

EARLY YEARS AND CLIMATE PROVISIONS IN THE INFLATION REDUCTION ACT

The effects of climate change can be particularly harmful to young children, impacting their health, development, and ability to thrive in school and life. Extreme weather events, increasing air pollution, eco-anxiety, and toxic stress threaten the future of childhood. Young children, especially those prenatal through age five, have a distinct biology that makes them uniquely vulnerable to these threats. Furthermore, the early years ecosystem is vast, complex, and fragmented, comprising childcare centers, family homes, and the pediatric healthcare system. Despite these challenges, little attention has been paid within the U.S. to the intersection of climate change and childhood.

During the Summer of 2022, in the wake of summer heat waves and deadly floods, Congress passed the Inflation Reduction Act (IRA). With \$369 billion in climate and energy provisions, the bill signifies the largest climate investment in U.S. history and has the potential to reduce carbon emissions by approximately 40 percent by 2030 and promote environmental justice objectives in communities most impacted by climate change. Additionally, several provisions included in the IRA may be able to unlock the early years sector's ability to mitigate and adapt to climate change.

It is important that local governments and other stakeholders take advantage of IRA opportunities in order to promote resilience and reduce polluting emissions in neighborhoods and service settings with high numbers of young children. These investments not only support healthier children who are more ready for success in school and beyond, they also support strong families, strong relationships, and strong social infrastructure — all of which are key to the nation's prosperity and ability to navigate an uncertain climate future.

This resource, developed in partnership with Early Years Climate Action and Start Early, outlines how the Inflation Reduction Act will advance federal policies and programs to support mitigation, adaptation, and resilience within the early years ecosystem. The Administration will also issue regulations and guidance in the coming months to provide further clarity on how child- and family-facing programs and institutions can access the IRA.

In this resource, we provide information about the IRA's tax credits, financing mechanisms, and grants. In each case, we provide a short description of the provision, highlight the lead agency and eligible beneficiaries, and discuss the potential benefits to children and families. While this list provides initial potential opportunities, forthcoming guidance from lead agencies can help determine specific opportunities. Additional information about applying to grants can be accessed through the [Environmental Protection Agency](#).

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Mitigation: The early years sector has resource needs that impact the environment, including energy, buildings, food, water, and transportation. The IRA provides opportunities to help child– and family–facing programs and institutions make their facilities more efficient, transition to clean energy, and electrify transportation systems which can help reduce their carbon footprints, save money, and support child health. It also provides an opportunity for organizations that support and affect children and families to mitigate their negative impacts. In the early years context, mitigation also includes investment in infrastructure more broadly (e.g. parks, cooling/recreation facilities, etc.) that cities and other public entities can use to support and protect children and families.

Adaptation: The impacts of climate change — from floods to heat waves to wildfires — are already disrupting families and children across the country. Child– and family–facing programs and institutions have the ability to build resilience and respond to disasters in and for their communities. Funding and grants in the IRA will allow institutions and communities to proactively adapt to worsening climate impacts, anticipate likely climate risks related to family health, and support children as the impacts of climate change worsen.



KEY DEFINITION:



Though not an exhaustive list, **child- and family-facing programs and institutions** can include center-based child care, family child care, pediatric primary care clinics, federally-qualified community health clinics, home-visiting, faith-based service providers, Head Start, or other early learning, early intervention and preschool/pre-kindergarten programs delivered in schools, homes, or other settings.

Tax Credits and Deductions

The Inflation Reduction Act provides opportunities for child- and family-facing programs and institutions to use tax credits directly to transition to clean energy and clean transportation. It also enables institutions to utilize tax deductions through a third-party to support energy efficiency.

TAX CREDITS FOR CLEAN ENERGY

The tax credits for clean energy focus on two types of credits—for investment or for production. The credits for investment can go towards the upfront costs of installing a clean energy system like solar or geothermal. The credits for production are based on the projected amount of energy a system will produce. Child- and family-facing programs and institutions will be permitted to select either an investment or production credit. In many cases, the investment credit will provide the greater value based on the size potential of clean energy systems.

Extension and Change to Tax Credits for Clean Energy Investment Sec. 13102 and New Clean Electricity Tax Credit for Investment Sec. 13701

The IRA enhanced and extended the renewable electricity investment tax credit (ITC). These tax credits for clean energy investment and installation can help child- and family-facing programs and institutions reduce the costs for installing renewable energy, like solar panels, geothermal heat pumps, and energy storage systems. Importantly, these provisions include a direct pay option for tax-exempt entities which means non-profit child- and family-facing institutions may be able to receive the credit directly for eligible projects.

These credits will apply for projects starting construction before 2025. Projects after 2025 will be eligible for new clean electricity investment tax credits through 2034 which will be similar in structure to the credits outlined below depending on new guidance from the IRS.

