixed delivery system of early care programs; programs include both large and small, for-profit centers, multi-location early care companies, non-profit centers, public schools, and family home and group home providers. Some offer full-day, full-year services, while others operate part-day or on a school-year calendar. Providers have sought to meet the varied schedules of parents by providing “wrap-around” hours, seasonal care, and school vacation hours. As many parents have work schedules outside of traditional work day hours, some providers have begun offering care during “non-traditional hours”, during non-traditional hours, which includes evenings, overnights, and weekends.

The mixed delivery model is as varied as the families seeking care. The languages spoken by staff, programming offered, and access to special needs supports, provide some flexibility to parents to choose the type of care that best suits their family's work schedule, and the needs and personalities of their children. Facilities also play a large role in a parent's decision to choose a suitable program for their child. The type and size of the facility, whether is in good repair, is safe and secure, has updated furniture and equipment, and is clean, all have impact on a parent's choice of program.

A Struggling Sector

A variety of funding sources provide the revenue needed to operate early childhood care and learning businesses, including parent fees, various federal, state, and local allocations, parent subsidies, fundraising, and philanthropic support. Despite the variety of funding streams, the early care industry is struggling; revenue generated is not enough to support the true cost of operating an early care facility, and parents can't afford the high cost of care. The financial instability of child care programs is exacerbated by:

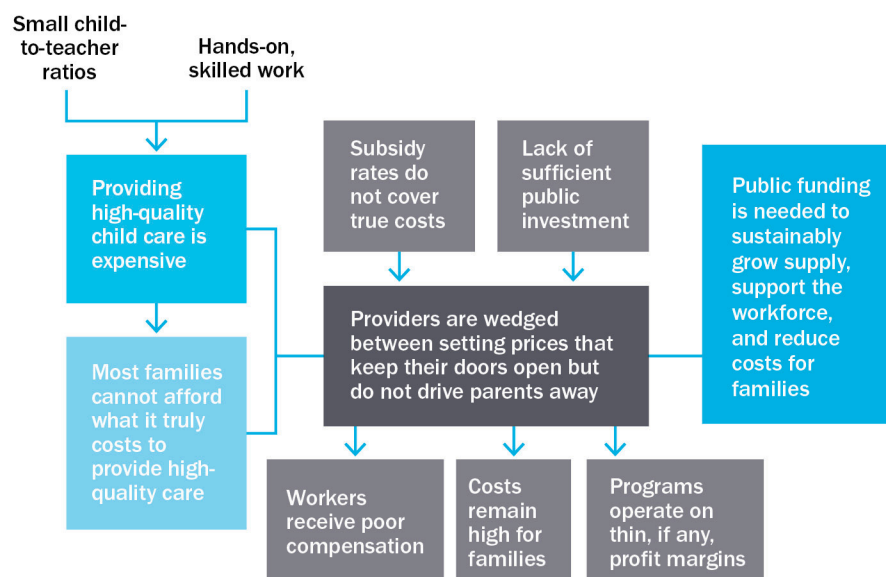
- **High Operating Costs:** Staffing is the largest expense, yet providers struggle to pay the competitive wages and compensation needed to hire and retain quality staffing. A 2021 Connecticut Association for Human Services (CAHS) survey estimated 24,000 child care spaces were out of commission due to a lack of staff.¹
- **Limited Profit Margins:** Unlike other industries, child care providers cannot easily pass costs onto families, as tuition is already unaffordable for many.
- **Facility Expenses:** Repairs, upgrades, and expansions require significant capital, yet most providers lack access to dedicated facility funding.

The early childhood business model is fundamentally unsustainable. Providers struggle to balance quality standards with financial viability and many barely manage to keep their doors open. Unlike other industries, child care is uniquely less able to pass higher costs along to customers. Child care tuition is typically already their customers' first or second highest household expense. The COVID-19 pandemic further exposed the sector's vulnerabilities. While ARPA funding provided temporary relief, long-term sustainability requires ongoing investment in child care facilities and operations.

The US Child Care Market Is Broken.²

The sector is forced to subsidize care through sacrifices on quality as well as wages and working conditions for the vulnerable workforce

Understanding the Basics of Child Care in the United States





Family Perspective

While Connecticut's early child care and education system works for some families, it needs to work for **all families**. Solutions that center **increasing access** to quality, affordable care will **create a system that works for all**.

AFFORDABILITY

Connecticut ranks 4th highest in the nation for child care costs, with center-based infant care averaging \$17,888 per year, and family-based infant care at \$14,040 per year.³ This cost burden exceeds the U.S. Department of Health and Human Services' recommended threshold of 7% of a family's income, with 63% of Connecticut families paying well over this amount.^{4, 5} However, the cost of care does not reflect what the true cost of operations would be if teachers and staff were paid at a rate commensurate with their education and experience, including increased access to health care benefits.

The cost of child care is often the largest expense in a family budget, even eclipsing the cost of a mortgage:

- Married couples earning the median income of \$153,249 allocate 11.7% of their income before tax for one child needing infant or toddler care.⁶
- Single parents earning the median income of \$40,481 spend 43.9% of their income on child care.⁷

Even with subsidy programs such as Care 4 Kids, many families remain unable to afford quality care, further straining parents' ability to work and participate in the economy.

“We can’t afford care outside the home, so we juggle the kids between us. It has serious mental and physical health consequences, and we are still barely covering our expenses”

-Parent in Groton

At current funding levels, these existing subsidized child care and early learning programs only reach a fraction of eligible families. Providers often need several sources to make the numbers work. Connecticut’s state-funded Early Start program will help to streamline funds through contracted slots available for infant, toddler, and Pre-K care. This process will streamline payments for providers, reduce paperwork, and create greater access for parents by giving slots to communities indicating high demand.

- Head Start supports 26% of eligible children
- Early Head Start supports 10% of eligible children
- Child Care and Development Block Grant (Care 4 Kids) supports 10% of eligible children through parent stipends, with a waiting list of over 1,280 families.
- State Funded programs support 16% of pre-K students, but recently have been expanded to include some infant and toddler care.

ACCESSIBILITY

Post pandemic, Connecticut’s early care landscape faces severe capacity gaps in communities across the state. Shortages are influenced by the difficulty in securing and retaining staffing and the availability of early care slots, particularly for families with infants and toddlers.

The [Blue Ribbon Panel](#) was convened in 2023 by Governor Lamont and OEC to assess the challenges and constraints of the early childhood system and develop a roadmap forward. Results from nine months of research and feedback were incorporated into a report outlining a five-year strategic plan for a child care system that works for families, providers, and Connecticut’s economy.

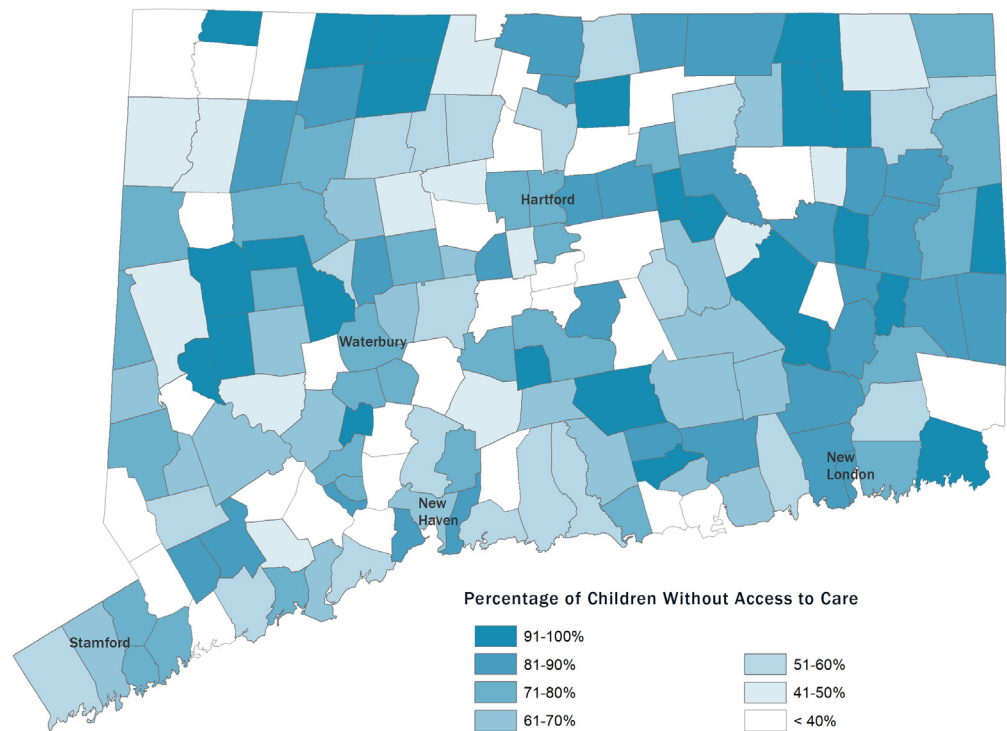
In 2023, Connecticut had 3,180 licensed child care providers: 1,363 centers and 1,817 family child care homes. These programs have the capacity to enroll 35,670 infants and toddlers, while the total number of children in Connecticut under three years old is 103,424.⁸ The First Five Years Fund estimates that there is a 30% gap in the supply of child care vs the potential need, with shortages even more dire for infant and toddler populations (ages 0-3).⁹

To close the capacity gap, information from the Blue Ribbon Panel indicates that Connecticut needs to increase the supply of infant/toddler slots by at least 17,000.¹⁰

SUPPLY ANALYSIS

Even if child care were more affordable, families would still struggle to find available slots. The shortage of licensed child care providers and facilities further compounds the crisis, leaving families without viable options.

Additional Infant/Toddler Child Care Slots Needed



Using data from the Department of Health and United Way of Connecticut, the Connecticut Early Childhood Alliance has conducted analysis to assess the gap of care available by examining total number of children under the age of 3 and the total number of licensed care slots in a community. Traditional planning estimates assume that 60% of children under the age of 3 will require formal child care outside the home. Given this multiplier, there are only a handful of communities that currently have enough licensed slots to meet local demand, with many rural communities and urban areas only providing care for up to 20% of total children.

PARENT IMPACT

A recent “RAPID Survey” conducted by the Stanford Center on Early Childhood in coordination with The Connecticut Project and the CT Data Collaborative bears out the impact of affordability and accessibility on Connecticut’s parents.



Kiddie Cove,
West Haven, CT

RAPID-CT Community Voices Survey #1: Child Care Access & Affordability

Of respondents:

- The average household income of respondents was \$75,000; most respondents were below state median income
- 75% of parents “have ever” looked for nonparental care for a child under 6 years old
- 59% of non-school aged children were currently receiving non-parental care

Of families searching for care:

- 50% had difficulty finding a space in a home or center-based program
- 29% of recent searches took 3 months or longer
- 69% had difficulty finding a provider who could meet the needs of their child with a disability

When parents who searched for care, and were asked the reasons for not having child care, 57% responded “child care is too expensive.”

-RAPID Survey 2024

WORKFORCE IMPACT

A strong workforce is essential to a strong economy. Seventy-one percent of Connecticut children under age five have all available parents in the workforce, yet many parents reduce their hours or leave jobs due to the high cost and limited availability of care.¹¹

According to the Center for American Progress 2024 report:

- 29% of working moms in Connecticut would seek additional school or training if they had child care help.
- 42% of working moms in Connecticut would look for a higher-paying job if they had child care help.
- 46% of children ages 0-5 whose parents work have no available licensed child care in Connecticut.
- 61% of all parents in Connecticut say it is a challenge to find child care.
- Finally, only 16% of working parents in Connecticut have any form of backup child care support.

“I cannot go back to work because child care would take up my entire paycheck if not more. My husband makes too much for us to qualify for Care 4 Kids (child care subsidy program). I budget closely so we live comfortably. But this situation, like most families, traps women as the primary caregivers at home”

-Parent in Hartford, CT

Considering most child care businesses operate at minimal profit margins, providers are limited in being able to offer competitive compensation packages. Child care providers face persistent staffing shortages, due in part to low wages and limited benefits. Early childhood educators are among the lowest-paid professionals in the state, almost always earning less than K-12 teachers, despite comparable qualifications. In Connecticut, the median hourly wage for child care workers is \$15.34, less than the hourly median rate for animal caretakers and only minimally more than fast food service workers.

Wage Comparison¹²

Job Title	Hourly Wage
Fast Food Worker	\$14.72 hr.
Child Care Worker	\$15.34 hr.
Animal Caretaker	\$15.40 hr.
Janitor	\$17.54 hr.
Phlebotomist	\$22.64 hr.
School Bus Driver	\$26.30 hr.

When early childhood programs are unable to hire and retain the necessary staffing, fewer children are served. The Connecticut economy loses an estimated \$1.5 billion per year in lost earnings, productivity, and revenue as a direct result of infant and toddler care shortages.¹³

This workforce impact underscores the urgent need for targeted facility investments to expand child care access and support economic growth.

A close-up photograph of a young girl with dark skin and her hair in two long braids, secured with a black headband. She is wearing a bright pink quilted jacket and is looking directly at the camera with a slight smile. She is holding onto a black metal bar of a playground structure. The background is slightly out of focus, showing other parts of the playground equipment in yellow and green. A semi-transparent dark blue banner is overlaid on the top left of the image, containing the text 'SECTION 2:'.

SECTION 2:

Current State of Facilities

“I never imagined that since 2007, when I opened my daycare, my space would ever look like this,”

Yanerys Esperanza Aziz, Owner



A Transformation at Little Superstars Daycare

Little Superstars Family Daycare in West Haven is undergoing an exciting transformation. Owner Yanerys Esperanza Aziz, who has been caring for children in her community since 2007, recently completed a major renovation through the ARPA-funded and LISC administered Early Childhood Facilities Construction and Renovation grant program.



Before



During



After Renovations

After months of applying and gathering contractor quotes, tax documents, and managing paperwork, Yanerys secured the funding to improve her daycare's basement. The space had faced serious issues—water leaked through the main entry door during rainstorms, creating unsafe conditions. The old carpet also had mold, posing health risks.

With the grant, Yanerys replaced the deteriorating wood door with a new fiberglass one, stopping the leaks. The renovation came with challenges, including delays with contractors and unexpected flooring costs due to the basement being uneven. At times, the stress made it hard to keep going, but Yanerys stayed committed. She kept in close communication with the LISC Connecticut team, providing updates and navigating setbacks with determination.

Now that the project is complete, Yanerys is filled with joy. “I never imagined that since 2007, when I opened my daycare, my space would ever look like this,” she said, wiping away tears of happiness as she unpacked boxes in her new space. “My kids love it so much they don't even want to go upstairs to eat.” The renovation has exceeded expectations, creating not just an improved space but a warm, safe, and nurturing environment where children can learn and grow every day.

Current State of Facilities

Child care facilities—the physical spaces where early childhood programs operate—play a critical role in shaping the supply and accessibility, quality, and sustainability of child care while supporting workforce development and the broader economy. For this report, LISC disseminated a survey open to all licensed providers in Connecticut, gathering insights into the current state of their child care facilities, desired improvements, and opportunities for expansion. Analyzing data collected through the Connecticut Early Childhood Facilities Construction and Renovation Grant Program and conducting the LISC Facilities Survey provided essential insights into the conditions of the facilities that house Connecticut’s early care and education programs. This section offers analysis and comments based on responses to the provider survey.

LISC Facilities Survey

CHARACTERISTICS OF SURVEY RESPONDENTS

Respondents stretched across cities and municipalities in all corners of the state and represented the multitude of choices of Connecticut’s mixed delivery child care system. We heard from 573 licensed providers (approximately 18% of all licensed programs): 258 center-based providers across 80 different communities and 315 family child care providers from 47 cities and municipalities. The survey data included below is broken down by two respondent categories: center-based and family-based.

Center-Based Respondents

BUSINESS TYPE

Of center-based respondents, 47% were non-profit entities and 44% were incorporated as for-profit corporations, while the remaining 9% operated as part of a larger system such as a public school or multi-site operators. The average program size for centers was 84 children.

FACILITY CHARACTERISTICS

The characteristics of a building—ownership, type, age, and condition—determine the specific flexible capital investment, technical assistance, and partnerships required to create high-quality, sustainable child care environments.

OWNED OR LEASED

A child care provider's decision to own or lease a center is contingent upon their financial situation, long-term objectives, and the prevailing local market dynamics. The survey data indicates that in Connecticut, many programs are operating in leased spaces. Center-based providers frequently aspire to own their facilities. However, the reality presents challenges: finding suitable locations is difficult, initial investments are significant, and ongoing maintenance can be unaffordable. Consequently, infrastructure support systems must be designed to flexibly respond to the complexities of various real estate arrangements.

