

AB 932 (Torlakson, 2009)

Child Care Facilities

Summary: AB 932 aligns the Child Care Facilities Revolving Fund and child care financial intermediary program (Financial Intermediary) to achieve efficiencies and enhance the capital financing expertise of the Department of Education staff. Additionally, this bill makes technical clean-up changes to the code.

Background: The Child Care Facilities Revolving Fund (Revolving Fund) was established to provide capital financing to child care and development contractors. The Department of Education has identified facilities as a key reason for unspent child care and preschool operating funding. The goal of the Revolving Fund is to ensure child care and development contractors have access to affordable capital for the development of quality, healthy facilities for California's low-income children.

The Department of Education also contracts with a Financial Intermediary with expertise in financing and capital expansion to increase the availability of funding to renovate, expand, and construct child care facilities.

Unfortunately, the Revolving Fund has been underutilized for the past several years due to the complex and specialized expertise required to make loans for development projects, other than relocatable buildings primarily on public school sites. Child care and development contractors operate care and education programs in all different types of facilities. By enhancing the capital financing capacity of the Revolving Fund, the program will be better equipped to meet the facility development needs of eligible borrowers. There will also be enhanced capacity and support for low-income child care providers to access financing. Additionally, the Financial Intermediary will increase the efficiency and effectiveness of existing state resources and provide more opportunities to leverage public and private capital.

This bill will mitigate the underutilization of the Revolving Fund and address the facilities needs of child care and development contractors.

Sponsors: Low Income Investment Fund & California Child Development Administrators Association

Status: Introduced 2/26/2009

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