Children’s Investment Fund’s mission is to improve the quality of and expand access to early childhood education and out-of-school time programs for children from low- and moderate-income families. In order to broaden the impact of its work, CIF also seeks to support affordable housing for low-income families through place-based, two-generation, and other strategies that result in safer, healthier, and more stable environments in which to raise young children. The organization is affiliated with the Community Economic Development Assistance Corporation (CEDAC).
Dear Colleagues,

Every day millions of American families count on child care providers to supply safe, healthy environments for their children to learn and develop. The quality of those spaces matters. The indoor and outdoor environments in which children learn affect the air they breathe, the way they move, what they learn, and how they develop.

When early childhood and after-school facilities temporarily closed during the COVID-19 pandemic, forcing many parents to give up much-needed employment, the centrality of this sector to families’ lives and the state’s workforce became even more apparent. The pandemic also revealed the need for many child care centers to upgrade their buildings, with particular urgency related to ventilation, accessible sinks for handwashing, and spaces that support social distancing. It is a sector in need of serious, sustained investment.

For 30 years, Children’s Investment Fund has been on the frontlines of developing quality spaces for children to learn and thrive. As the first organization in the nation primarily focused on providing financing to child care facilities, we champion the need for all children to have access to high-quality learning environments.

Since 2013, we have partnered with the Commonwealth of Massachusetts to launch and implement an innovative state-funded program, the Early Education and Out of School Time Capital Fund (which we are rebranding as the Building Quality Capital Fund). To date, the program has enabled more than three dozen child care providers to transform their facilities through capital investment. We are grateful to Commissioner Samantha Aigner-Treworgy and the Massachusetts Department of Early Education and Care, with whom we co-manage the Capital Fund, and for the committed support of Governor Charlie Baker and the state legislature.

This report celebrates the achievements of the Building Quality Capital Fund and highlights the importance of investing in child care facilities. We are pleased to have contributed to the success of these efforts and, above all, to have helped thousands more children meet their full potential. Building Quality is how we envision the future — a world in which substantial investment in child care infrastructure helps transform learning opportunities for children and their families.

Sincerely,

Theresa Jordan
Director
Children’s Investment Fund
In 1991, when the United Way of Massachusetts Bay and Merrimack Valley pulled together a funding collaborative to launch what became Children’s Investment Fund (CIF), welfare reform dominated the national policy agenda. Faced with the loss of welfare benefits for many families, communities anticipated the need for more child care to accommodate children whose mothers would be compelled to enter the workforce. Access to capital — the willingness of conventional financial institutions to lend to nonprofits — was the most obvious barrier. CIF was established to help early childhood education and out-of-school time providers manage this financial challenge.

Soon, it became clear that loans represented only one hurdle to the expansion of child care. Most nonprofit providers also lacked the revenue to borrow enough money to repay a loan and the expertise to plan and build or renovate existing facilities. CIF’s mission grew to fill these gaps. In 1997, CIF expanded statewide and became an affiliate of the Community Economic Development Assistance Corporation (CEDAC), a partner that brought critical real estate development and finance expertise to our work.

As the first organization in the country established exclusively to serve the real estate development needs of the nonprofit child care sector, CIF has learned big lessons through experience. For example:

**Not all environments produce equal results for children.**
From research and experience, we’ve learned that teacher-child interactions increase dramatically when buildings incorporate certain features like spacious classrooms and a bathroom in each classroom. Thus, we have to be in the business of promoting building quality, not just expansion.

**Community-based providers need support.**
Organizations tend to be small and understaffed, with little internal experience in real estate development and finance. To meet this need, we’ve become a training and technical assistance partner that supports child care providers to hire, pay, and oversee architects, project managers, and other consultants.