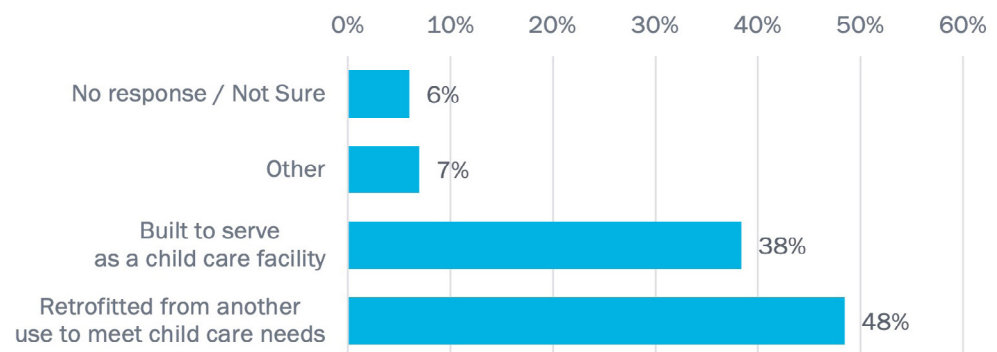
Center-Based Providers

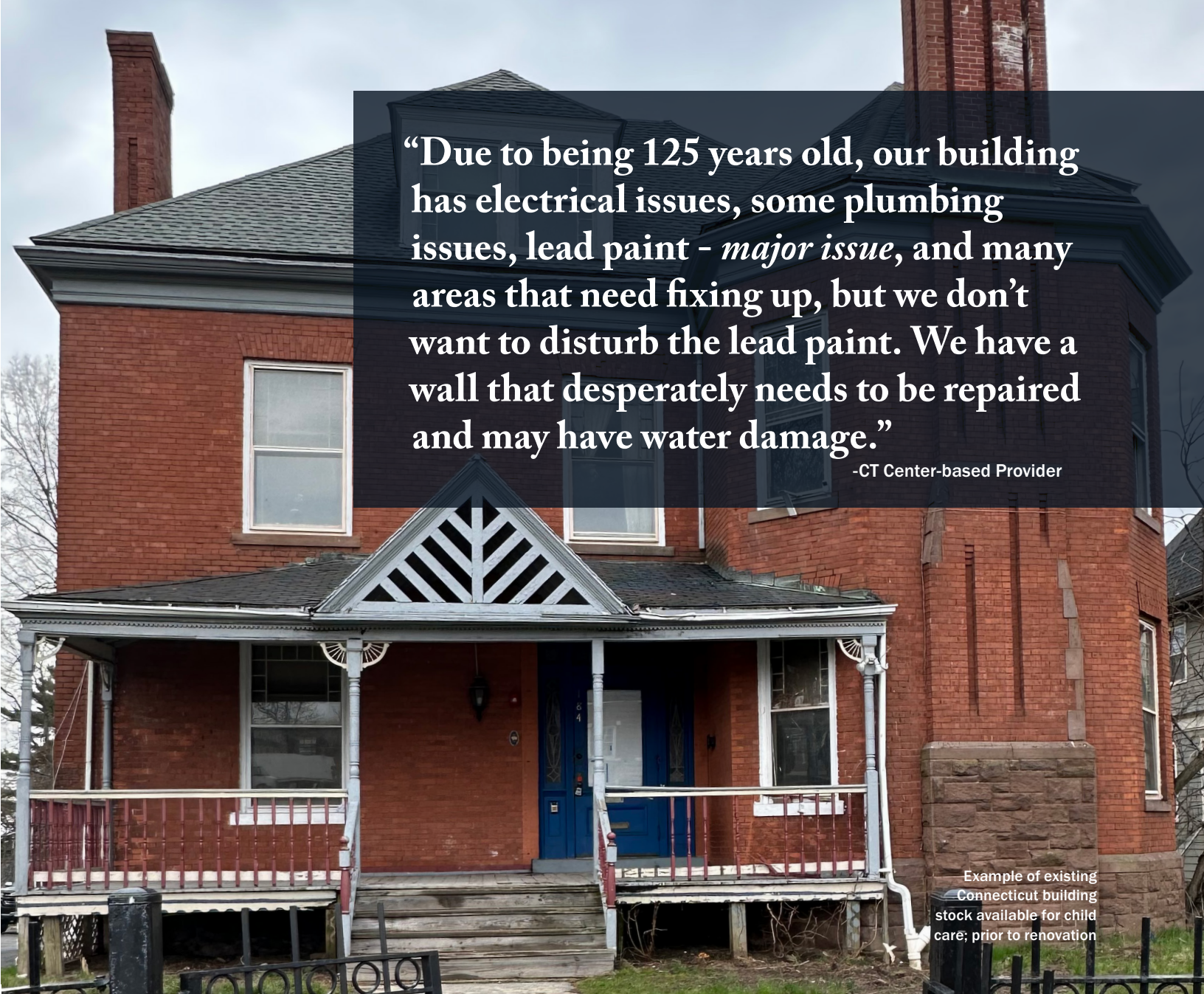
- 52% lease
- 36% own
- 12% other (which could include donated space)

BUILDING TYPE

The reality is that most child care centers operate in repurposed spaces not originally constructed for child care. Facilities specifically built for child care meet the unique and specialized requirements that support best practices, such as appropriately sized spaces with natural light, bathrooms directly accessible from classrooms, and outdoor play areas. Repurposed spaces, usually retrofitted from another use (e.g., former offices or retail spaces), often demand extensive and costly modifications to create safe, developmentally appropriate learning environments. To ensure providers can create high-quality learning environments without undue financial burden, support is needed for both retrofitting existing spaces and encouraging the development of purpose-built facilities whenever feasible.

Center-Based Building Design



A photograph of a two-story red brick building with a front porch. The building has a dark roof, white trim around the windows, and a blue door. The porch has a wooden railing and steps. The building appears to be in need of renovation, with some peeling paint and worn wood visible.

“Due to being 125 years old, our building has electrical issues, some plumbing issues, lead paint - *major issue*, and many areas that need fixing up, but we don’t want to disturb the lead paint. We have a wall that desperately needs to be repaired and may have water damage.”

-CT Center-based Provider

Example of existing Connecticut building stock available for child care; prior to renovation

AGE OF BUILDING

The spaces that Connecticut’s child care programs occupy are old. This is a concerning data point considering the vital role of safe and healthy environments in optimal child development and underscores the urgent need for ongoing investment in the assessment, maintenance and modernization of these spaces.

- 44% built before 1978 (when lead paint was outlawed)
- 41% after 1978
- 15% not sure

BUILDING CONDITION

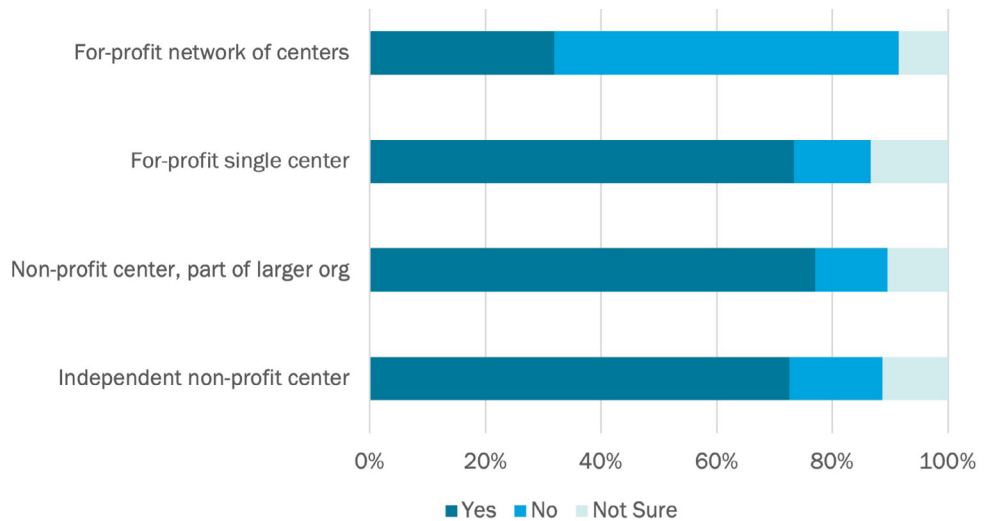
Survey respondents overwhelmingly expressed a need for health and safety upgrades and quality improvements to their facilities, but most reported a lack of financial resources to do so. To effectively support child care programs, state directed funding should allow for urgent health and safety issues, thus ensuring the quality and sustainability of existing spaces. Fund allocation should be based on need, with particular attention to providers serving low-income communities or high-need areas.

Of those who responded "YES" to Quality or Health and Safety Upgrades Needed

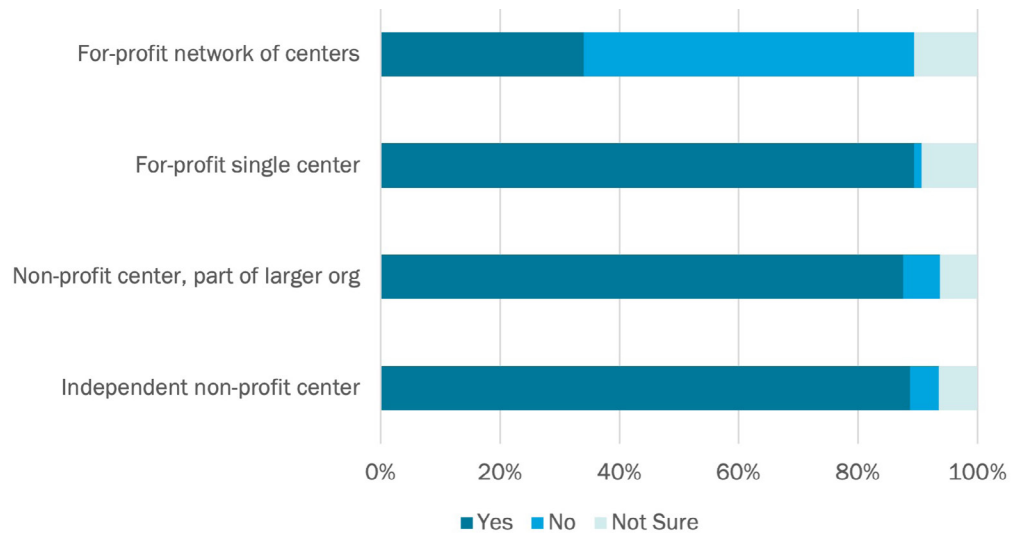


78% of centers indicated a need for quality upgrades and 67% indicated the need for health and safety upgrades

Health and Safety Improvements Needed



Quality Improvements Needed





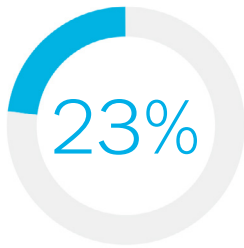
Affordable Learning Center,
Hartford, CT

“Our rent and operational costs have significantly increased while enrollment has decreased. The majority of families we service are middle class professionals that have the opportunity to work remotely. They often offset their rising costs by dropping from full time to part time enrollments. Therefore that leaves less money for improvements. It is hard to compete with other centers in the community that have received grants in regards to gaining new enrollments.”

-CT Center-based Provider

FACILITY FUNDING SHORTFALLS

Today, there is no dedicated source of federal or state funding for early learning facilities and there is no national set of standards around early learning spaces. Facility improvements and expansions are costly, with much of the financial burden falling on the small business owners operating early care programs. They often do not have enough savings and have difficulty securing loan funding for business expansion or improvements, while others cannot afford the additional debt. The high costs of construction and renovation, combined with limited funding sources, further hinder growth.



Only 23% of centers reported having savings to address urgent facility repairs

Of those who have money saved for urgent facility issues, responses varied by business type:

Business Type	Some Money Saved
For-profit network of centers	62%
For-profit single centers	16%
Non-profit centers, part of larger org.	4%
Independent non-profit centers	22%

With limited funding resources, it is difficult for many providers to consistently budget for necessary facilities upkeep and repairs, which can result in costly deferred maintenance issues.

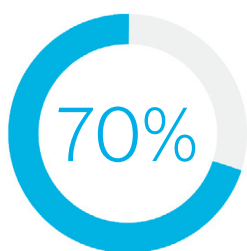
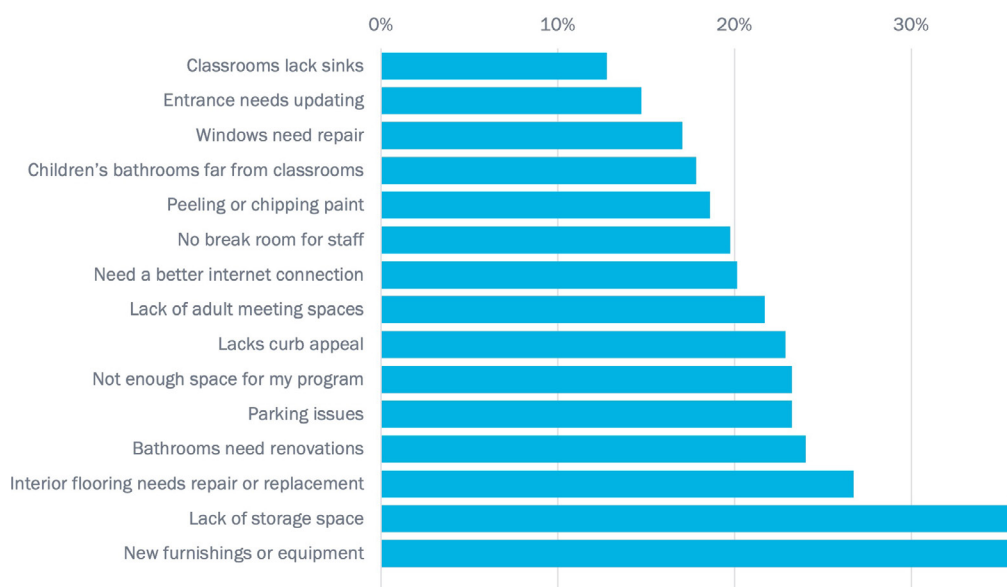
Annual Budget Includes Funding for Building Repairs

Type of Child Care Center	For-profit network of centers	For-profit single center	Non-profit center, part of larger org	Independent non-profit center
Yes, in years when we have enough funds	17%	34%	38%	34%
Yes, always	71%	11%	29%	25%
No, not enough revenue to include this expense	10%	37%	12%	25%
Other	2%	4%	7%	8%
No, I haven't considered this	0%	9%	0%	5%
Not sure	0%	4%	14%	3%

PHYSICAL SPACE CHALLENGES AND NEEDS

Early learning spaces, furniture, and materials endure heavy use from many active young children. Easy-to-clean floors, walls, and equipment are crucial for creating an environment that encourages exploration while simultaneously ensuring safety and hygiene. Surveyed providers expressed an urgent and critical need to improve their spaces. New furnishings or equipment rank highest, closely followed by increased storage, interior flooring upgrades, and bathroom renovations.

Space Challenges and Needs



Indicated a need
for playground
improvements

OUTDOOR PLAY SPACE IMPROVEMENTS NEEDED

Playgrounds and outdoor space improvements were a dominant trend among respondents. A significant portion of center-based providers cited a need to improve or focus on their outdoor play spaces. In addition, more than 20% of center-based providers revealed a need to improve the overall curb appeal and parking areas. Access to nature and outdoor play space is crucial to child development. Moreover, effective exterior upgrades can attract and retain families. Securing or dedicating funds for exterior repairs, upgrades, and outdoor space needs proved to be a significant barrier for many providers.

PLANNING FOR SUSTAINABILITY TO WEATHER THE STORM

Young children are among the most vulnerable to environmental hazards, and many child care facilities operate in older buildings that may be ill-equipped to withstand challenges caused by natural disasters. Funding and support for infrastructure that is resilient against natural disasters protects children, reduces disruptions, and safeguards investments in early learning environments.

In the survey, a question regarding concerns about increased weather-related and other environmental challenges was included. This was due to the volume of grant requests that indicated the need for HVAC upgrades to mitigate increased heat in recent summers, funds to address recent flood damage, including mold, and purifiers to address air and water quality. However, survey results indicated a lower percentage of providers concerned with environmental issues.

As the state contemplates continued funding for early care facilities, sustainability measures to ensure the health and safety of children should be recognized, with proper technical assistance and supports offered to providers, to best plan for weather-related events.

INCREASING EXISTING CENTER CAPACITY

Thirty-seven percent (37%) of center-based providers indicated that they have space available for expansion, but most cite financial barriers as the primary reason for not moving forward. Others have explored expanding into existing buildings, but many require significant modernization, environmental assessments, and costly upgrades to meet regulatory standards for early childhood care.

- Over 75% of providers located in medium to high desertification areas reported expansion potential; investments in these facilities could directly address child care gaps in communities where access is most limited. By prioritizing funding in areas with low child care availability, policymakers can make significant impact by increasing supply where it's most needed.
- The fact that nearly half (46%) of providers who indicated expansion potential have active waitlists highlights the urgent need for increased capacity. Investing in these providers ensures that resources have an immediate impact on families struggling to find quality child care.

“We’re outgrowing our current space. Enrollment continues to increase, especially in the toddler program which is feeding our preschool program. We have three additional classroom spaces that would need to be updated including HVAC, hot water, and lead paint abatement before possibly turning them into classrooms.”

