



April 17, 2020

The Honorable Mark R. Warner
U.S. Senate
Washington, DC 20510

Dear Senator Warner,

The Virginia Early Childhood Foundation, representing local early childhood partners, providers, business executives, and philanthropy from across the Commonwealth, asks that you act swiftly to provide an additional \$250 billion for the Small Business Administration's (SBA) Paycheck Protection Program (PPP). To ensure that child care providers are able to equitably access these critical loans, we also encourage you to include an allocation for community-based lenders and special consideration for minority and women-owned small businesses. These additional provisions would make the loans more accessible to child care providers, most of whom have non-traditional or informal business structures.

In Virginia as of April 6, 62% of child care centers, 50% of religious exempt preschools, and 20% of family day homes are closed, totaling 2,414 child care programs no longer operating and representing a loss of services for more than 211,000 children. This has both short-term and long-term implications for Virginia's economy. Without a robust early care and education system, Virginia's families won't be able to return to work and Virginia's economic recovery will be stalled.

Child care providers need access to PPP funding not only to stay in business, but to stay open to serve essential workers on the front-lines of this pandemic. Unfortunately, many child care businesses struggled to access the first round of PPP loans due to restrictive lender requirements such as having a current business account with the originating bank or an EIN, even though the loan program is fully guaranteed by the federal government. Community-based lenders may be better positioned or more willing to work with non-traditional small businesses like child care.

Child care is the business that powers business and is foundational to Virginia's economy. We strongly urge you to support an additional \$250 billion for the PPP with an allocation for community-based lenders. Virginia's working families and their employers are counting on these resources for critical child care services to support economic recovery.

Sincerely,

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