

Date of Hearing: April 23, 2024

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

AB 2732 (Papan) – As Amended April 16, 2024

SUBJECT: Grant Information Act of 2018: internet web portal: climate-related grants: childcare sector

SUMMARY: Requires the California State Library (State Library) to create a new category tab on the California Grants Portal. Specifically, **this bill:**

- 1) Requires the State Library to include on the funding opportunities internet web portal the category “childcare” under the category tab.
- 2) Requires the State Library to consult with all agencies and departments submitting grants for inclusion in the portal to give special consideration to whether childcare providers are eligible applicants and provide the State Library with that information for grant identification purposes.
- 3) Makes legislative findings and declarations regarding childcare facilities’ vulnerabilities to extreme climate events, which severely impacts communities of color who disproportionately experience environmental injustices and limited access to high-quality childcare.

EXISTING LAW:

- 1) Establishes the Grant Information Act of 2018, requiring, on or before July 1, 2020, the State Library to create a funding opportunities internet web portal that provides a centralized location for grant seekers to find state grant opportunities. (Government Code [GOV] § 8333.1)
- 2) Requires the State Library, in consultation with the Strategic Growth Council and the State Air Resources Board, to ensure that the internet website is accessible and provides helpful information to a diverse set of potential applicants, including nonprofit and community-based organizations, and other entities that are working to support and benefit disadvantaged and low-income communities. (GOV § 8333.1)
- 3) Requires the State Library to provide an annual report to the Legislature on the effectiveness of the internet web portal, including, but not limited to, the utilization rate by state agencies, the number of grants registered, the amount of funding per grant, the number of visits to the internet web portal, including what parts of the internet web portal are visited, and whether there has been an increase in grant applications.
 - a) Requires the first annual report to be submitted on or before January 1, 2022, and to cover the period of July 1, 2020, to July 1, 2021, inclusive.
 - b) Requires each subsequent annual report to be submitted on or before January 1, and to cover the previous fiscal year. (GOV § 8333.2)

- 4) Requires, on or before July 1, 2020, each state agency to register every grant the state agency administers with the State Library prior to commencing a solicitation or award process for distribution of the grant. (GOV § 8334 (a)(1))
- 5) Requires each agency to provide information regarding the grant, that assists the State Library with cataloging the distribution of grants and provides potential applicants with understandable and consistent information about available funding opportunities, including, but not limited to, all of the following:
 - a) The title of the grant opportunity and grant identification number;
 - b) The revenue source allocated to fund the grant;
 - c) The purpose of the grant;
 - d) A brief description of the grant, including, but not limited to, the mechanism used to announce the availability of funding;
 - e) Any eligibility requirements, including, but not limited to, any matching funds requirements.
 - f) Geographic limitations, if any;
 - g) A description of the total available grant funding, the number of awards, and the amounts per award;
 - h) The period of time covered by the grant;
 - i) The date the grant will be issued;
 - j) The deadline for proposals to be submitted;
 - k) Internet address for electronic submission of the portal; and,
 - l) Contact information of a staff member responsible for communicating the grant requirements. (GOV § 8334 (a)(1))
- 6) Defines “grant” to mean any mechanism used by a state agency to distribute appropriations that have been allocated for the purpose of financial assistance through a competitive or first-come, first-served award process. The term shall include loans and federal assistance funds that are administered by a state agency. The term shall not include the procurement of goods or services for a state agency nor the acquisition, construction, alteration, improvement, or repair of real property for a state agency. (GOV § 8334(b))
- 7) Requires the Government Operations Agency to assist the State Library with state agency compliance and creating streamlined processes, as appropriate. (GOV § 8334(d))

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS:

Background: *Current State of Childcare in California.* Access to affordable, accessible, and quality childcare is essential for millions of families striving to balance work and family responsibilities. Despite its significance, the childcare system faces persistent challenges that deepen disparities and burden families, especially those in underserved communities.