-CT Center-based Provider

Investing in existing child care facilities is an essential component to increasing supply. Targeted funding for renovations, planning support such as environmental assessments, and early care regulatory upgrades would allow providers to utilize existing infrastructure. By prioritizing financial support, policymakers can remove barriers that prevent expansion, ensuring that more families gain access to quality child care where demand is already high.



Kiddie Cove,
West Haven, CT

Family Child Care Respondents

FACILITY CHARACTERISTICS

OWNED VS. LEASED

Licensing standards for child care spaces, like square footage and outdoor access, apply equally to renters and owners. Once quality early learning requirements are factored in, suitable residential properties become scarce. Supportive funding resources must meet the needs of both leased and owned spaces to maximize impact.

- 77% owned
- 22% leased
- 1% other



Kiddie Cove,
West Haven, CT

CAREGIVING SPACES

Family child care providers face unique facility considerations because their space most often serves both personal and business functions.

Resources should be designed to support quality, safety, regulatory compliance, and long-term sustainability while accommodating the unique needs of these settings:

- **Time-space calculation** – Family child care providers must calculate the portion of their expenses incurred for their home that can be attributed to their business. This calculation involves determining which areas of their home are dedicated to child care, which are personal, and which are shared, including the amount of time the home is used for business. This impacts everything from tax deductions to access to the expertise and funding that can make a facilities project feasible while maintaining business sustainability.
- **Rental and Homeowner Association challenges** – Not only do family providers need to meet child care licensing standards, but they are also subject to HOA rules, and decisions by landlords that may impact business operations and stability.

- Local zoning regulations** – By law, family child care is allowed in all residential housing districts. Providers who want to expand from serving 9 children to 12 children move into the OEC Group Home license category and then are subject to increased OEC regulations, often mirroring those for center-based care.
- Local approval barriers** – For family providers seeking to enter the Group category, zoning regulations begin to mirror Centers, often requiring onerous parking minimums and necessitating meeting certain health code enhancements, such as increased septic capacity. In addition, group homes may be subject to fire suppressant systems such as sprinklers. These zoning, building, and health codes can hinder the expansion of early care and education programs, especially in residential areas. In New York, 83% of family child care has a Large Family Child Care designation, allowing them to serve 12 children with an assistant. In CT, only 29, less than 2%, of the 1,800 FCCs have group home licenses to serve 12 children. Connecticut House Bill 6839 proposes to allow family child care providers to serve a maximum of 12 children, rather than 9, if the provider has an assistant or substitute staff member present.

“My biggest challenge is the parking spaces; I’m currently dealing with planning and zoning for approval application to have enough parking for my entire daycare program.”

– CT Family Child Care Provider

- Wear and tear of the home** - Child care programs experience extensive and intensive use of their building and outdoor spaces, increasing wear and tear and placing high demands on the physical infrastructure. For this reason, homes require frequent and ongoing maintenance and repairs.
- Balance** - Operating within the home can also blur the lines between personal and professional life, requiring clear boundaries to protect provider and family well-being, privacy, and to maintain a structured environment for children.

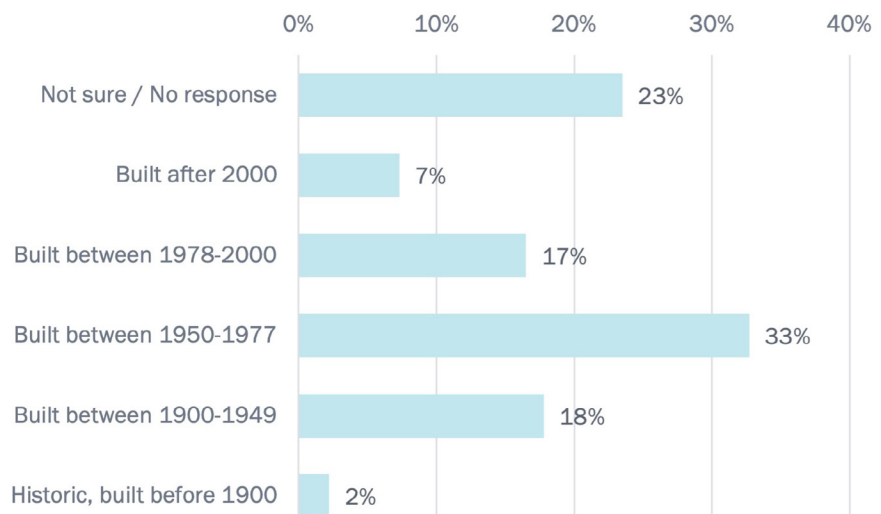
Where Caregiving Operations Occur	
Operate right in my main living spaces	52%
Operate in a finished basement designed for my child care program	28%
Operate in a home addition or building on my property specifically for child care	12%
Other	8%

AGE OF BUILDING

Connecticut's housing stock is considerably older than the national average, with the median age of housing 57 years, and child care spaces are no exception as reflected by survey responses. This is a concerning data point considering the vital role of safe and healthy environments in optimal child development and underscores the urgent need for ongoing investment in the maintenance and modernization of these spaces.

In 1978, the U.S. banned the use of lead-based paint in all residences. Over half (53%) of the family child care survey respondents indicated they operate in homes that were built prior to the implementation of this crucial health and safety regulation, with another 23% unsure of the age of their home. Housing built prior to 1978, and particularly units built prior to 1950, are most likely to contain lead-based paint and therefore pose the risk of exposure to children.

Age of Family Child Care Facility



Of those who responded "YES" to Quality or Health and Safety Upgrades Needed

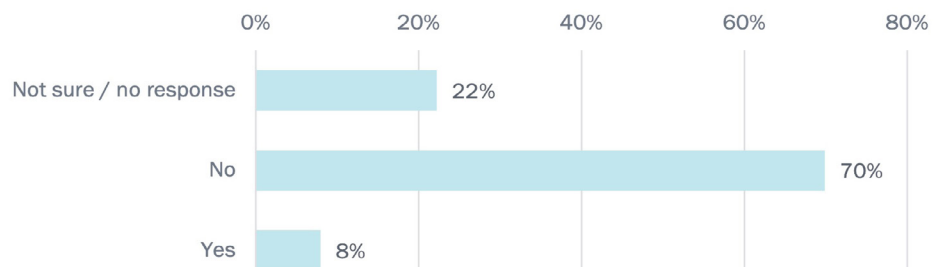


79% of family child care providers indicated a need for quality upgrades and 75% indicated the need for health and safety upgrades

BUILDING CONDITION

Most of the family child care provider survey respondents reported a need for health, safety, and quality upgrades, yet do not have the funding to do so, reinforcing the need for funding and resources to support renovation and repair of existing sites.

Funds Available for Urgent Facility Issues



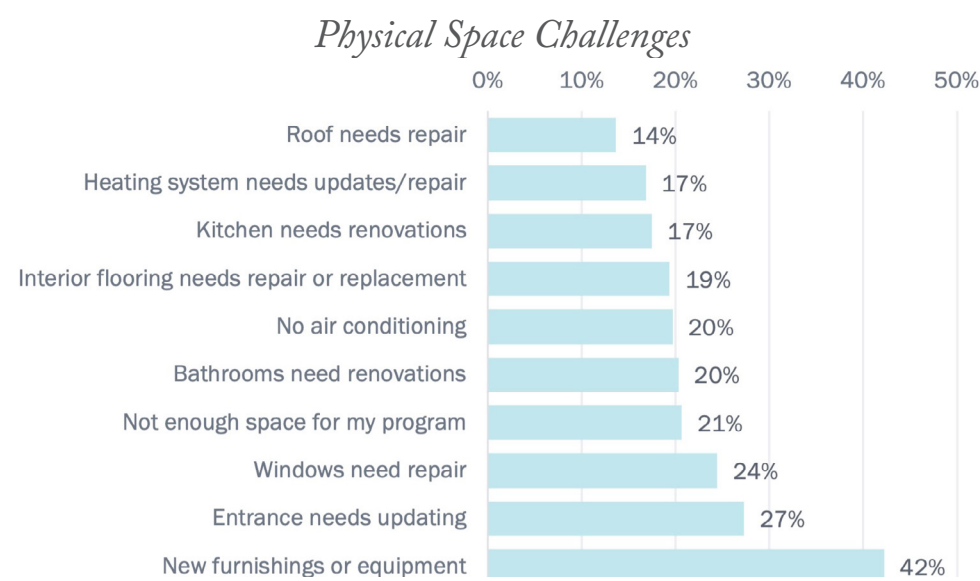


“I have an old house... Trees in my yard need to get cut down; one is dead and one is alive but leaning towards my house. My well works but it will need to be replaced since hand-dug wells only last so long and get clogged with dirt and cause issues. My gutters are broken, and my siding has holes so needs replacing. My playset is starting to rot and needs replacing; it’s very old but costs \$20,000 brand new.”

-CT Family Child Care Provider

PHYSICAL SPACE CHALLENGES AND NEEDS

When assessing the needs of early learning and care spaces, it is crucial to acknowledge that family child care homes have additional quality improvement challenges. Repairs, updates, and improvements to exterior features, such as siding, gutters, windows and porches, may seem cosmetic in nature, but first impressions matter. Parents’ decisions about child care often rely on first impressions. While the external condition of the residence may not reflect the quality of the early care program inside, it nevertheless impacts parental perception of overall quality. Survey respondents indicated new equipment and furnishings and updates to the facility entrance to make the space safer and more welcoming as high on their list of needs.



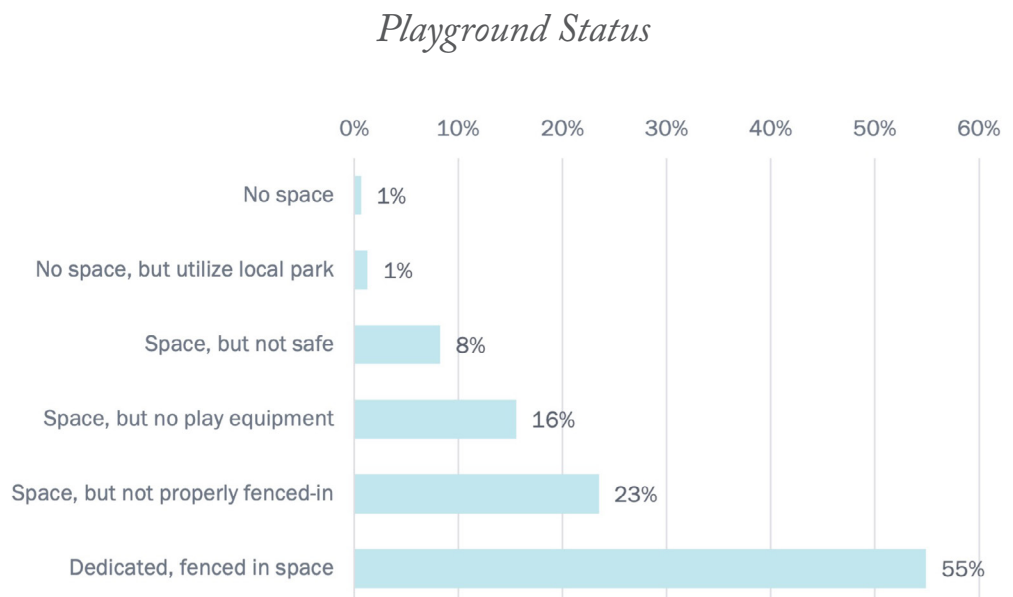
FACILITY CONDITIONS, HEALTH, AND ENVIRONMENT

Years of study have provided ample evidence indicating that certain building environments can pose a variety of health risks to its occupants. Young children are particularly prone to the effects of certain environmental conditions. The presence of lead or asbestos can lead to serious illnesses. Poorly operating HVAC systems, lack of ventilation, lack of air conditioning in hot summers, or unseen black mold can increase the risk of respiratory illnesses such as asthma and allergies and impact the general wellbeing of children.

Nearly 1 in 3 family child care survey respondents indicated at least one health and safety upgrade for their child care space.

STATUS OF OUTDOOR PLAY SPACE

Providers recognize the importance of good outdoor space. Developmentally appropriate outside environments offer opportunities to get outside frequently and throughout the day. Moreover, these outdoor play spaces may be the only outdoor exposure opportunity for some children, particularly those spending significant portions of the day in early learning settings or those living in areas with a lack of green space.



INCREASING HOME PROVIDER CAPACITY

Of the 163 family child care providers who expressed interest in expanding from a family child care (up to 9 full time children) to a group child care home (9-12 full time children), 81% cited cost as being too prohibitive.

OTHER MAJOR BARRIERS INCLUDED:

- Uncertainty on how to make that transition,
- Building and zoning regulations, and
- Lack of space in existing facility.

Of those wishing to expand, 90% are located in medium to high desertification areas. Strategic investment in these providers could significantly increase access to child care where it is most needed, ensuring that child care supply expands in alignment with local demand.

COMMUNITY COMMITMENT

When asked to share attributes that they most liked about their facility, 83% of all respondents identified at least one thing about their space and/or something about the work environment, such as personnel, community, and clientele. Providers have also been investing in their spaces with the limited funds they have. Throughout the survey responses, providers articulated their needs thoughtfully, often focusing on the impact to families and children in their care.

Continued investments in early care facility upgrades and expansion projects can leverage the existing infrastructure and resourcefulness of the early childhood community; 573 of whom took the time to submit survey responses and share their stories of how, with limited resources, they are making a difference in early childhood programs across the state.

KEY FACILITY DATA AT A GLANCE

71%

of all providers identified the need for existing health and safety upgrades

79%

identified the need for quality improvements (66% cited both issues)

50%

of centers with existing space to expand cited cost as the main barrier to expansion

81%

of family child care providers cited cost as the main barrier to expansion

50%

of providers with stalled expansion plans report waitlists

33%

of providers identified five or more physical space issues in their existing facilities

SECTION 3:

Building for the Future



This was a “beautiful gift”
and a major step toward
toward Silvia’s dream of
making learning joyful



Silvia’s Dream Realized

Silvia Arnoso was a preschool educator in her home country, Uruguay, always dreaming of opening a space to teach and inspire children in her community. As a child, she played “teacher” with neighbors, and by 6th grade, she was volunteering at a local preschool. With a clear vision, she dedicated her life to Early Childhood Education, knowing it was her calling.

After arriving in the U.S., Silvia immersed herself in the field. One of her most impactful roles connected families and children with gardens and outdoor activities, using nature as an educational tool. Working with parents and teachers, she saw the power of community engagement in children’s learning. She later joined a Norwalk program with home visits, showing her how education could thrive outside traditional classrooms. Silvia’s passion has always centered on creating nurturing environments where learning is joyful. She envisions a space where play, nature, and education intertwine, helping children build confidence and a love of learning.

Her goal is to launch a bilingual Spanish immersion program that welcomes children from all backgrounds, promoting acceptance and understanding. Silvia also seeks strong relationships with parents, recognizing their key role in a child’s education.

Receiving the Early Childhood Facilities Construction and Renovation Program grant was a “beautiful gift” and a major step toward her dream. Silvia’s child care facility in Derby will serve 30 children, with 10 slots for infants and toddlers and 20 slots for preschoolers. The funds for the grant were used to add an extension to the back of the house for classrooms, the addition of a reception area, a driveway and parking lot, an outdoor playground focusing on nature, a garden, an alarm system, and heating, among other updates to make the space suitable for children. She is committed to giving children and families the rich, high-quality education they deserve.



**Silvia Arnoso, grant
recipient and owner
of Sol Playschool**

Building For the Future

Appropriate early care environments are foundational to a child's early learning experiences. Whether children are being cared for at home, at a relatives' or friends' home, in a family home business, or an early care center, they need safe, welcoming, and stimulating spaces to learn and grow. Connecticut is planning and preparing for a much more affordable system of care, and with greater affordability will come more demand. Successfully meeting projected demand hinges on preparing for increased capacity and implementing critical quality improvements.

Signs of Progress

EARLY LEARNING POLICIES AND INVESTMENTS

To support families and employers, and stabilize the early care system, Governor Lamont, the Office of Early Childhood, the Connecticut General Assembly, and advocates across the state have been taking steps to advance policies for more accessible, affordable, and high-quality early care options for families.



In just the first year after the Blue Ribbon Panel submitted its report to the Governor, extensive results have been achieved through collective efforts across OEC and the early care sector. A sampling of **progress to date** includes:

SYSTEM IMPROVEMENTS

Early Start CT: Launching in July 2025, it will combine 3 existing programs — Child Day Care Contracts, School Readiness Grants, and State Head Start Supplement Grants — into a single new program. The streamlining of funding should result in less paperwork and more predictable pay schedules for providers. Additionally, it will improve access to high-quality early care and education options for families in areas with limited access to early care programs.

EXPANDING AFFORDABLE ACCESS

Increased Infant and Toddler Care: Increased accessibility by adding 1,290 new spaces, growing the availability of incubator programs, reviewing Group Home guidelines.

Improving Care 4 Kids: The Office of Early childhood established 1,500 new Care 4 Kids spaces, capped family fees for Care 4 Kids at 7% of household income, and increased the household income limit from 65% to 85% of the state median income.