**Quality design and construction carry a cost.**
In early 2013, thanks in part to our involvement, the Citizens’ Housing and Planning Association incorporated a provision for early childhood education facilities into its proposed housing bond bill. The resulting Early Education and Out of School Time Capital Fund (Building Quality Capital Fund) changed the game for early childhood education and out-of-school providers in Massachusetts.
Today, with designation as a Community Development Financial Institution (CDFI) from the U.S. Treasury, Children’s Investment Fund sits at the nexus of early childhood education and community development. We employ the tools and knowledge from both sectors to produce better environments for children across Massachusetts. Through our professional development workshops for educators, early-stage predevelopment grants and loans, and ongoing technical assistance, we’ve seen the powerful impact of investments in early childhood education and out-of-school time infrastructure. We look forward to carrying this knowledge into the next decade and beyond.
Most parents with young children need to work. Their children, in turn, need a safe place to spend the work day. More than that, children require stimulating environments that support their healthy social-emotional, physical, cognitive, and language development during the long hours spent away from home.

**INADEQUATE FUNDING**

The nation’s child care system—which operates more as a patchwork of programs than a cohesive sector—falls far short of meeting this need. Unlike the tax-supported K-12 education system, a majority of the cost for early childhood education and out-of-school time is borne by parents and supplemented by modest government subsidies for some low-income families. Minimal public investment leaves most providers with too little revenue to cover more than their most essential operating expenses. The typical provider earns too little to pay staff adequately or to create the kind of well-designed and maintained physical environments that fuel a child’s healthy development. The COVID-19 public health crisis exacerbated an already tenuous situation, bringing thousands of struggling programs to the verge of collapse.

**INEQUITABLE CONDITIONS**

In 2011, the Children’s Investment Fund issued Building an Infrastructure for Quality, which documented subpar physical conditions in early childhood education and out-of-school time facilities. Ten years later, many of those conditions remain a concern, including indoor air quality. In fact, 42% of early childhood education programs responding to a 2020 CIF survey reported operating with outdated heating, ventilation, and air conditioning systems.

Many providers operate in churches, storefronts, community centers, and residential properties—buildings never designed to support a young child’s healthy development. It is costly and difficult to convert these buildings into well-functioning early childhood education centers. Moreover, many suffer from deferred maintenance and outdated systems. Having access to well-designed and maintained spaces is particularly important for children from low-income families who are often disproportionately affected by environmental hazards in their communities, making the condition of child care facilities an important environmental and social justice issue.

**Physical Characteristics of Child Care Centers in Massachusetts**

In 2011, the Children’s Investment Fund released Building an Infrastructure for Quality, a data-driven assessment of child care facility needs across Massachusetts. Child development experts and building engineers documented numerous facility challenges in a random sample of 182 programs and found that:

- **70%** lacked classroom sinks, making frequent handwashing difficult and increasing the risk of infections
- **54%** lacked indoor space for physical activity, limiting opportunities for exercise, particularly during the winter months
- **22%** had poor indoor air quality
- **20%** had at least one classroom without any natural daylight
- **18%** of early childhood education sites and 30 percent of out-of-school time sites lacked adult workspace for educators
- **ONLY 1 SITE** was fully accessible to children with special needs
A GAME-CHANGING INVESTMENT

The Massachusetts Building Quality Capital Fund has stimulated a new level of investment in the physical infrastructure of child care programs by providing a significant injection of capital. These grants, along with other funds raised by recipients, have enabled dozens of providers to dramatically improve their physical conditions and produce measurable improvement in the quality of services children receive.

HOW THE GRANTS WORK

The Capital Fund provides grants of up to $1 million to purchase property, construct a building, renovate an existing space, and cover “soft costs” like architectural and legal fees that are directly related to a property’s development. The funds are available to nonprofit early childhood education and out-of-school-time centers serving children from low-income families. CIF reviews all applications, conducts site visits, and recommends projects to the Massachusetts Department of Early Education and Care, which makes the final grant awards.

The grants provide an important infusion of capital but do not cover the full cost of facilities improvement. Recipients use the state’s grant to leverage additional sources, funding the balance with some combination of their own assets, fundraising, loans, and sophisticated public financing tools, such as New Markets Tax Credits. Thus, while the grants put expensive facilities projects within reach for many providers, they do not resolve the cost burden completely.

INVESTMENTS TO DATE

Since 2013, the Capital Fund has invested a total of $31.7M in 38 early childhood education and out-of-school time capital projects across the state, transforming learning environments for over 4,000 children. More than 80% of the children served by grantees to date live in low-income households. The average total project cost is $3.9M, with projects ranging from $774,000 to $13M.