Affordability is a major obstacle, with childcare costs often consuming a substantial portion of a family's budget, particularly for low-income and middle-income households. In California, the cost of center-based infant care ranks as the highest in the nation, placing considerable strain on families. Availability compounds these challenges, with many families encountering limited options due to insufficient childcare facilities, particularly in rural and underserved areas. This scarcity is amplified for children with disabilities who require specialized childcare facilities or facilities with approved fire clearances to enroll these children. Additionally, long waitlists for subsidized childcare programs exacerbate the issue, leaving 1.9 million children without viable options.

Flexibility in childcare arrangements presents another hurdle for families with non-traditional work hours or multiple jobs. The limited availability of childcare during evenings, weekends, and overnight hours poses significant obstacles, forcing parents to seek less reliable alternatives. Moreover, the quality of childcare is a concern, as not all families have access to environments that are safe, nurturing, and developmentally appropriate. Research demonstrates that center-based care generally offers higher quality, but is often more expensive and harder to find, particularly for infants and toddlers. Income disparities exacerbate these discrepancies, with children from higher-income families more likely to access quality care compared to their lower-income peers.

Aside from the challenges encountered by working families in accessing childcare, childcare providers also similarly face significant hurdles in sustaining their services while operating on narrow profit margins. Similar to working families who struggle to afford childcare fees, providers also often struggle to cover basic expenses for the children in their care, let alone make necessary infrastructure improvements. Reimbursement rates paid to providers frequently fall short of covering the true cost of care, and recent increases in inflation have further strained their budgets. For instance, a March 2023 brief from the Child Care Resource Center demonstrates that the cost of providing care for a preschooler in full-time childcare center (CCC) exceeds current reimbursement rates, particularly when adjusted for inflation. This funding shortfall varies across regions, with providers in counties like San Bernardino, Los Angeles, Alameda, and Butte facing substantial gaps between reimbursement rates and the actual costs of care. In San Bernardino County, the 75th percentile of the 2018 regional market rate survey equates to a rate of \$983.03, but adjusted for inflation in 2023, this reimbursement rate should be \$1,092. The brief indicates that the monthly cost of care in the region is approximately \$1,908.17, resulting in a funding shortfall of \$925.14 for providers in San Bernardino County. Similar funding gaps exist in other counties, such as \$987.33 in Los Angeles County, \$717.05 in Alameda County, and \$537.30 in Butte County. These financial constraints undermine the ability of providers to deliver quality care and maintain essential supplies, exacerbating challenges within the childcare system.

Moreover, childcare reimbursement rates in California have not kept pace with increases in the minimum wage, exacerbating financial challenges with childcare providers. Despite a 55%

increase in the minimum wage from 2016-17 to 2022-23, reimbursement rates for childcare providers across all 58 counties have generally lagged behind, according to a March 2023 report from the California Budget & Policy Center. In Los Angeles County, for example, payment rates for licensed centers caring for preschool-aged children increased by less than half as much as the statewide minimum wage. Some counties, like Riverside County, saw a negligible rate increase of less than 5%. Licensed centers in 27 counties have not received a single rate increase for preschool-age care since 2016-17 due to limitations in the rate-setting process. This lack of adjusting reimbursement rates consistently has left providers struggling to cover rising staff costs and the increasing prices of food and supplies. As a result, 17% of California childcare providers are living in poverty, according to the Center for the Study of Child Care Employment at the University of Berkeley. This disparity underscores the need to ensure that childcare providers can sustainably operate while providing quality care to children.