A STRONG AND STABLE ECE WORKFORCE

Workforce: Funded a \$5M center-based workforce pilot for 400 apprentices, along with deploying strategies to increase compensation and increase Care 4 Kids rates to stabilize programs.



Sol Playschool,
Derby, CT

Quality: **Elevate** is Connecticut’s quality improvement system, designed to give providers the tools they need to improve programs, but at their own pace.

FUNDING

Methods of Funding: Completed cost analysis based on actual cost of infant toddler care. In addition, OEC prioritized the allocation of ARPA funding to support facilities grants to high SVI providers - \$13M to date, with an additional \$10M in new state bonding to continue this work. For long-term funding strategies to support the early learning sector, an Early Childhood Care and Education Fund was established in legislation.

CONNECTICUT LEGISLATION

Expanding Access: During his State of the State address in February 2025, Governor Lamont unveiled plans to offer Universal pre-K, a major step toward meeting the needs of Connecticut’s workforce and families. Lamont underscored that his pre-K plan will save parents thousands of dollars, giving them the freedom to get back to work – “**because parents, businesses need you.**”

In addition to the Governor’s proposal, several other early childhood funding bills have been proposed for the 2025 legislative session. Each is structured to meet the needs of the early care workforce, mitigate the cost to families, and provide increased accessibility to early childhood programs.

While the outcome of the proposed legislation is still to be determined, what is clear is that the need for an affordable, viable system of early care is acknowledged and has the attention of policy makers.



Historic Investments in Child Care Facilities

Connecticut has a history of pioneering national models to spur partnerships and investment for facilities construction, improvement, and expansion.

In **1997**, legislative leaders in Connecticut enacted an ambitious piece of legislation designed to close the academic achievement gap between low-income children growing up in the state's urban districts and children in more affluent school systems. They recognized that communities lacked physical space to serve the preschoolers who had not previously been served. The resulting Child Care Facilities Loan Fund (CCFLF) was launched to provide facilities financing to early childhood providers through **tax-exempt bond financing and loans administered by the Connecticut Health and Education Finance Authority (CHEFA)**.

Building off this momentum, in 1999, LISC established the Connecticut Children's Investment Partnership (CIP), a collaboration with CHEFA and the William Caspar Graustein Memorial Fund, and supported by numerous community funders. CIP's goal was to provide capital and technical assistance to early education programs to improve the quality and capacity of their physical spaces. This partnership yielded 40 investments, totaling just over \$2 million in capital deployed (primarily grants and recoverable grants) and leveraging over \$54 million in total development costs.

Connecticut cares about quality. An essential piece of research conducted around the importance of well-designed spaces for young children took place in Connecticut at the School for Young Children at the University of Saint Joseph in West Hartford.

The groundbreaking research was highlighted in the report, "**Child Care Facilities: Quality By Design.**" While this report is now 20 years old, the findings and recommendations are still timely for today's industry, demonstrating that investing in spacious, well-designed facilities that incorporate features that support both child development and staff well-being can significantly and measurably improve child care program quality, staff effectiveness, and child engagement.

In **2012**, CHEFA selected LISC, through the CIP program, to offer CHEFA-subsidized loans to leverage grant capital under CIP to expand impact and add more child care slots. The loan dollars were offered with a partial guarantee from CHEFA, which allowed LISC to lend to borrowers who may not have otherwise met traditional lending standards. Borrowers also benefitted from an interest rate subsidy from CHEFA, allowing for faster repayment of the subject loans.

Despite positive impact from this program, in 2014, CIP ended due to lack of sustained funding.

Results from these facility investments, which still include state subsidized child care slots, increased access to high-quality pre-school experiences for low-income children living in high-need areas throughout the state.

However, these facilities are growing old. It is reasonable to anticipate that substantial facility systems, such as roofs, HVAC, flooring, doors and windows, accessibility features, and outdoor spaces, may have surpassed their projected lifespans and now require major repairs or renovations. Minor repairs and upgrades to furniture, fixtures, and equipment, including outdoor climbers, indoor furnishings, and lighting, may also be required. To continue to support children in these high quality spaces, and protect the initial state investments, it is important to consider a source of ongoing facility improvement funding.

Recent Investments in Child Care Facilities

In 2023, the **Office of Early Childhood (OEC)** chose LISC Connecticut to operate the **Childhood Facilities Construction And Renovation Grant Program**. Funding for this program was allocated from resources the State received through the American Rescue Plan Act (ARPA). These dollars carried greater flexibility than typical government capital resources and thus allowed for more rapid distribution and fewer requirements for providers.

An Advisory Committee, comprised of early childhood stakeholders representing philanthropy, non-profits, service organizations, family and center providers, OEC representatives, and community members, assisted in the development and vetting of the application processes, the selection criteria and application review, and supported outreach to providers across the state.

The strong technical support offered to providers by LISC, **All Our Kin (AOK)**, **CERCLE**, the **Staffed Family Child Care Network**, and **Women's Business Development Council (WBDC)** enabled many providers to complete and submit a successful application.

This commitment to broad funding distribution offered additional insights into the supports needed to ensure all providers have an opportunity to benefit from improvements to and investments in Connecticut's early care system.

The **Childhood Facilities Construction and Renovation Grant Program** guidelines included three priorities:

- Increasing infant and toddler capacity
- Increasing pre-school capacity in childcare deserts
- Increasing the quality, health and safety of early care environments

The Grant Program was available for both licensed and license pending, center based, and family home providers located in Connecticut. All application materials and communications were designed with consideration for ease of use, including language, limited financial documentation up front, and application assistance provided with written documents and online meetings. All oral and written communications and materials, including contracts, were translated or interpreted into Spanish.

The Office of Early Childhood assisted in determining community need, based on the Social Vulnerability Index, Child Care Desertification Scale, and Care 4 Kids enrollment. An updated scale, with areas identified by zip code, has replaced the version used for this program. The selection process included an internal review of applications for compliance with grant priorities, an external review from outside volunteers, and a final selection by LISC staff and technical assistance partners. There was also a geographic analysis of applications and finalists to ensure all geographic areas in the state were represented in the selection process.

Through an open application process, over 730 providers submitted requests totaling over \$75 million. However, the available funding was only able to support 17% of the pool of applicants. Ultimately, \$9,000,000 was granted to 51 center-based providers to create new infant, toddler, and preschool slots, or to enhance the health and safety of existing their programs. \$3,000,000 of the funding was reserved for 74 family home providers, who used the grant funding to expand their capacity, construct dedicated child care space, or enhance the quality, and safety of their home.

While the available capital was not enough to fund all the applications received, many of the providers who did not receive a grant submitted thoughtful projects, exhibited a commitment to the children and families they served, and demonstrated a need for the funds.

RELEVANT DATA

DISTRIBUTION OF GRANTS

Grants were received from all regions of the state. In addition to the applications from high needs areas, many applications were received from wealthier communities. When sorting the applications, projects from high needs communities, which included increasing infant and toddler capacity, were prioritized.

There were some exceptions to the SVI scale that were made to:

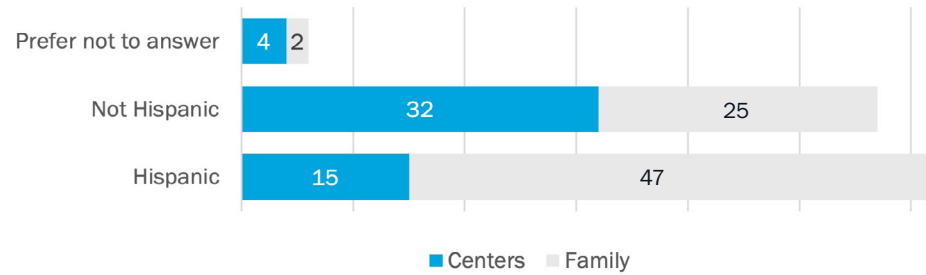
- Reflect the geographic distribution of applications, and finalists reflected areas across the state.
- Include providers located in a lower SVI community but serving many children from neighboring high SVI community.
- Remedy a severe health and safety issue, or situation stemming from a natural disaster.

Fewer than expected applications were received from the rural areas of the state. Of the rural applications, many projects focused on quality improvements to the facility or the outdoor play space. While this program emphasized increasing infant and toddler capacity, it became clear that providing upgrades to existing facilities is needed to ensure programs remain in business and are relevant in the early care landscape.

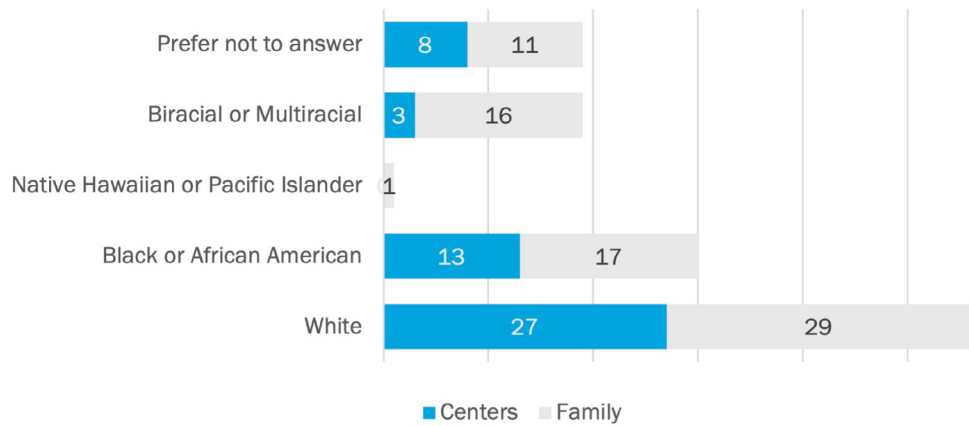
ALL FACILITIES GRANT AWARDEES

GRANTEE DEMOGRAPHICS

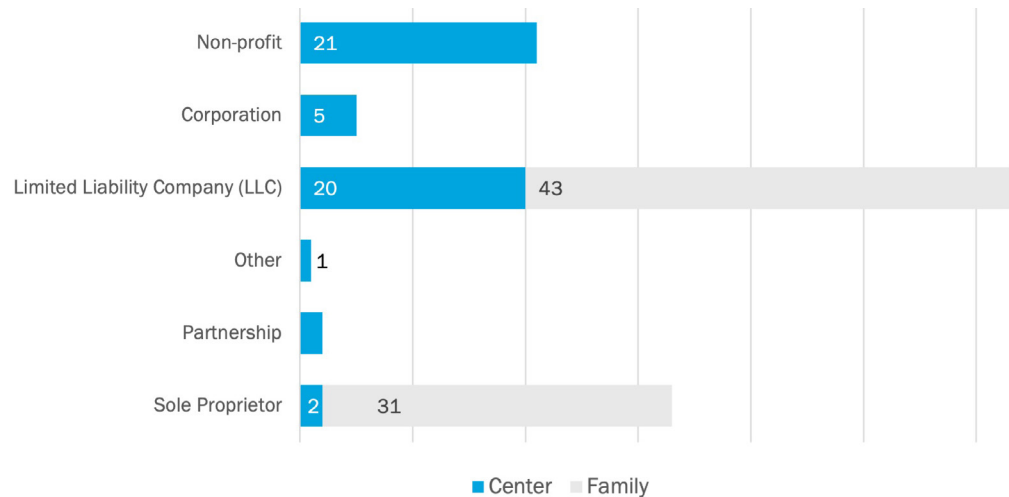
Ethnicity of Facility Owner/Director

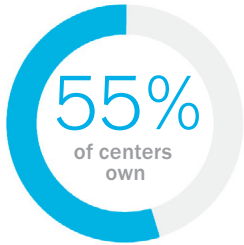
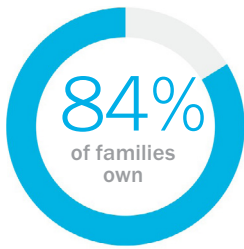


Race of Facility Owner/Director



Grant Awardees by Business Type





Of center providers, 80% operate as a non-profit or a Limited Liability Corporation, with the remaining 20% operating as a sole proprietor, a partnership, or a corporation. In contrast, nearly 60% of family home businesses operate as a LLC, with 40% operating as a sole proprietor.

FACILITY SPACE RENTED OR OWNED

84% of selected family providers own their home/place of business, compared to 55% of center-based facilities. Renting a facility adds challenges to securing grants to improve a property. Challenges include permissions needed from landlords, required long term leases, landlords benefiting from potential increases in property value, tax implications of improvements, and required liens on facilities for projects utilizing public bond funds.

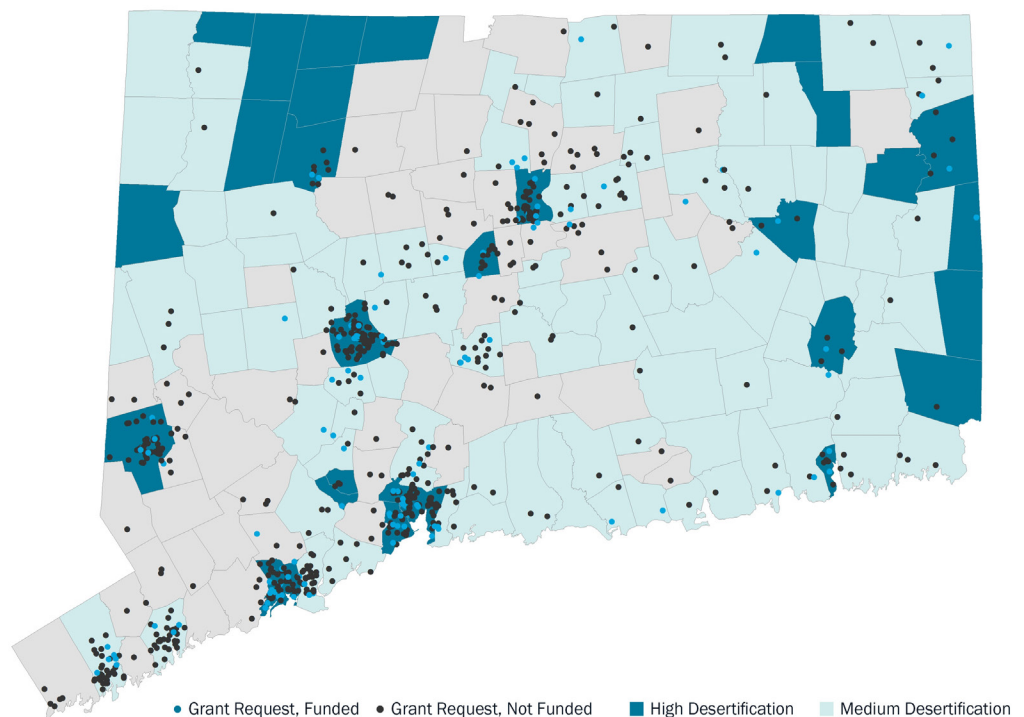
CARE 4 KIDS

94% of licensed grantees were likely to accept Care 4 Kids, with remaining providers indicating they were interested in accepting Care 4 Kids families.

AWARDEE LOCATIONS

Grantees were located in 46 different municipalities across Connecticut. The locations of selected programs generally followed the geographic distribution of the complete pool of applications. Many more urban and urban ring applications were received than applications from rural areas.

Child Care Deserts: Applications & Grantees



A majority of applications were located in high-need communities, as measured by the OEC Social Vulnerability and Desertification Scale. Several providers were located on the border of a high need's community or in moderate SVI communities. Each of these providers maintained a strong Care 4 Kids population in their program.

GRANT PRIORITIES

Selected projects included renovations and construction to increase infant & toddler capacity, bringing pre-school slots to childcare deserts, to increase program quality through upgrades, and compliance with health & safety issues within a facility.

Expected Project Outcomes

CENTERS ▶



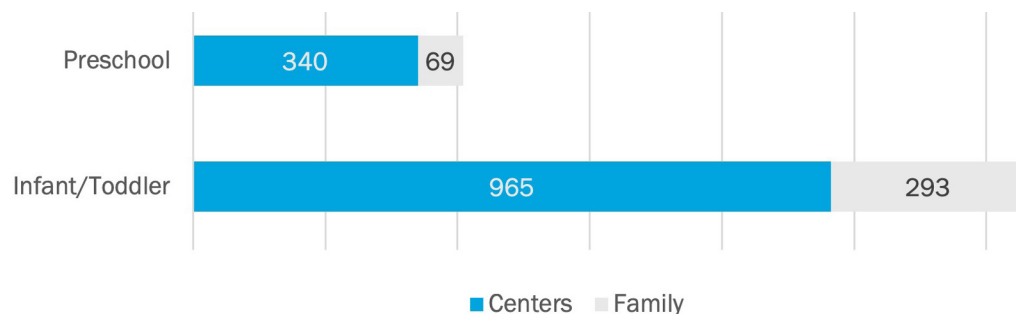
FAMILY CHILD CARE ▶



When all the projects are completed, the program is projected to increase capacity of early care spaces by 1,667, with the majority being for infants and toddlers.

The potential creation of 1,667 new child care slots is an important step toward meeting growing demand. However, given the challenges addressed earlier in this report related to workforce availability, there is no guarantee they will all be filled. This underscores the need for a multi-faceted and complementary approach to supporting the early care sector.