GRANTS AS LEVERAGE

Capital Fund grants account for a significant portion of the total cost of a site’s construction or renovation—on average 31% of the total project cost. Grantees have secured additional sources of support through donors, public sources, loans, and equity. Collectively, grantees to date have leveraged $219 million in additional public and private financing.

Data from the 38 grantees awarded from 2014 – 2020. Data represents an average of the 31 grantees awarded 2014-2019, as a percentage of total development cost.

Funding Sources as Percent of Total Cost

- **24%** Fundraising
- **31%** Capital Fund Award
- **12%** Other Local, State, and Federal Sources
- **10%** Organizational Equity
- **23%** Long-Term Debt
- **24%** Other

Slots Impacted

- **1,193** Slots created
- **4,043** Slots improved
- **83%** Percentage of children served from low-income families

Data from the 38 grantees awarded from 2014 – 2020.
EXPANDING ACCESS AND QUALITY

The 38 Capital Fund grantees are located across Massachusetts and serve primarily low-income communities. Through the grants, providers have expanded access to quality learning for thousands of children from economically disadvantaged households and communities.
QUALITY REQUIRES CAPACITY

It takes more than financial capital to build great environments for young children. To successfully complete a project, a center must learn to evaluate potential sites, hire professional consultants, determine a project’s financial feasibility, navigate zoning and other bureaucratic permitting procedures, collaborate with an architect to translate their vision into construction documents, and hire and oversee a construction company. For nonprofits that are in the business of education, this is a lot to ask and typically requires support from an intermediary organization, like Children’s Investment Fund (CIF), who can prepare program staff for their new roles.

TRAINING AND TECHNICAL ASSISTANCE

CIF designs and delivers training and professional development workshops that prepare and support these organizations through the real estate development process. We provide extensive technical assistance as well. Our staff members remain in regular contact with providers during the earliest stages of project planning and throughout the process, visiting proposed sites, reviewing plans, analyzing financial options, and making themselves available to problem-solve when providers encounter unanticipated roadblocks.

We also train organizations and state licensors on the elements of a high-quality learning space, using our Design Guidelines for Construction or Renovation of Facilities for Early Education and Out-of-School Time Programs to highlight best practices in child care facilities design.¹

FINANCING

CIF provides loan financing for organizations to acquire property and construct or renovate a facility. We also help them identify and fund technical experts—like attorneys, architects, and engineers—that they will need in order to successfully complete their project.

THE BUILDING STRONGER CENTERS TRAINING INSTITUTE

Building Stronger Centers is CIF’s intensive, four-day residential training program through which we prepare nonprofit child care organizations to successfully plan, finance, and oversee the construction or renovation of a facility. Building Stronger Centers has proven its value—more than 60% of the Capital Fund’s successful grant recipients are graduates of the training.

Children’s Investment Fund has identified four design elements for early childhood education and out-of-school time settings that are especially important to the health and development of young children. There are many additional design elements that are valuable (including ample square footage, sufficient workspace for educators, and adequate storage), but these four are particularly notable.

**BATHROOMS AND SINKS**

While it is still rare for child care classrooms to be equipped with sinks and bathrooms, research suggests that the number of quality adult-child interactions can increase seven-fold when the bathroom is directly accessible from the classroom. Without a bathroom and sink integrated into each classroom, a teacher must accompany children while they use the facilities. That means fewer adults in the classroom, fewer adult-child interactions, and more frequent interruptions to learning.

From a child developmental perspective, the ability to visit an adjacent bathroom unaccompanied by an adult supports growing independence. Moreover, when the plumbing system is extended into the classroom, sinks are then available for handwashing and for clean-up after messy activities, like finger painting.
INDOOR AIR QUALITY

Children breathe more air relative to their weight than adults, making air quality an important health factor. Child care facilities need up-to-date and well-maintained HVAC systems to provide a constant source of fresh air; filters that meet or exceed air filtration standards; and windows that can be opened.

Without proper ventilation, carbon dioxide levels can rise over the course of the day, causing headaches and lethargy. While that is itself problematic, high levels of CO2 also indicate the presence of unhealthy airborne toxins, mold, and germs, which can trigger asthma attacks, especially for children and educators with existing respiratory issues.

