

Budget Request:

\$50 million, one-time funding for the Infrastructure Grant Program for repair, renovation and major construction projects for child care facilities.

Additional Details:

- Providers would receive technical assistance on grant applications and management.
- Grants would be considered nontaxable income.
- Additional focus on projects related to climate change resiliency.

Background:

In the 2020-21 and 2021-22 budget years, California allocated \$350.5 million for the Child Care and Development Infrastructure Grant Program, a program established in the 2019-20 budget but paused and funding swept back into the General Fund at the beginning of the COVID-19 pandemic. The Legislature reinstated funding over the two budget years. The Program is managed by the California Department of Social Services (CDSS) in partnership with the Low Income Investment Fund. Funding is used for child care provider facility repair and renovation projects as well as new construction and major renovation.

In 2022, more than 5,000 child care providers from all 58 counties responded to the request for applications for minor repair and renovation projects requesting over \$380 million to upgrade and retrofit their program spaces. Unfortunately, the program only had \$200.5 million available, leaving over 1,000 providers with unmet facility needs. To date, 3,813 providers have been approved for funding preserving and enhancing spaces for 125,000 children and preserving 24,000 jobs.

Over 1,800 providers applied for the 2023 new construction and major renovation grant opportunity, with requests totaling over \$600 million, though far less is available to be allocated.

Why More is Needed:

California's investment in this program is historic. It is the first statewide program to support the facility needs of child care providers and the children they serve, and it is the largest of its kind in the country. Build Up California continues to work to ensure all providers are able to access the program in the future. However, we know \$350.5 million was just the beginning of what is needed for the field, and current funding did not meet demand.

Investing in physical ECE infrastructure continues to be especially important so providers can expand and offer developmentally appropriate environments that meet the needs of infants and toddlers. According to a 2019 report from Catalyst California, California's early care and education facilities infrastructure only had the capacity to serve less than a quarter of our youngest learners. Out of the nearly 1 million children under age two who need quality child care in California, there are only 47,000 publicly funded seats.¹ Sixty percent of California children from low-income families live in areas with a very low supply of ECE.² Demand far exceeds supply for high-quality child care, particularly for low-income families, and the COVID-19 pandemic has only exacerbated California's early learning and care capacity problem.

Our current request for an additional \$50 million to be added to the Infrastructure Grant Program is a small step towards addressing the gap in needed and available child care seats and provide funding for necessary repairs, renovation and new construction and recognizing the State's historic commitment to facilities and the work that's been done to build the necessary infrastructure for administering the grants.

¹ [FUTURE: Tackling the Facilities Challenge for Our Youngest Learners](#)
² [Early Childhood Facilities: What Research Tells Us](#)

Focus on Climate Change:

In addition to general repair and renovation funding, Build Up requests that ECE providers are prioritized in funding and programs for climate infrastructure. Climate emergencies and events disproportionately impact young children. Child development research indicates that compared to adults, young children's brains and lungs are more affected by unhealthy air and extreme heat.³ For example, children breathe twice as often per minute than adults.⁴ Despite facing more severe impacts from climate change, children have the least ability to make the needed changes.

More frequent wildfires and extreme heat waves will increase the likelihood that child care providers will need to respond to climate-driven emergencies and public health issues. This means child care providers will face higher and more volatile cost pressures in dealing with the wide-ranging impacts of climate change, from higher utility bills on hotter days to massive recovery efforts after major emergencies. Additionally, facilities will require modifications to withstand the harsh impacts of climate change. Child care providers with smaller budgets and who serve higher numbers of lower-income families are particularly vulnerable to the impacts of climate change, since they may have greater infrastructure needs and fewer resources available to address such issues. A majority of IGP applicants have requested climate-related items such as new HVAC systems, improved outdoor spaces and shade structures. A significant number requested solar panels.

The \$50 million investment in the Infrastructure Grant Program would have a special focus on funding climate resiliency facilities projects in the areas most affected by climate events and would protect against extreme weather events like flooding, poor air quality and extreme heat. Shade structures, drought-resistant landscaping, and increased use of natural and sustainable materials for indoor and outdoor spaces and transitioning to cleaner energy could all be prioritized with renewed funding. Funds could also be used to create new child care spaces and slots with sustainability and climate resiliency in mind from the start. To ensure equitable access to these funds, technical assistance would be provided during the application process and implementation of the awards. Based on the allocations of previous IGP awards, this \$50 million investment would impact an estimated 8,000 child care seats across the state.

Child care facilities play an immensely important role in the healthy development of young children. Without timely and sizeable intervention, these spaces will continue to be threatened by the warming and erratic effects of climate change. Additional investment in the Infrastructure Grant Program is the next major step in alleviating and protecting against these changes.

For more information, please contact
Esmeralda Martin-Singh at
emsingh@liifund.org

³ [Protect Little Lungs: Fact Sheet](#)

⁴ [World Health Organization: More than 90% of the world's children breath toxic air every day](#)