1,667 Potential New Slots Created





These grant funds and renovations have transformed my child care space into a safer, healthier, and more welcoming environment. It has also allowed me to expand my capacity by giving more families access to a high-quality, home-based early childhood program in my community. Thanks to this funding, I was able to take action on critical improvements that would have otherwise been difficult to afford.

- Torrington Provider and Grant Recipient

THE NATIONAL CHILDREN'S FACILITIES NETWORK REPORT

The National Children's Facilities Network (NCFN) recent report [Improving Child Care Facilities with Federal Relief Funding](#) highlights lessons learned from the implementation of ARPA and recommendations that address key trends and promising practices, in the effort to enhance child care facilities through technical assistance and financial resources. Recommendations include:

- Creating a dedicated and ongoing facilities funding mechanism
- Providing comprehensive technical assistance
- Considering all aspects of expertise needed to support successful facilities projects
- Specifying eligibility and incentivizing child care facilities development initiatives across agencies



Lessons Learned

Working closely with applicants and grantees over the past year and a half has afforded LISC unique insights in the opportunities and challenges within Connecticut's existing ECE infrastructure. The program received applications from over 730 providers and funded 125 projects. This offered unprecedented insights into the needs of providers both as it relates to expansion opportunities and existing facility needs. Demand for grants significantly exceeded anticipated response and far outpaced available resources. Grant applications were received from all corners of the state and all types of providers.

SUPPORTING A MIXED DELIVERY SYSTEM

ACCESS AND OPPORTUNITY

Connecticut supports a mixed delivery system of early childhood education, which gives parents the ability to choose the type, size, and location of care, and options that best suit the needs of their children. In keeping with the mixed delivery model, grant funding was structured to be accessible to a wide range of licensed early care programs, as well as to providers in the process of establishing a new licensed program.

A \$3 million set-aside established for family and group home providers allowed access to grants up to \$75,000. Larger center-based providers were able to access up to \$500,000, from a \$9 million allocation, for their renovation and construction projects. A \$1 million reserve fund was held back to ensure that cost overruns and unexpected project expenses could be covered.

However, it is not enough to give providers access to grant funds. The successful completion of a project hinged on building trusting relationships with the applicants and grantees and providing targeted technical assistance. It was clear throughout the grant cycle that family home providers and center-based providers each had a different, yet overlapping, set of technical assistance needs. Types of critical TA include how to write a project grant application, business development, bookkeeping, project management, construction guidance, and permitting processes.

AFFORDABILITY

A successful project is also dependent on the newly created slots being filled and paid for. Additional slots require additional staffing, which is only possible if there is sufficient revenue to cover the additional costs. This in turn relies heavily on a parent's ability to pay the high cost of early care. In lower-income communities, parents are often reliant on subsidies, such as Care 4 Kids or Early Start slots, to be able to afford early care, but subsidies are not a guarantee.

If capacity is being expanded in an area that cannot support market rate care, spaces can go unfilled even if there is great need. In recent years, Infant and Toddler Expansion contracts, awarded through the Office of Early Childhood, were extremely helpful to many providers who had spaces to fill, and helpful to parents who could enroll their children because of the subsidized slot.

QUALITY IMPROVEMENTS AND HEALTH AND SAFETY CONSIDERATIONS

Initially it was intended that grant resources be dedicated solely to projects which would result in new slots and expanded capacity. While expansion was a hallmark of the program, it quickly became apparent that there was a dire need for resources to improve spaces in ways that helped to preserve slots in areas of high need. The needs of aging early care facilities should be considered in future facility funding efforts. Connecticut has some of the oldest building stock in the country; providers who have been a mainstay in communities often do not have the necessary funding to pay for basic maintenance, let alone needed renovations and upgrades. Yet, renovations and upgrades to existing early care facilities are necessary for programs to attract families and to remain as healthy and safe places where children can thrive.

PROJECT MANAGEMENT

PLANNING AND PREDEVELOPMENT FUNDING

Renovation and new construction projects take considerable time and effort; planning a project alone can take 6 months or longer. Submitting municipal permitting paperwork, making requested changes, and waiting for approvals can take an additional 6 months. Allowing for the time to plan, and funding directed to planning and predevelopment expenses, gives providers the ability to develop a thoughtful and practical project, and confidently move into the development stages. Providing targeted project planning technical assistance with initial small planning /predevelopment grants can support the costs associated with project readiness, including environmental studies, architectural costs, space assessments, and permitting. When a provider has a well thought out plan, and can successfully navigate the permitting and predevelopment process, it can ensure a smoother and more efficient renovation or construction process, resulting in less anxiety for providers.

MUNICIPAL PLANNING AND ZONING REQUIREMENTS

The complexity of local zoning and building codes requires time to navigate. Connecticut building and zoning regulations are standardized through state, however, each of the 169 municipalities can implement local regulations as well. It often takes many months for a project to be approved by various departments and receive permits. Only then can construction begin. Subsequently, many projects were stopped midway through with additional required revisions, sometimes onerous, to their construction plan. This added many new and unplanned expenses.

While it is understandable that plans often need revisions due to unexpected circumstances discovered during construction, the nature of the revision requests often could have been identified in an earlier stage of the reviews. Besides the additional cost of new requirements, the time spent in resubmitting plans caused setbacks to projects with a firm grant timeline.

Many grant participants seeking municipal permits would be asked to modify one or two items on the plans, architects would submit the new drawings, and then be given new criteria for something different, which could have been cited earlier. This type of scenario happened multiple times. Additionally, there were permitted construction projects that were stopped in the middle of construction process to add a new and expensive requirement. Examples include adding fire alarms connected to the municipal fire department, sprinkler systems, additional parking, fenced trash collection pads, moving septic systems, and assorted expensive local code compliance requirements, not noted in the original permitting process.

One provider was dismissed by the municipal building department because they did not believe she was a child care provider. After many attempts, including submitting her license, her OEC licensing specialist stepped in and informed the municipal the provider was a legitimate, OEC-licensed business. She was then finally able to apply for the necessary permits.

A center-based provider was renovating a small building to serve over 32 infants and toddlers in a high need area. Drawings were approved, permits in place, and work began. With the first inspection came the news that they needed to comply with updated municipal compliance codes, as they were making major changes to the building. This included a new duct system with different insulation, 4 new exterior doors, electrical meter work and building rewiring, and upgraded insulation. This totaled \$85,000 in unforeseen expenses.

DAVIS BACON REQUIREMENTS

This particular ARPA funded grant was structured to identify grantees as “beneficiaries”. As a beneficiary, there is not a Davis Bacon Requirement (prevailing wages). While it is reasonable to consider prevailing wage requirements for larger projects, the steps needed to hire a contractor, including the RFQ or RFP process, are onerous for many small programs and family home providers, most with smaller sized projects. Our neighbors, Massachusetts and Rhode Island, do not have Davis Bacon requirements for state dollars, so therefore prevailing wage requirements are only triggered if braiding with federal funds.



TECHNICAL ASSISTANCE

BUSINESS AND FINANCIAL PLANNING SUPPORT

Providers often need business coaching to review and update financial statements, utilize business accounting systems, and conduct expansion planning from a financial perspective, which can increase project viability. Technical assistance offered through the grant program included project planning, developing income projections, and considering long-term financial viability. Providers also need assistance in understanding tax liability for accepting grant funds and how to most effectively file their taxes to maximize eligible credits and deductions as a small business owner.

CONSTRUCTION AND PROJECT PLANNING SUPPORT

Developing new facilities and modernizing existing facilities - large or small - takes time and money. Not all the money comes into play at the construction phase; there are many expenses that must be incurred during the planning phase, including architectural, legal, engineering, and environmental studies. Few, if any, small providers have the resources to support this lengthy planning process, and most do not have the expertise to navigate the myriad of steps and requirements. This creates fundamental challenges before projects even get off the ground. While the grantees did well navigating their construction and renovation projects, some of the challenges they faced required the expertise of those in the construction field.

The ARPA funding used for this program needed to be disbursed on a tight timetable, and did not allow for an extended planning period. Additionally, many providers had not previously managed commercial construction projects, and it became clear that a pre-planning phase would have been valuable for many of the finalists. Instituting a well-resourced, planning/ predevelopment phase would provide added assurances that a project is feasible and has

reached shovel ready status before a construction grant is awarded. Selected applicants would receive **financial capability support, and technical assistance centering around planning and implementing construction projects**. The added supports and project oversight provides assurances that projects will be thoughtfully planned in ways that result in successful outcomes for children, families, and communities.

“Supporting family child care providers in accessing facilities grants goes far beyond what many realize. Yes, they need business training and support, but beyond that, they require guidance at every step - understanding applications and requirements, grant writing support, financial assistance, help navigating construction and permits, as well as countless other layers of the process. A key aspect of this work is having staff available who specialize in family child care, professionals who understand the unique challenges of this field and are equipped to guide providers through the complex journey of securing and utilizing a facilities grant. To truly invest in family child care through grants, we must also invest in the technical assistance and training necessary to make that investment successful. Without this comprehensive approach, we risk setting providers up for failure or marginalizing family child care altogether.”

– Molly Stevens, Business Coach with All Our Kin

FUNDING CONSIDERATIONS

COST OF PROJECTS

Regardless of setting, child care space has many custom requirements that come at a price. Decades of project financing data have shown that regardless of geography, it is fair to estimate that child care center space will cost approximately 20% more than standard commercial construction estimates. Factors that contribute to these increased costs include: minimum square footage per child, fenced outdoor play areas, appropriate lighting, bathrooms suitable for young children, and HVAC systems appropriate for New England weather conditions.

Connecticut, like much of the Northeast, is currently experiencing higher than normal real estate costs and high construction costs which amplify the challenge. Many of the selected projects had unexpected circumstances causing cost overruns. Discovering lead or asbestos during construction, major flooding incidents, and mold, are some examples of how projects have been stopped midway through construction to mitigate health and safety issues. Having a reserve fund is critical for project success. Additionally, working in partnership with other agencies gives access to other funding dollars, targeted at specific areas of need. Developing additional partnerships with state agencies, intermediaries, municipalities, and philanthropic organizations will add to a menu of supportive funding options when such emergencies arise.

ACCESS TO FUNDING

Traditionally, funding opportunities are available for those who have the resources and knowledge to secure loans, can access other sources of capital, and who understand how to write a strong loan or grant application. Many early care providers do not have this skill set and are at a disadvantage when applying for funding opportunities.

ARPA funding was designed to be accessible and flexible, providing opportunity to many providers who otherwise might not have been able to participate in the facilities program. For future funding opportunities, to provide fair access to capital, flexible grant funding needs to be available to meet the needs of the early care community.

For example, bond funding comes with multiple restrictions; property liens may exclude many smaller center-based and family home programs, especially those renting space. Funds used for smaller renovation projects, up to \$500,000, could potentially include lien waivers. Neighboring states, such as Rhode Island and Massachusetts, use long term leases for larger projects, requiring the space be used for childcare, rather than impose liens. In Massachusetts, grants up to \$500,000 require 5-year leases.

GRANTS VS. LOANS

Loans and grants are both useful vehicles for implementing facility projects. However, loans can put an added burden on under-resourced owner/operators, and limit renovation or expansion opportunity. Loans create a debt obligation for the borrower and qualifications often depend on factors like creditworthiness and the ability to repay. Alternatively, grant funds are awarded without repayment obligations and are typically based on eligibility criteria like financial need or projected impact on the communities served. While loans provide a valuable financial tool, grant funds offer awardees greater operational flexibility and eliminate the burden of repayment.

BENEFICIARY STATUS FOR GRANTEES

As a beneficiary, grantees can receive funding based on an *obligation to pay* in coordination with a scope of work and payment plan. Without this condition, providers can only be *reimbursed* for the expenses. For providers with limited access to capital, reimbursement requirements, often for large contractor payments, are onerous.

MECHANISM TO ENSURE TIMELY RELEASE OF FUNDING

An ongoing grant program needs the staffing and operational ability to transition through grant cycles, uninterrupted. Releasing authorized bond funding, on a pre-determined timetable, allows for a seamless, continual grant program. This will ensure that as the facility fund program is established with the necessary systems, protocols, and staffing, it will have the stability to continue without disruptions to the managing organization, applicants, and grantees.

Building for the Future

When providers cannot grow their businesses or maintain facilities through capital improvements, there is an inherent cost to the system as a whole: to the families unable to find care so they can work; to the children in programs that may have exceptional staffing, but less than optimal learning environments; to the communities that are in need of available child care; and to the employers trying to hire applicants who can afford the child care necessary to work.

To bridge the current supply gap and prepare for future early care participation increases, the physical infrastructure supporting the system of care must be considered. Connecticut needs to begin building for the future by investing in the renovation and expansion of existing facilities, as well as the construction of new early childhood facilities.



EXPANSION COST ANALYSIS: A GENERATIONAL INVESTMENT

High-quality early learning environments require smart, strategic investments. LISC Connecticut will provide an analysis of construction and renovation project costs from the facilities grant program upon its completion in July 2025 and will make available in an online version of this report. Based on recent new construction and major renovation projects in Massachusetts and Rhode Island:

- Average Per Square Foot Construction Costs (excluding site acquisition): \$555.50 per square foot
- Average Number of Square Feet Created Per Child: 120 built square feet per child

This brings the average cost of creating a new child care slot to \$66,660; however, this is not a one-time cost for one group of children. These are long-term capital assets, serving thousands of children over their lifespans. And public dollars aren't the only source of capital. Across these recent projects, state grant funds have covered only about 26% of total development costs.

The rest comes from:

- Private fundraising and philanthropy
- Loans and debt financing
- Federal tax credit programs
- Other government sources
- Organizational savings

PUBLIC DOLLARS UNLOCK AND LEVERAGE OTHER INVESTMENTS

RECENT EXAMPLES

- Lynn, MA: Gut renovation of an existing building, with installation of entirely new building systems, elevators, reconfiguring layout. 15 classrooms for 270 preschoolers in three story building, plus developing basement level as commercial kitchens and offices.
 - Direct Construction Costs: \$15,671,127
 - State grant: \$1,000,000
 - Other sources: Balance raised and borrowed by the non-profit
 - Cost per square foot: \$490
 - Cost per slot: \$58,041
- New Bedford, MA: New construction of two-story building and playground, four preschool classrooms upstairs, two toddler and two infant classrooms downstairs, with full commercial kitchen and gross motor. Total enrollment will be 135 projected slots.
 - Direct Construction Costs: \$8,557,644
 - State grant: \$1,000,000
 - Other sources: Balance raised and borrowed by the non-profit
 - Cost per square foot: \$503
 - Cost per slot: \$63,389
- Newport, RI: An 8,000 SF classroom-only addition to existing structure for 94 additional children.
 - Total Development Costs: \$5,142,787
 - State grant: \$3,780,000
 - Other sources: Private donations
 - Cost per square foot: \$643
 - Cost per slot: \$54,711
- Providence, RI: A 29,000 SF addition on existing school campus for 94 additional early childhood slots and auxiliary family and educational services.
 - Total Development Costs: \$17,000,000
 - State grant: \$2,062,869
 - Other sources: New Markets Tax Credits, EPA Grant, donations/building reserves
 - Cost per square foot: \$586
 - Cost per slot: \$180,851 (half of this building is used for auxiliary services so true per child costs closer to \$90,000)

NOT ALL INVESTMENTS ARE LARGE

While major renovations and new builds are vital, smaller-scale projects can unlock additional capacity quickly and cost-effectively.

- Westerly, RI: A renovation to reconfigure existing interior space added 4 infant slots.
 - State grant: \$75,000
 - Cost per square foot: \$100
 - Cost per slot: \$9,375
- Cumberland, RI: Used underutilized space to add 2 classrooms (36 children) with a dividing partition, plumbing, and furniture.
 - State grant: \$225,000
 - Cost per square foot: ~\$180
 - Estimated cost per slot: \$6,250

These small upgrades stretch dollars and meet demand where space already exists.

A TIERED INVESTMENT STRATEGY

To build a strong, responsive child care infrastructure, a flexible, tiered approach to public investment is essential, including:

- Large-scale construction/renovation for significant expansion
- Mid-sized upgrades like new classrooms or improved layouts
- Smaller-scale investments for bathrooms, kitchens, furniture, and compliance upgrades

Different projects serve different needs—but all contribute to system-wide stability and growth.

The [National Child Care Facility Cost Estimator](#) encompasses a supply building cost formula and tool that calculates estimated total projected costs for construction or renovation of center-based child care facilities (including hard, soft, and contingency). The tool accounts for national cost variations for a child care center's geographic location, type, and size. This project is part of the National Children's Facilities Network's ongoing commitment to support financial and technical assistance intermediaries dedicated to helping early care and education providers develop high-quality physical learning environments and sustainable business models.

SECTION 4:

Best Practices & Innovative Models





“The playground brought children together...This community desperately needed this safe space for children.”

Dawn McQuade, Director

A Playground - and Flooding Solution

Tucked into a public housing development, The Windham Regional Community Council's New Heights Early Childcare Program has served the community for nearly 50 years. It supports mainly low-income families and single mothers, many without cars.