The COVID-19 pandemic put more attention on the invisible threat of poor indoor air quality; this is a long-standing issue. According to the Environmental Protection Agency, the air inside child care centers can be two to five times more polluted than outside air. That’s because centers are frequently located in older buildings without mechanical ventilation systems to continuously circulate fresh air.

NATURAL LIGHT

The national health and safety performance standards for early care and education programs stipulate that natural light should be available in any room that a child occupies for more than two hours and that the windows should be at a child’s eye level to provide a variety of perceptual experiences. Such sensory stimulation is essential to a young child’s development.

In elementary schools, test scores are higher for children in classrooms with ample windows and natural light. Exposure to natural light regulates and enhances neurobiological functions, like the circadian cycle that governs sleep patterns, as well as emotional well-being.

Despite these well-established standards and research, our 2011 study of 182 randomly selected facilities in Massachusetts found that 20% of them had classrooms without any natural light.

Horizons for Homeless Children, Boston

Beverly Children's Learning Center, Beverly

Natural light should be available in any room that a child occupies for more than two hours and the windows should be at child’s eye level to provide a variety of perceptual experiences.

— Caring for Our Children: National Health and Safety Performance Standards, 2019
INDOOR AND OUTDOOR ACTIVITY SPACE

To develop important gross motor skills like strength, coordination, and balance, children need to play outside or in large interior rooms.

Natural Outdoor Playgrounds: All child care centers are required to provide access to some form of outdoor activity space. A well-planned playground should offer a wide variety of gross motor activities, but too often, playgrounds revolve around one central climbing structure.

Children’s Investment Fund promotes the development of natural playgrounds that allow children to interact with nature and learn through exploration. There is far more to discover in the untamed outdoors than in a classroom or a one-dimensional manufactured playscape. In natural playgrounds, young children can experience the thrill of jumping off a boulder, discover a hiding place in a cluster of shrubs, or practice balance on a log—all activities that support healthy physical and cognitive growth.

Indoor Multipurpose Space: When the weather prevents children from engaging in physical activities outside, they need a large, open indoor space. Such indoor spaces also require storage for equipment like tumbling mats and tricycles. These multipurpose spaces can accommodate special events and projects when not in use for regular learning and activities.

Financial constraints often prevent child care programs from providing such auxiliary space. Classrooms, meanwhile, are typically too small and have too much furniture to safely allow for gross motor activities, like running and jumping.
In 2016, Children’s Investment Fund hired a team of researchers to evaluate the first 16 Building Quality Capital Fund grants to assess their impact on organizations, teachers, and children. The team of researchers visited the centers before and after the facility improvements to assess the degree of completion as well as changes in the physical environment that are associated with positive cognitive, social-emotional, and physical outcomes for children. The research posed some methodological challenges due to the wide variety of projects. Some grantees renovated existing space while others constructed new buildings. Still others undertook smaller-scope improvements, such as upgrading an HVAC system. While it was difficult to compare outcomes among these varied sites, the findings suggest broadly positive results for the initiative as a whole.

**SUCCESSFUL PROJECT COMPLETION**
The evaluators found that all 16 grantees successfully completed their projects without losing a single day of service to families.

**ORGANIZATIONAL CAPACITY**
Over two-thirds of the grantees were multi-service and/or multi-site organizations, which are larger than the more common stand-alone learning center. The overrepresentation of larger programs was not a surprising finding. Because of their size, these organizations had the staff capacity and organizational sophistication to move quickly and take advantage of opportunities like the one afforded by the Capital Fund. Smaller organizations may require additional support to benefit from this type of initiative.

**IMPROVED PHYSICAL ENVIRONMENT**
To learn whether the grants produced built environments better suited to the developmental needs of young children, the research team’s architect measured changes in the physical settings using the Physical Environments for Early Learning (PEEL) instrument. The PEEL assessment examines program-wide spaces (e.g., kitchens, reception areas, and hallways), classrooms, and outdoor play space, considering how well the areas are designed and utilized by children as well as their spatial organization, functionality, dimensions, and air quality. Although the sample was small (just seven sites), the PEEL assessment demonstrated that the quality of program-wide and classroom spaces improved significantly as a result of the investments. The PEEL scores also increased for the outdoor play spaces, but because few of the providers in this sample made comparable investments in their outdoor environments, the average outdoor improvement was less dramatic.