Impacts of Public Health Emergencies & Climate Change on Childcare. In response to public health measures due to the COVID-19 pandemic, many childcare facilities were forced to close their doors temporarily or permanently. In a 2020 survey by Child Care Aware of America, 35% of CCCs and 27% of family child care homes (FCCHs) closed nationwide in 2020. In California, 8,500 licensed childcare sites shut down between January 2020 and January 2021, including 3,635 FCCH sites, according to data released from the Child Care Resource and Referral Network. These closures not only disrupted childcare services but also left many families without access to essential care, particularly for essential workers who relied on childcare to continue working. The closure of childcare facilities also resulted in a loss of revenue for providers, many of whom operate on thin profit margins. Without steady income from family fees and government subsidies, many childcare providers faced significant financial strain, particularly among small FCCH providers, which exacerbated concerns about childcare deserts and access to care in underserved communities. Reopening childcare facilities during the pandemic presented numerous health and safety challenges, including providers having to implement stringent protocols to prevent the spread of COVID-19, such as enhanced cleaning and disinfection measures, physical distancing requirements, mask-wearing policies, health screenings, and cohorting of children. These measures required additional resources and staff training, adding to the financial burden on providers. The pandemic exacerbated existing staffing challenges in the childcare sector, including low wages, high turnover rates, and limited access to benefits such as paid sick leave and health insurance, as well as highlighted existing disparities in access to childcare services, with low-income families and communities of color disproportionately affected by closures and reduced access to care.

In addition to the pandemic amplifying existing challenges in the childcare sector, climate change is leading to more frequent and intense extreme weather events such as floods, wildfires, and heatwaves. These events directly endanger the safety and well-being of childcare facilities, as well as the children and staff within them, resulting in damage to infrastructure, disruption of services, and evacuation orders. Climate change further compounds health risks for children, including heat-related illnesses, respiratory problems from air pollution, and exposure to allergens and infectious diseases. Childcare facilities may struggle to maintain safe indoor air quality during extreme heat events or wildfires, putting children at risk of heatstroke or exacerbating respiratory conditions such as asthma. Moreover, these facilities may also face financial strain due to increased operating costs associated with climate-related adaptations such as upgrading infrastructure for resilience, purchasing emergency supplies, and implementing disaster preparedness plans. Small FCCH providers in particular may find it challenging to afford such investments, potentially leading to closures or reduced quality of care. From licensed CCC

to FCCHs, the need for targeted support and resources for childcare providers is vital to ensure they remain safe and open.

California Grants Portal. The California Grant Information Act of 1999 (Act), AB 187 (Hertzberg), Chapter 405, Statutes of 1999, originally authorized state agencies to make available on their internet websites a list of all grants administered by that agency. Nearly a decade later, the California Grant Information Act of 2018, AB 2252 (Limon), Chapter 318, Statutes of 2018, replaced this statute by requiring the State Library to create a funding opportunities internet web portal that provides a centralized location for grant seekers to find state grant opportunities.

A result of the Act is the establishment of the California Grants Portal (www.grants.ca.gov), an online platform overseen by the State Library. This portal is tasked with providing a comprehensive repository of state grant opportunities, aiming to streamline the process of identifying relevant competitive funding sources for nonprofit organizations. Additionally, the Act requires each state agency to provide an account of every grant they administer, which includes information like the grant's purpose, eligibility criteria, and the total funding available. This level of detail and transparency plays a pivotal role in enabling organizations to strategically target grants that align with their mission and operational needs.

The Act underscores inclusivity by requiring that the portal be accessible and informative to a wide range of potential applicants, including community-based organizations and entities dedicated to assisting disadvantaged and low-income communities. This ensures that the Act's benefits are far-reaching and extend to organizations actively addressing societal challenges. Additionally, the Act modernizes the grant application process by requiring state agencies to accept electronic proposals, thereby simplifying the process and alleviating administrative burdens on nonprofits, enabling them to allocate more resources to their primary mission.

Despite the Act modernizing the grant application process, the State Library reported notable and persistent hurdles, including that some agencies and departments do not input all competitive grants onto the portal, even though it is a requirement under the Act. There are also no mechanisms in place to hold agencies or departments accountable for failing to input grants, nor are there tracking measures to ensure compliance, unless an individual or entity is actively monitoring the website. In cases where individuals notify the State Library that a grant is missing, the State Library must then contact the relevant department or agency to include the grant on the portal.

When some departments or agencies do fulfill the requirement, they may not consistently include all necessary keywords to ensure that grants are easily searchable. For instance, while certain grant programs are specifically tailored to childcare, making it straightforward for agencies and departments to include "childcare" as a keyword, others encompass a broader scope and may include small businesses as eligible applicants. In these instances, it may not be as apparent to include "childcare" among the keywords, resulting in missed opportunities for eligible childcare grant seekers when searching for grants they may qualify for. This indicates that our current system relies on accurate data input by departments and agencies to make grants accessible.