Director Dawn McQuade is dedicated to enhancing the social and emotional health of all children in the area. Over the years, she's applied for and received small grants to keep the building in good repair. Still, the ongoing needs of the aging facility exceed the available funding for necessary renovations and repairs. One major concern was the playground. The drainage system was failing, and rainstorms flooded the dirt and cement play area, making it unsafe. Even worse, water flowed into the building, causing repeated classroom flooding. Fixing the problem was beyond the program's modest budget.

When the Early Childhood Facilities Construction and Renovation Program grant became available, Dawn saw the perfect opportunity. The application addressed the urgent flooding issues and emphasized the importance of outdoor play for children's social, physical, and mental health.

The grant was awarded, allowing the flooding to be corrected and the playground space to be renovated. Dawn and the staff have already seen improvements in children's behavior, physical health, and connection to nature from increased outdoor time.

Though the grant made a big impact, many needs remain—including a new HVAC system, working security system, replacing aging metal security doors, and renovating additional outdoor spaces. Dawn remains committed to creating a safe, nurturing space where every child can thrive.

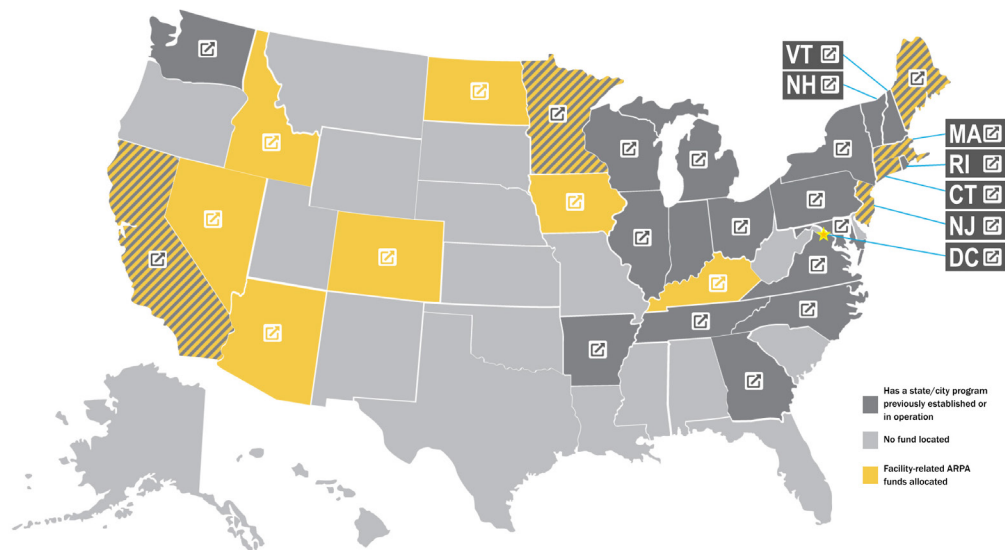
Best Practices & Innovative Models

Despite federal investments in child care subsidies, quality improvements, and stabilization, there is no dedicated federal funding for child care facility development. States and local jurisdictions are stepping up, creatively blending funding streams and treating child care as part of broader infrastructure and economic development. For long-term impact, Connecticut must establish sustainable funding sources for facility development across all phases.

Best Practices

LISC Connecticut's research and experience administering recent and past facility funding, along with lessons from Massachusetts and Rhode Island, highlights effective long-term models. The **Children's Investment Fund (CIF)** in Massachusetts and the LISC **Rhode Island Child Care and Early Learning Facilities Fund (RICCELFF)** pair public and private funding with technical assistance and training and flexible community-centered design. These public-private initiatives have operated without gap for more than two decades.

Identified Child Care Facility Funds by State



* Local Initiatives Support Corporation (LISC). (2022). Making Space Matter: Identified Child Care Facility Funds by State. <https://riccelff.org/lisc/making-space-matter-map/>

Notably, **CIF** and **RICCELFF** are steadfast in their convictions to invest in high quality physical environments, pair funding with in-depth technical assistance and training, and focus on flexible community-centered design. Both initiatives have operated without gaps for more than two decades.

SPOTLIGHT ON EARLY CHILDHOOD FACILITIES STATE BOND PROGRAMS

Massachusetts and Rhode Island have used voter-approved bonds to invest in child care facilities. Their programs—MA's Early Education and Out-of-School Time (EEOST) Capital Fund and RI's Early Childhood Care and Education (ECCE) Capital Fund Capital Fund—support renovations, new construction, and essential upgrades. **Key features include:**

- Strategic Partnerships with state agencies and Community Development Financial Institutions (CDFIs)
- Targeted Investments in high-need communities across provider types
- Tailored Grant Structures based on project scale, provider type, and provider needs

Program Examples:

- Rhode Island ECCE Capital Fund:
 - Capital Improvements: Grants to address urgent health and safety concerns, enhance program quality, and reconfigure existing spaces.
 - Expansion: Supports new, high-quality child care spaces, including planning, feasibility studies, new construction, major rehabilitation of vacant properties, and facility expansions.
- Massachusetts EEOST & Provider Capital Grants (FY25):
 - EEOST Capital Fund – Small Grant Pool (\$200K - \$500K) and Large Grant Pool (\$500K - \$1M): For non-profit center-based providers.
 - Early Education and Care Provider Capital Grants (EEPCG): For for-profit center-based providers.
 - Family Child Care Facilities Grants: Administered through MassDevelopment, supporting home-based child care providers.

These models demonstrate how state bond programs can expand and modernize child care infrastructure, leverage additional funding, drive economic stability, and invest in the future workforce. A similar approach could help Connecticut create high-quality early learning environments statewide.

States are recognizing the urgency of the child care crisis. In 2025, New York's Governor Kathy Hochul proposed \$110 million for a Child Care Construction Fund. To make child care more accessible and affordable, funding would be available to construct new facilities or improve conditions at existing sites. Grant funds would be paired with technical assistance to support both non-profit and for-profit providers in accessing these dollars. Additionally, a set-aside would be designated for renovations and repairs to family child care homes. Similarly, in Connecticut, H.B. 5003 proposes an allocation of \$100M in bond funding to provide grants for capital expenses related to the construction and renovation of early childhood education and child care facilities.

LEARNING THROUGH COLLABORATION

Connecticut can strengthen its approach by partnering with regional leaders and drawing from national models. A collaborative, sustainable strategy will better address access, quality, and affordability.

Innovative Models

All children deserve access to safe, developmentally appropriate environments. As programs evolve, so must the facilities that house them. High-quality design supports child development, environmental sustainability, and long-term affordability.

Creative financing—including braided funding and subsidized capital—can reduce costs for providers and enable buildouts, lease savings, and infrastructure improvements.

According to [RAPID Survey Project](#) data, surveyed Connecticut parents with a young child with a disability are experiencing particular hardships meeting child care needs. More than two in three Connecticut parents (69%) who have a child under age 6 with a disability report difficulty finding a child care provider who could meet the needs of their child.



SUPPORTIVE DESIGN

Many families with children who have a diagnosed disability struggle to find programming that is a good fit or is willing to accommodate their child. Designing childcare spaces that benefit everyone from children with disabilities, their peers, and educators, enhances learning outcomes and ensures compliance with legal and ethical standards; creating learning environments where all children can thrive.



SUPPORTIVE DESIGN: INNOVATIVE DESIGN MODELS

[The Orchid Montessori Center for Inclusive Education \(RI\)](#) is a unique model that provides in-building therapeutic services alongside full-day early care and education, minimizing disruption for families. The Center is a collaboration between [Orchid Montessori](#) and [Access Speech and Allied Therapies](#), a program of the non-profit Autism Included. Three early childhood classrooms serve toddlers and preschoolers and Access Therapy has a satellite office in the building to provide push-in therapeutic services throughout the day for students who qualify.



SUPPORTIVE DESIGN: INNOVATIVE FUNDING MODELS

1. State and federal funds such as Medicaid-based programs, Tax Equity and Fiscal Responsibility Act programs, and other programs for children with disabilities or medical needs¹⁴.
2. Partnerships with local professional training colleges and programs (special education, speech, occupational therapy, counseling, etc.).
3. Private health insurance funding or healthcare network philanthropy that support mission-aligned activities.



SUSTAINABILITY

Extreme heat, heavy rains and flooding, and poor air quality can create health and safety issues for children and staff. Early child care and education programs struggling to secure funding for basic facility improvements must also contend with finding funding for more expensive but necessary environmentally-resilient infrastructure improvements. The stakes are even higher for home-based providers who are running businesses out of their residences.



SUSTAINABILITY: INNOVATIVE DESIGN MODEL

By integrating environmental resilience into child care facility funding, [Massachusetts](#) is creating safer, healthier, and more sustainable learning spaces while reducing long-term costs for providers. This initiative ensures that early education centers are equipped to withstand weather and other environmental challenges, supporting both child well-being and business sustainability.¹⁵



SUSTAINABILITY: INNOVATIVE FUNDING MODELS

1. Indoor Air Quality and Environmental Safety Programs provide funding for HVAC upgrades, ventilation improvements, and water conservation measures to create healthier indoor environments for children and educators.
2. Disaster Preparedness and Resilient Infrastructure Opportunities provide capital funding that can assist facilities in making emergency repairs (e.g., roof replacements, electrical upgrades) and fortifying spaces against weather-related risks.
3. Clean Energy and Decarbonization Grants typically can support projects that improve energy efficiency, reduce carbon footprints, and promote sustainable infrastructure.



CONNECTIONS TO NATURE

A substantial body of research indicates that an outdoor learning and play environment with a variety of natural elements advances and enriches all the domains relevant to the development, health, and wellbeing of young children. National Children's Facilities Network (NCFN) compiled a report, [Connecting Children With Nature Through Thoughtful Facilities Design](#), that highlights how nature supports healthy development and the lasting positive effects of enhanced child care spaces that promote children's connection to nature.¹⁶



CONNECTIONS TO NATURE: NATURE INSPIRED DESIGN MODEL

The [Penn State Child Care Center at Hort Woods](#) was designed to meet three key goals: **connect children with nature** and support a biophilia-infused, child-centered curriculum; create a campus entry that would **heal the old edge of Hort Wood** and reflect the University's commitment to sustainability on campus; and, support **learning about environmental stewardship through exploration**.



CONNECTIONS TO NATURE: INNOVATIVE FUNDING MODELS

1. Access funding from the Clean Water, Clean Air, and Green Jobs Environmental Bond Act and similar legislation, including state and local climate funds.
2. Connect with local water department or conservancy grants for rain gardens or other outdoor play space improvements that prevent stormwater runoff.
3. Find Environmental Protection Agency grant opportunities, through specific programs or grants made available to identified regions.

Those interested in exploring more on the inherent complexities of creating the spaces that young children need and deserve are encouraged to read "[Making Space Matter – the Path to the Child Care and Early Learning Spaces our Kids Deserve](#)". The report provides comprehensive strategies for improving child care facility development nationwide.

Co-Location Opportunities

Child care co-location is the integration of child care facilities with commercial, residential, and community spaces, that goes beyond mere proximity to support the holistic development of communities and embraces a promising opportunity to intertwine child care supply building with broader community and economic development.

[LISC's co-location tool](#) was created to support development project teams in planning and quantifying the anticipated social impacts of intentional, thoughtfully planned co-location of child care space within community development projects to better support children and families, so that in predevelopment processes, teams can communicate project benefits, attract funding and cross-sector partnerships, and advocate for stakeholders to support community integrated child care as a component of sound public policy.



New Opportunities,
Waterbury, CT



COMMUNITY PARTNERSHIPS

Collaborations with innovative community partners create opportunities for children and families to engage in unique learning experiences. These partnerships can also connect families with resources and support services provided by local organizations.



COMMUNITY PARTNERSHIPS: INNOVATIVE DESIGN MODEL

Maritime Odyssey Preschool (MOP) in Norwalk provides a safe, supportive, and high-quality learning environment for all students, staff, and families, with a strong focus on closing the educational gap and ensuring every child, regardless of their economic background, has the tools and support needed to succeed.

Key partnerships include: **The Maritime Aquarium** providing STEAM programming; **JumpStart Program** supporting toddlers with developmental disabilities through 1:1 teaching assistance in inclusive settings; **World Drumming and Art** introducing children to global music and art; and **Family Executive Center** empowering families through a two-generational model combining education, economic support, health services, and more. This model provides essential services such as prenatal care, workforce training, technology access, mentoring, and counseling, all designed to support both children and their families in achieving long-term success.



COMMUNITY PARTNERSHIPS: INNOVATIVE FUNDING MODELS

1. State and federal grant funds including Head Start, Early Head Start, school readiness grants, and the Child Day Care state grant programs
2. Local/municipal grant funds
3. Corporate grant funds
4. Partnerships with non-profits and businesses
5. Donations



INTERGENERATIONAL SERVICES & HOUSING

Research proves intergenerational day centers (IDCs), or child care spaces co-located within senior centers or senior housing can help children, families, seniors, and providers flourish. These spaces can strengthen communities and build social capital.¹⁷



INTERGENERATIONAL SERVICES : INNOVATIVE DESIGN MODELS

Cypress Hills Local Development Corporation & Cypress Hills Child Care Corporation, Brooklyn, NY – A development of 27 units of affordable senior housing co-located with a five-classroom child care center serving as a social and educational hub for families.

Under One Roof, Norwalk – Addresses the needs of older adults and young children through co-location and shared programming.



INTERGENERATIONAL SERVICES : INNOVATIVE FUNDING MODELS

1. Community Development Block Grants or other state, local economic development or community revitalization funding made available through Economic Development Authorities.
2. Low Income Housing Tax Credits subsidize the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants; state agencies award the credits to developers through a competitive process.
3. U.S. Housing and Urban Development provides capital and rent subsidies for supportive housing projects.



PHOTO CREDIT: RYAN BERRY



AFFORDABLE & SUPPORTIVE HOUSING

Co-locating affordable housing and child care helps working parents maintain employment and supports family economic mobility which in turn strengthens the economy. Mixed-use developments that bring together affordable housing and child care are cost-effective long-term solutions addressing the nationwide lack of affordable housing and child care. ¹⁸



AFFORDABLE & SUPPORTIVE HOUSING: INNOVATIVE DESIGN MODELS

King Street Commons, Providence, RI - One Neighborhood Builders (ONE|NB), a local community development corporation (CDC), knew that there was a dramatic need for additional early learning space in the Olneyville neighborhood of Providence. Vision combined with a vacant and blighted lot provided a unique opportunity to incorporate early learning space into a mixed-use development co-locating Head Start and child care center classrooms serving 72 infant- through preschool-aged children, with 62 units of affordable housing. Because of the child care provider's status as a non-profit educational institution, it received a property tax exemption, which was a critical component of making this project viable. ONE|NB developed and owns the space, leasing it at below market rates to the local Head Start provider.

Mission District Early Learning, Bay Area - The Mission Economic Development Agency (MEDA), a CDC, constructed two affordable housing buildings that provide 268 affordable apartment units as part of their Mission Promise Neighborhood initiative. These buildings were intentionally designed with child care in mind, with both family providers in residential units and child care centers on the ground floor. MEDA's strategic plan is based upon an analysis that showed available child care slots met only 17% of the need for children aged 0-2 in the area. The child care facilities, center and home based, operate in partnership and regularly convene to formalize a local ecosystem of child care options.



AFFORDABLE & SUPPORTIVE HOUSING: INNOVATIVE FUNDING MODELS

1. State or local community and economic development funds for projects that incorporate community facilities.
2. Environmental grant programs to remediate site conditions.
3. Donations of surplus or tax-foreclosed property from municipalities.
4. Flexible loan products from community development lenders.
5. The Federal Internal Revenue Code operates three tax credit financing programs – Historic, Low-Income Housing, and New Markets – that under certain circumstances can be used to raise equity for child care projects. U.S. Department of Health & Human Services, Office of Community Services (OCS) makes grants for projects that create employment opportunities for low-income people in economically distressed areas, including both pre-construction planning grants and capital grants for construction and renovation.

Some states, like Rhode Island, have used Preschool Development Grant Birth through Five (PDG B-5) funds to support planning activities, including architectural, engineering, environmental and legal fees.



TRANSIT ORIENTED DISTRICTS

For many transit-dependent populations, the ability to readily drop off and pick up children going to and from work is both uncommon and exceptionally difficult. Co-location of these services helps reduce these barriers.



TRANSIT ORIENTED DISTRICTS: INNOVATIVE DESIGN MODELS

The Kansas City Area Transportation Authority (KCATA) works with the region's major employers, industrial park developers, and Full Employment Council to create sustainable models for co-located transit, child care, and employment access. For over 20 years, KCATA has offered a designed transit center that is anchored by a 15,000 square foot child care center on the Troost Max Bus Rapid Transit (BRT) line and at the epicenter of two major transit corridors.



TRANSIT ORIENTED DISTRICTS: INNOVATIVE FUNDING MODELS

- Department of Transportation grants.
- State and local Transit Oriented Districts grant and loan programs.
- Federal, regional, or local infrastructure funds (such as the Infrastructure Investment and Jobs Act) sometimes cover the planning or development of transit adjacent amenities.