**KEY FINDINGS:**

1. **SUCCESSFUL PROJECT COMPLETION**
The evaluators found that all 16 grantees successfully completed their projects without losing a single day of service to families.

2. **ORGANIZATIONAL CAPACITY**
Over two-thirds of the grantees were multi-service and/or multi-site organizations, which are larger than the more common stand-alone learning center. The overrepresentation of larger programs was not a surprising finding. Because of their size, these organizations had the staff capacity and organizational sophistication to move quickly and take advantage of opportunities like the one afforded by the Capital Fund. Smaller organizations may require additional support to benefit from this type of initiative.

**Physical Environment Ratings (PEEL)**

<table>
<thead>
<tr>
<th></th>
<th>Pre</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program-Wide Spaces</td>
<td>1.79</td>
<td>2.00</td>
</tr>
<tr>
<td>Outdoor Play and</td>
<td>2.00</td>
<td>2.54</td>
</tr>
<tr>
<td>Learning Spaces</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Classroom*</td>
<td>2.03</td>
<td>3.96</td>
</tr>
</tbody>
</table>

PEEL scores range from 0 to 7, where less than 3 is considered substandard and 5 is considered good. This data represents seven grantee sites before and after their facility projects.

*Analyses of program-wide spaces was significant at p < .01 and the classroom subscale was significant at p < .05.

### Detailed Analysis

- **Program-Wide Spaces**: The average score increased from 1.79 to 2.00, indicating a significant improvement.
- **Outdoor Play and Learning Spaces**: The average score improved from 2.00 to 2.54, showing a notable enhancement.
- **Classroom**: The average score increased from 2.03 to 3.96, reflecting a substantial positive change.

The improvements in these areas suggest that the investments made by the Capital Fund were effective in creating more suitable environments for young children.
4 IMPROVED PROGRAM QUALITY

The child development experts on the research team conducted two additional assessments to understand the impact of the facilities improvements on program quality. The Environment Rating Scales (ERS) and the Classroom Assessment Scoring System (CLASS) are well-established research instruments widely used to assess program quality and interpersonal interactions.

With the ERS assessment, which looks at program quality globally, evaluators found a positive association between the physical facility improvements and program quality. Particularly noteworthy was the increase on the Parents and Staff subscale, which assesses the center as a workplace environment and a source of information and support for parents.

The second assessment, the CLASS observational tool, measures the quality of the interpersonal environment in the classroom, with specific emphasis on teacher-child interactions. The evaluators were only able to collect pre- and post-construction data for three grantees. Two of those grantees saw increases across each of the CLASS subscales, but because of the sample size, it was difficult to assign significance to these data.

5 POSITIVE STAFF EXPERIENCE

In addition to classroom observations, the research team conducted surveys of educators and program administrators, which were generally positive. Teachers reported that improvements to facilities resulted in better learning opportunities for children. They noted that the facility improvements expanded the range of learning activities they could offer and positively influenced children’s ability to engage in the activities.

Teachers also reported that the facility investments improved their own overall health and wellbeing, enhanced their physical comfort, and reduced workplace stress. Child care directors acknowledged that the renovation or construction projects themselves were challenging but worth it.

6 INCREASED PHYSICAL ACTIVITY

Staff survey data also revealed that facility improvements resulted in an average increase of 20 minutes of physical activity daily. Regular physical activity is important for many aspects of healthy child development and especially noteworthy given concerns about the impacts of childhood obesity.

Teachers reported a 10½-minute increase in outdoor activity and a 9½-minute increase indoors. This 20-minute increase could be attributed to improved indoor and outdoor physical activity spaces as well as new efficiencies in the building layout that may have reduced the amount of time spent transitioning between activities.
BELCHERTOWN DAY SCHOOL
Belchertown, MA

In 2014, the Belchertown Day School learned that it would have to vacate the site it had occupied for 27 years. With the help of Children’s Investment Fund financing and a $1M Capital Fund grant, the organization purchased property in a redeveloped area of Belchertown to construct a new building and consolidate multiple early childhood education and out-of-school time programs into a single site.