The current process for grant searching as a childcare provider is as follows:

- 1) Visit the homepage;

The screenshot shows the California Grants Portal homepage. At the top left is the logo for 'CALIFORNIA GRANTS PORTAL' with a 'CA.GOV' icon. At the top right is a hamburger menu icon. The main heading is 'FIND YOUR OPPORTUNITY'. Below this is a search form with three dropdown menus: 'Any Applicant Type', 'Any Grant Category', and 'Any Timeframe'. The text reads: 'I am [Any Applicant Type] looking for funding in [Any Grant Category] sector with at least [Any Timeframe] until the application deadline.' Below the form are two buttons: 'Show Me the Opportunities' and 'SHOW ME EVERYTHING'.

- 2) From a drop down menu, an individual must identify the:
 - a) Type of applicant, which includes unchecked boxes for a) any applicant type; b) business; c) individual; d) nonprofit; e) other legal entity; f) public agency; and, g) tribal government;
 - b) Grant category, which includes unchecked boxes for: a) agriculture; b) animal services; c) consumer protection; d) disadvantaged communities; e) disaster prevention & relief; f) education; g) employment, labor & training; h) energy; i) environment & water; j) food & nutrition; k) health & human services; l) housing, community and economic development; m) law, justice, and legal services; n) libraries & art; o) parks & recreation; p) science, technology & development; q) transportation; and, r) veterans & military; and,
 - c) Timeframe until the application deadline, which includes unchecked boxes for: a) 1 month; b) 3 months; c) 6 months; and, d) 1 year.

The default checked box for each drop down menu is “any type of applicant;” “any grant category;” and, “any timeframe.” It is not apparent for childcare providers which grant category they fall under, as there is no category for “childcare.” They may click “health & human services” or “education,” but these may be too broad for childcare providers.

- 3) For demonstration purposes, no fields were entered; instead, “Show Me the Opportunities” was clicked to go to the next page.

FIND GRANTS

SAVE CURRENT REFINEMENTS ⓘ

Helpful Resources

Visit our [Glossary](#) for definitions of terms used to describe grant opportunities, or visit our [FAQs](#) for answers to common questions.

REFINE RESULTS

Keyword search: ⓘ

What are you looking for?

Show:

Forecasted Active Closed Post Award Info ⓘ

Do not show:

Loan Opportunities Opportunities requiring matched funding

Filter grants by...

AGENCIES

CATEGORY

ELIGIBLE APPLICANT

DISBURSEMENT METHOD

✕ CLEAR SEARCH TERM(S)

Apply Filters

- 4) Depending on how the word is spelled, two sets of results populate when “child care” and “childcare” are inputted in the keyword search bar.

REFINE RESULTS

Keyword search: ⓘ

What are you looking for?

Show:

Forecasted Active Closed Post Award Info ⓘ

Do not show:

Loan Opportunities Opportunities requiring matched funding

Filter grants by...

AGENCIES

CATEGORY

ELIGIBLE APPLICANT

DISBURSEMENT METHOD

✕ CLEAR SEARCH TERM(S)

Apply Filters

Displaying 1 - 1 of 1

20

Go

← →

Deadline	Grant Title	Open Date	State Agency / Department	Match Funding?	Estimated Total Funding	Estimated Low/High	Funds Disbursement
Active 5/30/24 17:00	California Urban and Community Forestry Inflation Reduction Act	Apr 8, 2024	Department of Forestry and Fire Protection	No	\$30,800,000	Dependent	Reimbursement(s)
	MORE INFO						

REFINE RESULTS

Keyword search:

What are you looking for?

Show:

Forecasted Active Closed Post Award Info

Do not show:

Loan Opportunities Opportunities requiring matched funding

Filter grants by...