INCUBATOR FOR FAMILY CHILD CARE

Family child care (FCC) is vital for expanding access to child care, particularly for families needing flexible care. Nationally, nearly 1/3 of children under 5 are cared for in FCC, while the supply of these sites has declined by 25% since 2013. Recruiting and supporting new providers to the field is necessary to effectively continue to grow and maintain the supply of child care, particularly in home-based settings.¹⁹



INCUBATOR FOR FAMILY CHILD CARE: INNOVATIVE DESIGN MODELS

New Britain Childcare Business Incubator (NBCI) with backbone support from the YWCA, serves as a training hub, shared services and coaching space, and physical space available at low- to no-cost for four start-up family child care operations. The location is leased to the YWCA by the New Britain Housing Authority and serves up to 32 children across all programs. The YWCA provides comprehensive and critical business training – including coaching and connections to professional services (legal, accounting, etc.) and serves as an intermediary for grant funding.



INCUBATOR FOR FAMILY CHILD CARE: INNOVATIVE FUNDING MODELS

- Private philanthropy can play an instrumental role in new models of care – offering seed funding for innovation.
- Public funds available through municipal, state, and federal grants.
- Pursuing funding “partners” committed to long-term investments as opposed to one-time donors.

ConnCAT Place at Dixwell Plaza will redevelop to redevelop a blighted strip mall into a bustling mixed-use neighborhood. This project, located in the Dixwell neighborhood - a low-income neighborhood steps from downmunicipal New Haven and the Yale University campus - is anticipated to include approximately 184 mixed-income apartments, a grocery store, performing art center, office and retail space, and a child care facility. The child care facility will run through a partnership with **The Friends Center for Children**, a non-profit child care provider, and will offer programming for 68 children aged 0-5 in an 11,000 square foot facility. The Friends Center model is unique in that it actively strives to close wealth and employment gaps. For example, income-eligible teachers in its previous projects have been able to access housing along with financial coaching through the Free Teacher Housing Initiative; they hope to offer the same services at this project site as well. **This project embodies multiple innovative principles: co-location to other community partners, housing, and transit with 7-day bus service.**



Public - Private Partnerships

Accessible, affordable child care is foundational to thriving, healthy communities, and child care opportunities significantly influences children's long-term health and well-being. Child care is also crucial for economic development as it enables parents to participate fully in the workforce, boosting productivity and economic growth. According to a 2021 National Women's Law Center report, child care availability increases the earnings for a woman with two children by \$97,000 over her lifetime. The increased ability to stay in the workforce generates additional benefits in the form of increased retirement savings; up to \$58,000 over a lifetime and a reduction in poverty rate among senior women by nearly 21%.²⁰

Child care is not an issue for only those involved in the child care sector to solve, **it requires cross-sector collaboration**. Strategic public-private partnerships can **expand access to high-quality child care and unlock additional funding opportunities**. Connecticut can expand collaboration with **economic development entities, housing authorities, employers, and philanthropic organizations** to integrate child care into broader community development. As Connecticut seeks to build a more resilient child care system, there is opportunity to push the boundaries of how child care has historically been designed, developed, and funded.

Examples:

- Promise All Atlanta Children Thrive (PAACT)** is an Atlanta-wide alliance of public and private partners collaborating to improve learning, health, and well-being outcomes for Atlanta's youngest children and their families. PAACT was born from a leadership council consisting of leaders from both public and private sectors including local government, state agencies, business, faith, health, philanthropic, and early education communities. The council developed a shared vision, actionable strategies, and citywide commitment needed to sustain this work. **GEEARS** serves as the lead facilitator and backbone organization to PAACT.

- Based on recommendations cited in Iowa's child care task force report, the **Child Care Business Incentive Grant Program** was established to help employers offer or expand child care options as a benefit to their employees. Grant funds support local infrastructure investments and arrangements between employers and child care facilities to expand child care options. Iowa Workforce Development (IWD) also teamed up with Iowa Health & Human Services (HHS) to coordinate the **Child Care Challenge Fund**, which supports regional and community projects in establishing local child care facilities to increase the availability of quality, affordable child care. IWD made facilities grants available while HHS disbursed grants to support equipment, training, and supplies.

PARTNERING FOR INFRASTRUCTURE

Accessible child care is foundational for healthy communities and economic growth. Strategic public-private partnerships are critical for expanding access and unlocking funding.

Iowa's Approach

- Child Care Business Incentive Grant Program – Funds infrastructure for employer-supported child care.
- Child Care Challenge Fund – Provides both capital and operational funding.
- Senate Study Bill 1135 (Iowa) – Proposes \$16 million in grants for full-day care via Early Childhood Iowa and Child Care and Development Fund Wrap Around funds.

COST-SHARING OPERATING EXPENSES

IOWA'S CHILD CARE SOLUTIONS FUND (CCSF)

Launched in 2021, CCSF invites employers to contribute toward child care staffing. Success in Hamilton County led to state-supported expansion via ARPA funds.

CHAMBLISS CENTER FOR CHILDREN

The **Chambliss Center for Children** in Chattanooga, TN provides early childhood education and early care programs for the children of teachers in the local schools. The Center also manages five additional off-site early childhood programs throughout the Chattanooga community. While each of the centers has its own board of directors, the back-office management and general support services are merged with the main campus operations. All centers use the same sliding fee scale and follow the same curriculum. This program has helped reduce turnover rates for new teachers from 49% to under 10% in the schools where its classrooms are located

MICHIGAN TRI-SHARE MODEL

A three-way split of child care costs among employers, employees, and the state. Connecticut launched a similar program in New London County in July 2024.²¹



Kiddie Cove,
West Haven, CT

According to a Child Care Aware of America report released in March 2025, [Public-Private Partnerships for Child Care: Examples and Insights](#), across states that have implemented similar programs, these key takeaways have emerged:

- Include sufficient funding to cover administrative costs to help market, staff, and run the program.
- Set-aside a portion of funds for small businesses.
- Require all programs across the state to have uniform contracts, paperwork, and eligibility requirements to minimize confusion and increase efficiency.
- Consider leveraging the expertise of an established third-party administrator with experience in similar programs to help streamline efficiency.
- Dedicate a child care-business liaison who has experience in connecting with employers to help with recruitment and marketing to employers.
- Include state and local chambers of commerce, child care advocates, and state agency staff to promote the program at business forums, chamber meetings, and in other employer circles.
- Maintain flexibility for families to decide which care setting and where makes the most sense for them to enroll their child.²²

OPPORTUNITIES FOR PARTNERSHIPS TO EXPAND REACH & IMPACT

Investment in child care providers and facilities are an integral part of strengthening local economies. Lack of accessible child care options reduces workforce participation and stifles economic growth. A 2023 study by [Ready Nation](#) found that the lack of child care options for families across the country results in \$120 billion annual economic loss, a figure that has doubled since 2018.²³

The following examples lift-up how innovative public and private partnerships and intentional collaborations can increase access and ensure investment in local child care ecosystems.



Affordable Learning Center,
Hartford, CT

PUBLIC SECTOR [The New Jersey Economic Development Authority \(NJEDA\)](#)

The Child Care Facilities Improvement Program (CCFIP) provides grants for facility improvements that support high-quality early learning environments.

Key Strategies

- **Inclusive Planning:** NJEDA released a Request for Information (RFI) before launching CCFIP to gather insight from providers, TA agencies, advocates, child care resource and referral agencies, researchers, and others.
- **Ongoing Engagement:** Stakeholders were involved through both program development and implementation.
- **Access:** The program underscores the importance of aligning public-sector grant and loan programs with the operational realities of child care.

Takeaway

Effective public agency partnerships require cross-sector coordination, targeted outreach, and thoughtful design to avoid unintentionally excluding child care programs.

PRIVATE SECTOR: CERCLE & MISSION DRIVEN FINANCE

Many child care providers struggle to secure stable, suitable spaces due to high residential and commercial rents, limited financing options, and displacement. Mission Driven Finance's innovative model, CARE®, a real estate investment trust, infuses private investment dollars to expand access to quality early care.

Key Strategies

- Private Investment: CARE® purchases properties and in turn leases them to child care providers who include families under 100% of the area median income and those located in communities with insufficient child care supply.
- Local Ownership Goal: CARE® offers buyout opportunities for providers to be able to access homeownership.
- Local Collaboration: Partnering with a trusted community organization, such as CERCLE, helps ensure the program meets the needs of local providers. CERCLE, a New Haven-based non-profit, employs a shared services model to deliver services that help improve the sustainability of child care businesses, particularly in communities that lack quality, affordable care.

Takeaway

Investment of private, mission-driven capital can create additional opportunities for facility expansion and potentially leverage other public investment.

PUBLIC/PRIVATE COLLABORATION: HOPE STARTS HERE

Hope Starts Here is a Detroit based initiative to mobilize early childhood efforts across the city.

Key Strategies

- Multi-Sector Engagement: Several partners across public, private, and philanthropic sectors came together to develop a common vision, coordinate implementation, create infrastructure, and drive collective advocacy.
- Shared Framework: Three areas of impact – access, quality, and affordability - were identified to further define a six-point imperative framework.

Takeaway

For long-lasting impact, multiple stakeholders must be at the table and developing shared goals. Often, private philanthropy can help seed initiatives, financing a demonstration project to make the case for public investment.

PUBLIC/PRIVATE COLLABORATION: DATA SHARING FOR DECISION MAKING

Lack of timely, accurate facility and enrollment data hinders strategic investment in early care and education.

Key Strategies

- Multi-Sector Collaboration: Convening stakeholders from government, philanthropy, and the early care sector to discuss data gaps can help determine the tools and resources needed. In Rhode Island, the state Department of Human Services invested in the development of a [tool to answer granular level questions about community capacity](#).
- Seed Investment for Innovation: Investing time and talent to conduct measurements can often be cost-prohibitive for many local communities. Opportunities Exchange (OppEx) is [piloting a tool to measure real-time enrollment](#).

Takeaway

Better data drives better decisions and investments. But these tools must be designed and implemented with feedback from the multitude of stakeholders who will be the end users.

CONNECTICUT PUBLIC SECTOR COORDINATION: HOUSING

LEAD ABATEMENT

The U.S. Environmental Protection Agency, states, and local municipalities often offer free lead abatement and other services to safely remove lead from residential properties built prior to 1978 and other child-occupied facilities. [Lead Free Connecticut](#) is a free lead abatement program to safely remove lead hazards from residential properties, with services specifically catered to family child care homes.

HOME REPAIR

Federal, state and local municipalities may make available home repair assistance that offers homeowners some combination of technical assistance, grants, and loans to make home improvements, often to address health and safety issues. Outside of Connecticut, LISC partners with public and community-based organizations in multiple cities that offer low-income homeowners with 0–2% interest rate loans to enable residents to remain in homes that are safe and habitable. LISC has provided \$16M in loans to 795 homeowners for critical repairs.

Many programs address research findings that correlate poor housing conditions with higher incidences of asthma and other diseases in children. Program partners should understand if eligibility unintentionally creates a barrier for home-based operators to access funds. Further, program implementation strategies could include priority considerations or carve-outs for family operators or even market these opportunities directly to ensure family educators are aware of these resources.

DOWNPAYMENT ASSISTANCE

Homeownership supports and pathways like Downpayment Assistance Programs (DAP) can serve as powerful tools for ensuring that Family Child Care providers can establish and sustain their businesses without fear of displacement. By removing financial barriers to homeownership, these programs can help secure the future of FCC businesses, improve child care access and



quality, and create pathways for economic mobility. The **Connecticut Housing Finance Authority (CHFA)** offers several programs that could be leveraged to support those educators whose housing situation, and businesses are inextricably linked:

- **Downpayment Assistance Program (DAP) Loan** Provides low-interest second mortgage loans to help cover downpayment and closing costs.
- **Time to Own Forgivable Downpayment Assistance** Offers forgivable downpayment and closing cost assistance for first-time homebuyers, covering up to \$50,000 in high-cost areas and \$25,000 elsewhere. The loan is fully forgiven after 10 years if the homeowner stays in the property.
- **FHA 203(k) Renovation Mortgage Programs** Allows homebuyers to finance the purchase and renovation of a home under a single mortgage. Since many FCCs operate in older homes that may require safety upgrades, accessibility improvements, or better-designed child care spaces, this program would enable them to finance those necessary renovations up front.
- **Potential: Teachers Mortgage Assistance Program** If this program were to expand to recognize FCC providers as eligible educators, it could become a powerful tool in offering below-market interest rates and downpayment assistance for those providers to buy homes in the state.

CONNECTICUT COMMUNITY DEVELOPMENT FUNDS

Neighborhood assistance business tax credit programs Corporate grants incentivized through a tax credit equal to 60% of the cash invested is available to business firms that invest in programs that provide child care.

Community Investment Fund (CIF) 2030 A competitive grant program to foster economic development in historically under-resourced communities across the state. Grants are available for capital improvement projects and project planning for eligible municipalities, not-for-profit organizations, and community development corporations.

Urban Act Grant Program Funding to support community development in economically distressed municipalities, including investments in child care facilities and services to improve the quality of life for urban residents. These funds can be awarded as grants to enhance child care infrastructure and services within eligible communities, helping to increase access to high-quality early learning environments.

WANT TO LEARN MORE? Across the country there are dozens of policies, investment models, and technical assistance programs focused on stabilizing the early care and learning industry. This Landscape Analysis contains a curated list of programs that have the potential for replication or influence in Connecticut.

From the Ground Up: Improving Child Care and Early Learning Facilities is a comprehensive catalog of the promising policy and investment models currently in use in communities across the country. Produced by The Bipartisan Policy Center, this report reminds us that “high quality environments lead to better outcomes for young children and our nation’s children cannot afford to wait for greater investments in early learning infrastructure that support their development.”

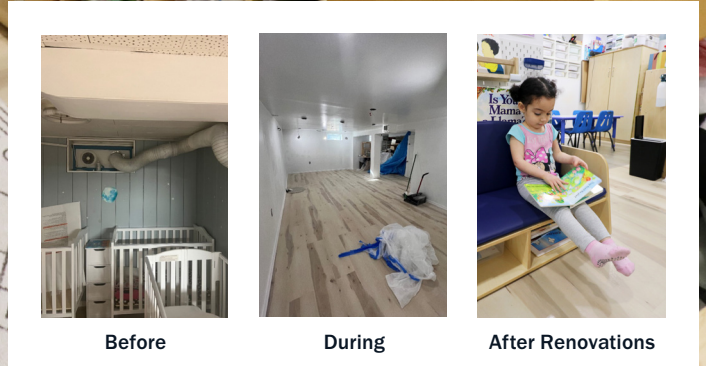
SECTION 5:

Strategic Recommendations & Implementation Roadmap



“This will help us be a solution to the deficit of Early Head Start care, regardless of day or night”

Diana Gil, Little Wise Family Daycare Owner



Little Wise Family Home Daycare

Diana Gil's journey as a family child care provider in Wethersfield took a remarkable turn thanks to the Early Childhood Facilities Construction and Renovation Program grant. With deep gratitude, she shared how the grant transformed her space and positively impacted the children and families she serves.

Before renovations, Diana's child care facility was dull and in need of improvements, lacking key elements to foster a nurturing atmosphere. With the grant's support, her vision of a vibrant, safe, and engaging space became a reality. The basement remodel included new flooring, updated windows, a bathroom, a small kitchen, and upgraded lighting. The once-dark space is now bright and welcoming for children and parents alike.

Since 2016, Diana—one of only three Spanish-speaking childcare providers in her municipal—has recognized the need for a bilingual environment where children can thrive in both English and Spanish. Her facility now serves as a vital resource, breaking down language barriers and offering a nurturing place for growth.

With nine children currently enrolled and two dedicated assistants, the improvements have elevated the quality of care Diana provides. She believes grants like this reignite providers' motivation, helping them create spaces that meet the many needs of young children.

Throughout the grant process, Diana appreciated LISC's empathetic and supportive approach. She found the process straightforward and felt genuinely cared for. Looking ahead, Diana hopes for future funding to enhance her outdoor space, envisioning a safe playground where children can connect with nature and each other.

Strategic Recommendations & Implementation Roadmap

Despite the acknowledged challenges of creating the quality spaces that are needed to achieve Connecticut's bold vision for expanding access to high-quality early care and education, there are many reasons to believe that the State, its providers, and partners can make noteworthy progress. Executing the strategic recommendations and implementation roadmap outlined in this section will enhance the quality, safety, and capacity of Connecticut's early child care and education programs.

Strategic Recommendations

1. ESTABLISH A SUSTAINED EARLY CHILDHOOD FACILITIES FUND

Expanding child care capacity requires strategic investment in the acquisition, repair, renovation, and development of physical spaces. The establishment of a dedicated Early Childhood Facilities Fund is a critical step to enable both new and existing child care providers to meet increasing demand. To ensure efficient distribution of funding, the program should be administered by a qualified entity or entities with expertise in child care facility development, financing, and technical support.