The new building, which opened in 2020, allowed Belchertown Day School to double its toddler program capacity in response to growing demand in the community. The new classrooms are significantly larger (42 square feet per child vs 35 square feet) and are all equipped with outside-facing doors that facilitate smoother playtime transitions and pandemic-safe child pick-up and drop-off protocols.

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>New Construction, Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>SQUARE FOOTAGE</td>
<td>8,600 square ft.</td>
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<tr>
<td># CHILDREN SERVED (CAPACITY)</td>
<td>110</td>
</tr>
<tr>
<td># SLOTS IMPROVED</td>
<td>101 toddler, preschool, and out-of-school time slots</td>
</tr>
<tr>
<td># SLOTS ADDED</td>
<td>9 toddler slots</td>
</tr>
<tr>
<td>% LOW-INCOME&lt;25</td>
<td>25%</td>
</tr>
<tr>
<td>CAPITAL FUND AWARD</td>
<td>$1,000,000 (2017)</td>
</tr>
<tr>
<td>TOTAL DEVELOPMENT COST</td>
<td>$3,280,000</td>
</tr>
</tbody>
</table>
In 2015, the Beverly Children’s Learning Center had outgrown its leased space in an office park and wanted to expand its programming to address a growing local need for infant and toddler care. In the former location, programming suffered from a lack of storage, minimal indoor space for gross motor activity, lack of sinks in classrooms, and leaky windows.

Leveraging a grant from the Capital Fund, the Beverly Children’s Learning Center was able to purchase a former medical office building and conduct extensive renovations to accommodate infant/toddler, preschool, and out-of-school time learning. No longer beholden to fluctuating rents, the Center is now also able to lease part of the property to a tenant or use it to serve additional children, generating important revenue to help sustain its ongoing operations.

“Our new facility and grounds have enabled us to dramatically upgrade our programs for both the children and families and add over 25,000 square feet of beautiful natural play space. Our classrooms are spacious and full of light and each has direct access to outdoor play areas. One of the best upgrades was having our own kitchen from which we now prepare over 100,000 healthy and fresh meals right on-site each year.”

Judy Cody, Executive Director, Beverly Children’s Learning Center

**BEVERLY CHILDREN’S LEARNING CENTER**
Beverly, MA

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Judy Cody, Executive Director, Beverly Children’s Learning Center

**PROJECT TYPE**
Renovation, Acquisition

**SQUARE FOOTAGE**
16,817 square ft.

**# CHILDREN SERVED (CAPACITY)**
163

**# SLOTS IMPROVED**
135 infant, toddler, preschool, out-of-school time slots

**# SLOTS ADDED**
28 slots throughout all age groups

**% LOW-INCOME**
71%

**CAPITAL FUND AWARD**
$1,000,000 (2015)

**TOTAL DEVELOPMENT COST**
$4,370,000
BROOKVIEW HOUSE
Boston, MA

Founded in 1990, Brookview is a Black and Latina women-led organization working for justice, equity, and systemic change for low-income mothers and children, including those experiencing homelessness. In 2016, Brookview leveraged a Capital Fund grant, along with affordable housing funding, to build the Valina N. Jackson Family Center in honor of the agency’s Director of Mental Health Services, who dedicated her life to mental health equity for Black and Latinx families.

The new center co-locates affordable housing, quality learning space for out-of-school time, and a range of on-site, culturally responsive support services that help families confront the root causes of homelessness, develop healthy lifestyles, and improve their educational achievement and wellbeing. This welcoming multi-purpose site is allowing Brookview House to reframe housing as a place of learning and a pathway to family and community stability.

“Our families find that having programming for kids directly adjacent to where they live is a huge convenience amidst their busy lives.”

Deborah Hughes, President & CEO, Brookview House

PROJECT TYPE
New Construction

SQUARE FOOTAGE
4,226 sq. feet

# CHILDREN SERVED (CAPACITY)
26

# SLOTS IMPROVED
0

# SLOTS ADDED
26 out-of-school time slots

% LOW-INCOME
81%

CAPITAL FUND AWARD
$450,000 (2016)

TOTAL DEVELOPMENT COST
$5,817,030 (entire project)
$718,705 (out-of-school time portion)
The Epiphany School is a tuition-free, nonprofit independent school serving economically disadvantaged children in grades 5-8 in the heart of Dorchester. In 2016, the school decided to open an early education program to reach children much earlier in life—from birth to age five—offering a high-quality Reggio Emilia and Montessori-based curriculum more typically found in schools serving higher-income families.