AGENCIES

CATEGORY

ELIGIBLE APPLICANT

DISBURSEMENT METHOD

X CLEAR SEARCH TERM(S) **Apply Filters**

Displaying 1 - 1 of 1 **Go**

Deadline	Grant Title	Open Date	State Agency / Department	Match Funding?	Estimated Total Funding	Estimated Low/High	Funds Disbursement
Active Ongoing	Preschool Development Grant – Renewal	Mar 24, 2023	CA Department of Education	No	\$9,647,000	\$16,231 – \$2,161,156	Reimbursement(s)
	MORE INFO						

As discussed earlier, these results highlight that the current system depends on accurate data entry by departments and agencies to ensure grant accessibility. It also underscores the importance of agencies and departments including both “childcare” and “child care” in their keywords. Not inputting all necessary keywords exacerbates inequities, inadvertently placing those with greater resources in securing grants at a greater advantage and placing FCCHs at a disadvantage due to their limited capacity to identify eligible grants through the California Grants Portal or by navigating through department and agency websites.

Nevertheless, despite these limitations, California childcare providers demonstrate significant interest in accessing funding. With the Childcare and Development Infrastructure Grant Program still in progress, preliminary data shows that 5,351 childcare facilities submitted applications, totaling \$386 million in requests. Of the 3,854 applications that are being funded, 40% sought upgrades related to climate mitigation, including renovations to HVAC systems, installation of shade structures, investment in solar panels, and measures to address water quality issues.

Considering the multitude of challenges faced by both working families in accessing childcare and childcare providers in maintaining their business, this bill simply adds “childcare” to the dropdown menu of the existing grant category search engine. This adjustment aims to simplify access to essential grant programs for childcare providers. By recognizing the distinct needs and obstacles faced by childcare providers, this bill endeavors to bridge the gap between available resources and the vital support necessary to uphold and improve childcare services throughout the state.

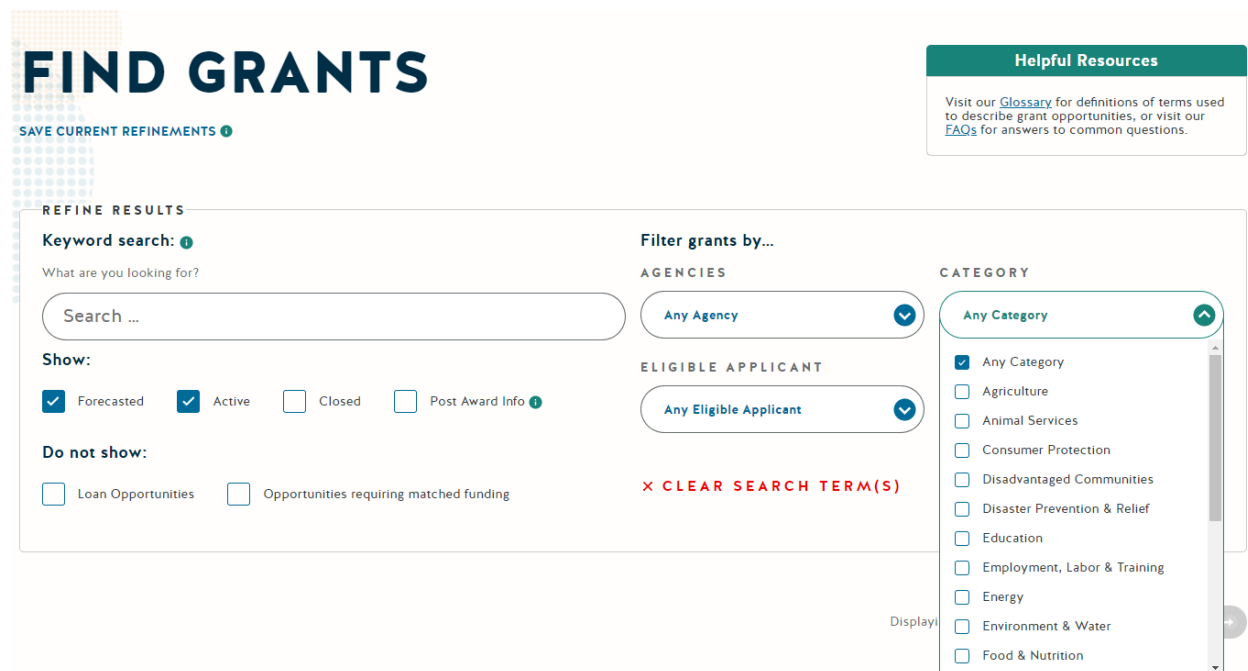
Author’s Statement: According to the author, “We are seeing the effects of climate change all around us these days. With such extreme weather patterns, it's visible and undeniable. But the impacts that are less obvious are the effects we're seeing on the health and well-being of our kids. Pediatricians and public health officials are seeing an increase in childhood asthma and [chronic obstructive pulmonary disease] due to poor air quality, a rise in emergency room visits