- Develop a **consistent funding stream** for facility improvements.
- Implement flexible **grant programs** supporting minor renovations to large-scale construction.
- Explore **public-private partnerships** to leverage additional investments.

2. PROVIDE TARGETED TECHNICAL ASSISTANCE

To successfully navigate the technical aspects of facilities projects, providers require robust technical assistance resources. Providers may need support with feasibility and planning, navigating various complex components of renovation or construction processes, complying with state and local regulatory requirements, or assembling project funding from an array of sources. Providers become more effective, and projects are planned more thoughtfully, when supported by a centralized network with strong facility design and development expertise.

- Expand **pre-development support** to help providers access expertise and professional services necessary to navigate planning and feasibility of construction and renovation projects, including zoning and financing complexities.
- Establish a **statewide technical assistance hub** to guide providers in project planning, navigating systems and resources, and completing funding applications.
- Offer **specialized support** for family child care providers.

3. IMPROVE DATA COLLECTION AND TRANSPARENCY

The lack of ongoing systematic facility data collection (e.g., real time enrollment data) and assessment limits strategic planning and action statewide. Data collection and analysis, especially at the municipal level, is crucial for targeted distribution of funding, understanding community needs for care, streamlining agency coordination, and providing targeted technical assistance resources.

- Create a **real-time data dashboard** tracking facility improvements and expansion efforts.
- Develop and implement a single point of entry database, to include real-time enrollment information to better track communities of need and slots available. This database could be utilized to prioritize facility project investments.

Rhode Island recently released the “[Early Learning Capacity in Rhode Island](#)” tool, which allows community planners, investors, families, advocates, and current providers to better understand need at the community level. Additionally, Opportunities Exchange (OppEx) recently released a real time enrollment pilot program: “[Collecting Data on Child Care Supply in Real Time: A New Approach to Data Collection](#)”.²⁴ The program highlights the need for comprehensive use of CCMS, engagement from multiple stakeholders, and regulatory support to ensure accurate and timely data collection, ultimately aiming to improve early care and education administration and policy.

4. EXPAND AND ALIGN FUNDING SOURCES

Relying on a complex capital stack, not one singular funding source, to cover the costs of acquisition, construction, renovation, and ongoing facility upkeep is common practice among providers. Most projects require braiding capital from multiple sources, many with varied timing and regulatory requirements. This requires a high level of financing and development knowledge that few early learning providers possess. Ensuring a strong system of supports and facilities funding resources is paramount to ensuring that all providers have access to an array of capital products.

- Secure **bond funding** for robust grant funds to support projects that align with prioritized slot creation, such as new infant/toddler seats, slots in child care deserts, and projects in high need communities.
- Create a **revolving/recoverable grant pool** to support project pre-development costs such as site acquisition, architectural, engineering and legal fees, and environmental studies. Recoverable grants are essentially zero interest loans and can typically be used for pre-development and other non-construction costs. Having access to this early, low-cost capital can be critical for project success.
- Develop **low-interest loan programs** for expansion and renovations designed specifically for both for-profit and non-profit child care businesses to enhance the quality and accessibility of early learning environments. Loan programs for this sector must be responsive to the unique financial challenges faced by child care providers—whether they own or lease their spaces—and offer adaptable terms to support

renovations, expansions, and facility improvements. Beyond financing, building trust between lenders and child care providers is key in ensuring that borrowers receive not just capital, but also guidance and partnership in sustaining high-quality early learning opportunities for children.

- Coordinate **existing public and private funding streams** to ensure child care providers are aware of and have access to resources they may be eligible for, like local community and economic development funds, lead abatement, asbestos abatement, etc. Through targeted outreach, technical assistance, and strategic partnerships, this coordination will ensure providers maximize funding opportunities to support high-quality early learning environments.

5. ADDRESS LICENSING AND REGULATORY BARRIERS

Recognizing that one of the barriers encountered when pursuing facility projects is the multitude of local health, building, and zoning requirements, the technical support mentioned previously can help alleviate providers of the burden of navigating often complex requirements outside of their range of expertise.

- Simplify and align **licensing standards and the regulatory environment to prioritize health and safety**, while allowing for flexible expansion solutions.
- Review **zoning and building regulations** to clarify, coordinate, and resolve differences among state and local regulatory agencies to remove administrative and financial burdens and assure safe environments for children in child care homes and centers.
- Use child care gap analyses and community engagement processes to guide zoning decisions and **prioritize development in underserved areas**.

In 2024, Connecticut's Regulation Review Committee approved a simple regulatory change resulting in a flexible expansion solution. The Committee increased the children-to-teacher ratio for 2-year-olds from four to five. It also increased the number of 2-year-olds allowed in one classroom to 10, provided there are at least two caregivers.²⁵

Legislation is moving through the Connecticut General Assembly to authorize a pilot program which will enable Family Child Care programs to serve up to 12 children, providing the program has adequate space and staff. If passed, this will leverage existing family child care licensing regulations, rather than requiring group home regulations, which are very close to those required for larger centers. This is a low- to no-cost way to increase supply within existing facilities. The Large Family Child Care Pilot Program is likely to pass this legislative session.

Summary of Recommendations

For many years, Connecticut stakeholders have been working to advance early childhood policies and programs that support both early care businesses and the families who are dependent on an affordable, accessible, and sustainable system of early care. The findings of the **Blue Ribbon Panel** kickstarted progress; work has already begun to move from a maze of programs and funding streams to a more streamlined system of care.²⁶ Most recently, Governor Lamont introduced a groundbreaking legislative proposal that, if passed, would create a universal preschool endowment.²⁷ Several other early childhood funding bills have been proposed for the 2025 legislative session. Each is structured to meet the needs of the early care workforce, mitigate the cost to families, and provide increased accessibility to early childhood programs. The outcome of the proposed legislation is still to be determined; what is clear is that the need for an affordable, viable system of early care is acknowledged, and on the minds of state leaders.

Investing in child care infrastructure is essential for Connecticut's economic growth, increased workforce participation, and improved child development outcomes. A sustained commitment to facility funding and technical support will ensure that every child has access to a safe, high-quality early learning environment. Stakeholders must work collaboratively to build a robust system of facility investments that supports the long-term sustainability of child care providers across the state.

A common thread across successful initiatives is a commitment to promoting and supporting not just any spaces, but specifically spaces designed to enhance child, family, and staff experiences. Also fundamental is the goal of ensuring that all families in every community have access to quality early care and education in safe, healthy, and developmentally appropriate spaces. This report serves as the framework to achieve Connecticut's goal of using foundational data to increase the number of high-quality child care and early learning spaces across the state. With the pandemic behind us and an increasing number of businesses asking or requiring workers to return to the workplace, the time is right to put this framework into action.

Implementation Roadmap

1. IMMEDIATE NEXT STEPS (0-12 MONTHS)

- Expand the **Early Childhood Facilities Advisory Committee** to become increasingly representative of the unique fabric of Connecticut's child care stakeholders
- Identify ongoing sources of **grant funds and technical support** for urgent facility needs and targeted expansions
- Develop a **comprehensive facility funding framework**

2. MIDTERM ACTIONS (1-5 YEARS)

- Develop and implement **broader technical assistance programs** statewide, including construction
- Expand **data-driven planning tools** for providers and policymakers
- Coordinate to leverage early childhood facilities state funds with **eligible resources** from other sectors such as small business, economic development, community development

3. LONG-TERM VISION (5+ YEARS)

- Secure **sustained public and private investment**
- Establish a fully resourced Early Childhood Facilities Fund
- Ensure **every child has access to a high-quality learning environment**

Stakeholders

- Advocacy Organizations
- Business and philanthropic partners
- Child care providers representing multiple program types
- Community Development Financial Institutions (CDFIs)
- Community planning and community development sector representatives including developers, such as affordable housing developers
- Connecticut Office of Early Childhood
- Municipal leaders and policymakers
- Parents and other caregivers

Metrics for Evaluation

- Number of new child care slots created
- Percentage of facilities meeting high-quality standards
- Provider satisfaction with technical and financial support
- Reduction in waitlists and underserved areas



Little Superstars,
West Haven, CT

Connecticut has a powerful opportunity to build an early care and education system that meets the needs of families, strengthens communities, and supports a thriving economy.



Conclusion

To better support families, Connecticut must increase the availability of high-quality early care and education slots across every region in the state. This requires not only expanding physical space through the construction of new facilities but also enhancing the quality of existing spaces and facilitating expansion within current facilities when possible.

Parents, policy makers, advocates, and employers can all agree that **quality, affordable child care is critical to building a healthy economy and creating thriving communities**. And that a mixed delivery system--with center- and family-based providers; for-profit, non-profit, and school-based providers--creates the greatest choice and access for families. However, providers of early care and learning have had limited opportunities for technical assistance and funding to make the necessary improvements and expansions to keep up with parent demand. When funding can be secured, most large-scale renovation or construction projects typically require a mix of funding sources, which often occur in stages as funds become available over time. This process adds both complexity and expense to many projects. Furthermore, this complexity leaves out smaller, less-resourced centers and family child care providers that lack the capacity and skills to navigate these challenges.

The good news is there are innovative models that have a track record of success that Connecticut can consider and lessons learned to ensure funding reaches providers that serve communities in greatest need of additional, quality care slots.

Based on research of existing models and current provider need, Connecticut has the opportunity to establish a long-term Early Care & Learning Facility Fund that can:

- 1) Ensure good stewardship of public dollars, while also creating flexibility for all provider types to access;
- 2) Create a robust technical assistance hub to ensure thoughtful design and implementation of renovation or construction projects;
- 3) Promote policies that encourage the co-location of child care with other critical community infrastructure, such as employment centers, housing, and transportation;
- 4) Put providers in the driver's seat to plan for and implement facility projects that will have the greatest impact on the children and families in their care; and
- 5) Leverage the state's investment with funding support from other stakeholders, including employers, banks and credit unions, CDFIs, anchor institutions, and philanthropy.

Connecticut is well situated to establish and implement a dynamic system of early care and education, which will address the needs of working parents, the struggles of early care providers, and the necessity of providing high quality early learning environments for children.

It is an exciting time, and we look forward to partnering with the diverse array of stakeholders who together can rise to this challenge.

Endnotes

- 1 Connecticut Association for Human Services. (2022). Child Care at a Breaking Point: The Cost for Parents to Work
- 2 GRAPHIC 1: Center for American Progress (CAP). (2025). Understanding the Basics of Child Care in the United States. <https://www.americanprogress.org/article/understanding-the-basics-of-child-care-in-the-united-states/>
- 3 First Five Years Fund (FFYF). (2023). State Of Child Care in Connecticut. <https://www.ffyf.org/wp-content/uploads/2024/07/2024-Connecticut-State-Fact-Sheet.pdf>
- 4 Administration for Children and Families (ACF), Office of Child Care (OCC). (2024). New Rule to Improve Child Care Access, Affordability, and Stability in CCDF. <https://acf.gov/occ/news/new-rule-improve-child-care-access-affordability-and-stability-ccdf>
- 5 RAPID Survey Project. (2024). Many Connecticut families with young children are struggling to access child care. <https://rapidsurveyproject.com/article/many-connecticut-families-with-young-children-are-struggling-to-access-child-care/>
- 6 First Five Years Fund (FFYF). (2023). State Of Child Care in Connecticut. <https://www.ffyf.org/wp-content/uploads/2024/07/2024-Connecticut-State-Fact-Sheet.pdf>
- 7 Ibid.
- 8 Ibid.
- 9 Ibid.
- 10 Connecticut Office of Early Childhood (CTOEC). (2023). Blue-Ribbon Panel on Child Care Report. <https://www.ctoec.org/wp-content/uploads/2023/12/oec-blue-ribbon-panel-report-2023-12.15.pdf>
- 11 <https://www.ffyf.org/wp-content/uploads/2024/07/2024-Connecticut-State-Fact-Sheet.pdf>
- 12 Connecticut Department of Labor, 2023 Occupational Employment & Wages, <https://www1.ctdol.state.ct.us/lmi/wages/20231/0901000009/35-3023.htm>
- 13 Ready Nation. (2023). \$122 Billion: The Growing, Annual Cost of Infant-Toddler Child Care Crisis. <https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>
- 14 <https://www.kidswaivers.org/>
- 15 Mass.gov. (2023). Healey-Driscoll Administration Launches \$14.3 Million Grant Program for Renovations at Child Care Programs Serving Low-Income Families. <https://www.mass.gov/news/healey-driscoll-administration-launches-143-million-grant-program-for-renovations-at-child-care-programs-serving-low-income-families>
- 16 National Children's Facilities Network (NCFN). (2023). Making Space: Connecting Children with Nature Through Thoughtful Facilities Design. https://static1.squarespace.com/static/5e221ab388621f5c0aeb37e5/t/66901700208cfc3624aca416/1720719104638/MakingSpace_ConnectingChildrenWithNature+2.pdf
- 17 Swartz, M. (2025). How Intergenerational Day Centers Benefit Children, Families, Seniors and Providers. Early Learning Nation. <https://earlylearningnation.com/2025/02/how-intergenerational-day-centers-benefit-children-families-seniors-and-providers/>
- 18 Bipartisan Policy Center (BPC). (2024). Under One Roof: Combining Affordable Homes with Child Care Solutions. <https://bipartisanpolicy.org/blog/under-one-roof-combining-affordable-homes-with-child-care-solutions/>

- 19 The National Survey of Early Care and Education (NSECE). (2021). Home-based Early Care and Education Providers in 2012 and 2019: Counts and Characteristics. OPRE Report #2021-85. <https://acf.gov/sites/default/files/documents/opre/NSECE-chartbook-homebased-may-2021.pdf>
- 20 National Women's Law Center (NWLCL). (2021). A Lifetime's Worth of Benefits: The Effects of Affordable, High-quality Child Care on Family Income, the Gender Earnings Gap, and Women's Retirement Security. https://nwlc.org/wp-content/uploads/2021/04/A-Lifetimes-Worth-of-Benefits-_FD.pdf
- 21 State of Connecticut. (2024). Public Act No. 24-91, Substitute House Bill No. 5002. <https://legiscan.com/CT/bill/HB05002/2024>
- 22 Child Care Aware of America (CCAoA). 2025. Public-Private Partnerships for Child Care: Examples and Insights. <https://info.childcareaware.org/hubfs/Public-Private-Partnerships-for-Child-Care--Examples-and-Insights.pdf>
- 23 Ready Nation. (2023). \$122 Billion: The Growing, Annual Cost of Infant-Toddler Child Care Crisis. [https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;%20filename=%22\\$122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf%22](https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;%20filename=%22$122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf%22)
- 24 Opportunities Exchange (OppEx). (2025). Collecting Data on Child Care Supply in Real Time: A New Approach to Data Collection. https://static1.squarespace.com/static/5f4d7a7ef6c82325c5ec80c0/t/67915fd9e282a641804da823/1737580505654/OppEx_2025_Issue+Brief_Collecting+Data+on+Child+Care+Supply.pdf
- 25 Connecticut Office of Early Childhood (CTOEC). (2024). Updates about proposed regulation changes for child care centers and group child care homes. <https://www.ctoec.org/news/updates-about-proposed-regulation-changes-for-child-care-centers-and-group-child-care-homes/>
- 26 Administration for Children and Families (ACF), Office of Child Care (OCC). (2024). New Rule to Improve Child Care Access, Affordability, and Stability in CCDF. <https://acf.gov/occ/news/new-rule-improve-child-care-access-affordability-and-stability-ccdf>
- 27 Governor Lamont Proposes the Largest Expansion of Preschool Access in Connecticut History. (2025). https://portal.ct.gov/governor/news/press-releases/2025/02-2025/governor-lamont-proposes-the-largest-expansion-of-preschool-access-in-connecticut-history?language=en_US

Acknowledgments

The research and analysis presented in this paper is attributed to a team of individuals and entities committed to lifting up the critical needs of child care providers in building and sustaining high quality early care and learning environments.

Funding for this report was provided by The Connecticut Project and the American Rescue Plan Act through the Connecticut Office of Early Childhood. This represents the power of public-private partnerships to leverage resources and invest in solutions to drive lasting community change.

Local Initiatives Support Corp. (LISC) Connecticut gratefully acknowledges the support of **Gov. Ned Lamont, Connecticut General Assembly, and Commissioner Beth Bye** and the **Office of Early Childhood for the Connecticut Early Childhood Facilities Construction and Renovation Grant Program** (which included support for this paper), **Courtney Parkerson and The Connecticut Project**, and the **LISC national Child Care & Early Learning Team**.

The views expressed here do not necessarily reflect the views of the funders.

Contributors:

Cindy Larson, Independent Consultant for Early Learning & Child Care

Bevin Parker-Cerkez, LISC Child Care & Early Learning

Megan Ressler, LISC Child Care & Early Learning

Maggie-Leigh O'Neill, Writer

LISC Connecticut Staff

Additional thanks to the following individuals and organizations for their time and talent:

Market Research Partners, LLC

Connecticut Early Childhood Alliance

Members of the Early Childhood Facilities Grant Program
Advisory Committee

Sarah Heath Photography

Renee Duran Graphic Design



lisc.org/connecticut