The school harnessed the Capital Fund, state sources, and philanthropic dollars to construct a beautiful, state-of-the-art early learning center that features high ceilings, over 7,000 square feet of natural outdoor play space, a STEM room for water play and science projects, an outdoor greenhouse, family amenities (including laundry machines), and flexible meeting rooms and workspace for staff and community partners.

“The Epiphany Learning Center is truly a world-class early childhood education environment. All children deserve to learn in a center like this.”

Michelle Sanchez, Principal, Epiphany School

<table>
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<tr>
<th>PROJECT TYPE</th>
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<tbody>
<tr>
<td>SQUARE FOOTAGE</td>
<td>12,350 sq. feet</td>
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<tr>
<td># CHILDREN SERVED (CAPACITY)</td>
<td>64</td>
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<tr>
<td># SLOTS IMPROVED</td>
<td>0</td>
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<tr>
<td># SLOTS ADDED</td>
<td>64 infant, toddler, and preschool slots</td>
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<tr>
<td>% LOW-INCOME</td>
<td>100%</td>
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<tr>
<td>CAPITAL FUND AWARD</td>
<td>$500,000 (2016)</td>
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<tr>
<td>TOTAL DEVELOPMENT COST</td>
<td>$6,197,016</td>
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</table>
RAINBOW CHILD DEVELOPMENT CENTER
Worcester, MA

Rainbow Child Development Center serves close to 100 children from low-income families in downtown Worcester, an area with few playgrounds or outdoor spaces for children. The center’s former outdoor play area—consisting of barren asphalt and two splintering wooden play structures—was in need of a serious upgrade. The project also required significant capital investment to replace a failing retaining wall that supported the rear side of the property. After replacing the wall, Rainbow overhauled its outdoor play space to include two large playgrounds, sensory play stations, a rock tunnel, musical instruments, a basketball court, a tricycle loop, a log hut, and raised garden beds.

“Each day, children are running, climbing, jumping, smiling, laughing, and solidifying relationships in Rainbow’s restored outdoor play space. The new space facilitates our children’s strength, development, and confidence. Our administration, teachers, children, and parents are extremely grateful to the Capital Fund for its financial support and commitment to children’s physical space, which will have a positive lifetime impact on our children.”

Nancy Thibault, Strategic Communications & Development Manager, Rainbow Child Development Center

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>Outdoor Play Space Renovation</th>
</tr>
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<tbody>
<tr>
<td>SQUARE FOOTAGE</td>
<td>10,148 square ft.</td>
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<tr>
<td># CHILDREN SERVED</td>
<td>93</td>
</tr>
<tr>
<td>(CAPACITY)</td>
<td></td>
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<tr>
<td># SLOTS IMPROVED</td>
<td>93 preschool and out-of-school time slots</td>
</tr>
<tr>
<td># SLOTS ADDED</td>
<td>0 slots</td>
</tr>
<tr>
<td>% LOW-INCOME</td>
<td>100%</td>
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<tr>
<td>CAPITAL FUND AWARD</td>
<td>$200,000 (2016)</td>
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<td>TOTAL DEVELOPMENT COST</td>
<td>$786,210</td>
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</tbody>
</table>
The YWCA Southeastern Massachusetts has owned the historic Levi Standish House in New Bedford since 1979. After receiving a Capital Fund grant in 2017, the YWCA expanded the building to house its licensed out-of-school time program, supportive women’s housing, and administrative offices. By moving and consolidating programs under one roof, the YWCA now saves more than $100,000 in annual lease, maintenance, and operating costs. The central city location has also enabled the YWCA to expand its reach to more families throughout the city.

The renovated building offers eight single room occupancy units with supportive services for women experiencing homelessness, along with a new out-of-school time child care center serving up to 52 children. Additional spaces are used for family engagement activities, workshops for parents and guardians, and expanded access to other YWCA programs and resources.