from dehydration and overheating, as well as the spread of vector-borne infectious diseases. Childcare providers are our frontline of defense for protecting our children.

“The Natural Resources Agency already offers climate resiliency grants to businesses, many of which childcare facilities may be eligible for, but they are unaware this is an available resource. [This bill] proposes a simple yet impactful solution: the inclusion of a "childcare" option within the grants search engine of the state's existing platform, grants.ca.gov. This modest adjustment will streamline the grant-seeking process for childcare providers, affording them more time and resources to prioritize the well-being of our children.”

Equity Implications: The childcare sector remains severely underfunded, with insufficient resources available to support childcare providers who are typically women of color and 40 years of age or older. Consequently, funding opportunities play a pivotal role in supporting and bolstering the childcare sector, serving as a crucial lifeline for both childcare providers and the families they serve. Amidst the myriad of challenges faced by the childcare system, including low reimbursement rates and providers receiving below minimum wage, securing adequate funding is essential to ensure the provision of high-quality care and support for families, especially those in underserved communities.

While the California Grants Portal represents positive steps towards addressing these challenges, more needs to be done to ensure easier and equitable access to grants. This bill requires the State Library to add “childcare” as a grant category to the dropdown menu of the portal. This bill also requires the State Library to collaborate with all agencies and departments when submitting grants to assess whether childcare providers qualify as eligible applicants and provide this information to the State Library for grant identification purposes.



RELATED AND PRIOR LEGISLATION:

AB 2322 (Hart, Bennett) of the current legislative session, streamlines the process of applying for and receiving small state grants, particularly those not exceeding \$20,000 and with a duration

of less than 12 months, and requires the creation of a more accessible and equitable grant application process, as specified. AB 2322 also requires the expansion of the California Grants Portal to include specified information about such grants. *AB 2322 is pending before the Assembly Appropriations Committee and set for a hearing on April 24, 2024.*

AB 2252 (Limón), Chapter 318, Statutes of 2018, required the State Library, by July 1, 2020, to create an online funding opportunity portal that provides grant seekers a central location for state grant information.

SB 1396 (Galgiani) of 2018, would have established the Office of Accessible Technology to be the central point of responsibility for ensuring state and entity compliance with state and federal electronic and information accessibility technology policy and statutes, as specified. *SB 1396 was held on the Assembly Appropriations Committee suspense file.*

AB 1348 (Irwin), Chapter 444, Statutes of 2016, established the position of federal grant administrator within the State Clearinghouse, under the Governor's Office of Planning and Research, to serve as the state's primary point of contact for information on federal grants related to community, economic and local development. Required the federal grant administrator to annually prepare a summary of their activities, including total federal grants received by the state, local governments and school districts, as specified.

AB 187 (Hertzberg), Chapter 405, Statutes of 1999, established the Grant Information Act of 1999, authorizing state agencies to make available on their internet web sites a listing of all grants administered by that agency, as specified.

REGISTERED SUPPORT / OPPOSITION:

Support

Build Up California - Early Learning and Care Facilities
California Child Care Resource and Referral Network
California Family Child Care Network
Child Care Resource Center
Child Development Associates
Crystal Stairs, INC.
Early Care and Education Consortium
Low Income Investment Fund
Pathways LA
YMCA of San Diego County

Opposition

None on file.

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