**PROJECT TYPE**  
Renovation, New Construction

**SQUARE FOOTAGE**  
6,550 sq. feet

**# CHILDREN SERVED (CAPACITY)**  
52

**# SLOTS IMPROVED**  
40 out-of-school-time slots relocated

**# SLOTS ADDED**  
12 new out-of-school-time slots

**% LOW-INCOME**  
89%

**CAPITAL FUND AWARD**  
$800,000 (2017)

**TOTAL DEVELOPMENT COST**  
$4,181,924 (entire project)  
$2,492,566 (out-of-school time portion)
Since 2013, the Children’s Investment Fund (CIF) has supported 38 Building Quality Capital Fund grantees to purchase or upgrade early childhood education and out-of-school-time facilities across the state. The grant program has been a success—making possible the capital improvements needed to provide quality learning and care to more than 4,000 children in largely low-income communities.

As we look ahead, we recognize a need for serious, sustained investments in the early childhood education and out-of-school-time sectors. Every child deserves access to a healthy learning environment that nurtures their development, and the 2020 COVID-19 crisis has only underscored the central role child care plays as infrastructure for families and communities. Creating a system of high-quality child care will require multi-pronged efforts and investments, including in the recruitment and support of skilled, well-compensated educators, the development of strong leadership, and robust training and technical assistance networks.

The physical learning environment is a critical factor. Through research and experience, we understand that child care facilities are an essential part of community infrastructure and a prerequisite for high-quality learning experiences. Massachusetts’s capital grants offer a model and lessons for those seeking to expand access to quality learning environments for children.

Based on our experience supporting grantees, we specifically recommend:

1. Incorporating best practices for high-quality physical environments (e.g., sinks and bathrooms in classrooms, natural light, varied outdoor play spaces, adequate ventilation) as baseline requirements in state licensing regulations.
2. Increasing federal and state capital financing for early childhood education and out-of-school time facilities to cover the costs needed to develop high-quality facilities.
3. Pairing funding with in-depth technical assistance and training that is attuned to the child care sector and to the particularities of real estate finance and development.
4. Promoting flexible, community-centered design that incorporates the needs of families, educators, and neighborhoods.

It is time to ensure every child gets the start they need and deserve. Together, we can equip our communities with quality spaces that ensure a healthier future for our children, one building at a time.
ACKNOWLEDGMENTS

Generous philanthropic support to Children’s Investment Fund made this report possible. Special thanks to the Barr Foundation, the Rockland Trust-Blue Hills Charitable Foundation, and the Eastern Bank Charitable Foundation.

We are also grateful for the time invested by the first 16 Building Quality Capital Fund grantees that welcomed us into their programs, gave us feedback, and coordinated assessments and surveys at their sites. We acknowledge Mav Pardee for her visionary leadership at CIF from 2006 - 2015, particularly during the creation of the Capital Fund.

Children’s Investment Fund and the Community Economic Development Assistance Corporation (CEDAC) co-manage the Capital Fund on behalf of the Massachusetts Department of Early Education and Care (EEC). We thank our colleagues at EEC, particularly Commissioner Samantha Aigner-Treworgy, Denise Karlin, and Sean Reynolds. We also thank Governor Charlie Baker and former Governor Deval Patrick for their support of the Capital Fund.

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REFERENCES
1. In this report, we use the term child care interchangeably with and encompassing the terms early childhood education (which some may refer to as day care, preschool, or pre-k) as well as out-of-school time (sometimes referred to as after-school or before-school care).
2. Children’s Investment Fund survey conducted July 2020. The 87 survey respondents were nonprofit organizations only and were not a representative sample of the entire sector within Massachusetts.
4. Data from the first 31 grantees awarded from 2014-2019. Total Development Cost (TDC) figures included are for the child care-related component of a project only. In some cases, the child care project was part of a larger, multi-use development. The largest was a YMCA that had a total TDC of $32.8M, with the child care-related portion totaling $3.3M.
11. Research conducted by James Bell Associates, D.W. Arthur Associates Architecture, and Wellesley Centers for Women. Researchers collected the data and prepared findings, but the interpretation of the findings is CIF’s alone.