Lead Agency	Internal Revenue Service
Relevant Eligible Beneficiaries	Tax-exempt entities, such as school districts, nonprofit child care centers, nonprofit hospitals, states, local, and Tribal governments, are eligible for direct pay.
Credit Amount	<p>The amount of the tax credit depends on the project as well as factors such as wage requirements and whether materials were produced domestically.</p> <ul style="list-style-type: none"> • Systems smaller than 1 megawatt of electrical or thermal energy, the credit is 30% of eligible project costs • Systems larger than 1 megawatt, the base credit is 6% and must meet prevailing wage and apprenticeship requirements to receive the 30% credit of eligible project costs ◦ <i>Additional potential credits:</i> <ul style="list-style-type: none"> ■ Up to 10% credit can be added if the project uses certain materials, including iron and steel, produced in the US ■ 10% could be added for projects located in an energy community ■ Additional application-based credits up to 10% may be added for solar or wind projects in low-income communities. The availability of these credits and the stacking restrictions will depend on additional guidance from the EPA and IRS. • Credits may be reduced up to 15% of the credit if the project was financed with a tax-exempt bond
Examples	<p>A nonprofit children’s hospital wants to purchase and install a 500 kW solar system at a cost of \$1 million.</p> <ul style="list-style-type: none"> • Base Credit 30%: \$300,000 • Additional credits: If the project is located in an energy community and if it utilized materials produced in the US, it would receive two additional credits of 10% each (\$200,000) • Total Credit: The hospital would receive a direct payment of \$500,000 <p>A school district wants to install a 280–ton geothermal heat pump system at a cost of \$10 million.</p> <ul style="list-style-type: none"> • Base Credit 30%: \$3 million • Additional Credits: If the project is located in an energy community and if it utilized materials produced in the US, it would receive two additional credits of 10% each (\$2 million) • Total Credit: The school system would receive a direct payment of \$5 million (50% total)
Benefit to Children and Families	<p>Investments in solar energy and energy storage can help child– and family–facing programs and institutions:</p> <ul style="list-style-type: none"> • Reduce annual energy costs • Mitigate their climate impact, and • Adapt to climate change. For instance, hospitals that install solar panels with battery storage can create microgrids that build resilience for their communities. <p>Investments in geothermal heat pump systems can help child–and family–facing programs and institutions:</p> <ul style="list-style-type: none"> • Improve indoor and outdoor air quality for children by eliminating the onsite combustion of fossil fuels • Reduce annual energy costs, and • Mitigate their climate impact <p>Long-term cost savings would benefit child care providers, some of whom cite financial challenges, while providing a much-needed opportunity for energy-related facility upgrades.</p>



KEY DEFINITION:



Direct Pay: Direct pay options for elective payments (Sec. 13801) allow non-taxable entities (like nonprofit childcare providers and hospitals) to directly benefit from the credit and receive the eligible amount as a cash payment directly from the IRS. Previously, to access credits non-taxable entities had to rely on third-parties with tax liability to claim the credit and pass along a portion of the savings by reducing the costs for schools

TAX CREDITS FOR CLEAN TRANSPORTATION

Qualified Commercial Clean Vehicle Tax Credit Sec. 13403

This tax credit can aid child- and family-facing programs and institutions, such as school districts with early childhood programs or Head Start programs, in purchasing clean light- and heavy-duty vehicles, including buses or other vehicles owned and operated by the institution. Electric buses and other electric vehicles can cost more upfront than diesel or gas-powered cars, therefore these credits can reduce the upfront cost of electric vehicles. Importantly, these provisions include a direct pay option which would allow institutions to receive the credit directly for eligible vehicles as tax-exempt entities

Lead Agency	Internal Revenue Service
Relevant Eligible Beneficiaries	Tax-exempt entities, such as school districts, nonprofit child care centers, nonprofit hospitals, states, local, and Tribal governments, are eligible for direct pay.
Credit Amount	<p>The amount of the tax credit depends on the type of vehicle and the weight of the vehicle with the total potential amount up to 30% the cost of an electric vehicle or the incremental cost against that of a comparable vehicle, whichever is lesser. The credit has the following limitations:</p> <ul style="list-style-type: none">• For vehicles more than 14,000 lbs the credit will be up to \$40,000 per vehicle• For vehicles less than 14,000 lbs the credit will be up to \$7,500 per vehicle
Benefit to Children and Families	Transitioning to electric vehicles can help institutions mitigate their impact on the climate, reduce air pollution, and reduce any negative health impacts of current, non-electric vehicle usage. These tax credits reduce the upfront cost of electric vehicles, and once owned, electric vehicles cost institutions less annually for maintenance and operations.

TAX DEDUCTIONS FOR ENERGY EFFICIENCY

Energy Efficient Commercial Buildings Deduction Sec. 13303

This tax deduction can support energy efficiency measures for child- and family-facing programs and institutions.

Lead Agency	Internal Revenue Service
Relevant Eligible Beneficiaries	Although tax-exempt entities, like nonprofit child care providers, cannot directly utilize the deduction, the contractors or other entities responsible for the design or retrofit can claim the deduction and reduce overall project cost.
Deduction Amount	<p>To receive a deduction, a project must increase building energy efficiency by 25%.</p> <ul style="list-style-type: none">• The base deduction will be \$0.50 per square foot, and the deduction can be increased \$.02 cents for each percentage point increase in energy efficiency, up to \$1 per square foot• The bonus deduction will be \$2.50 per square foot if prevailing wage and apprenticeship requirements are met, and the deduction can be increased 10 cents for each percentage point increase in energy efficiency, up to \$5 per square foot• The amount of the deduction depends on the energy efficiency plan and includes deductions related building energy efficiency improvements including:• Interior lighting design• Heating, cooling, ventilation, and hot water systems• Building envelope• To receive the maximum deductions, the projects must meet prevailing wage and apprenticeship requirements.
Examples	A child care center (10,000 square feet) works with a contractor to install new lighting, insulation, and controls that will increase the building’s energy efficiency by 25%. Throughout the project, the contractor meets the apprenticeship and prevailing wage requirements. The project will receive a deduction of \$25,000 (\$2.50 x 10,000 sq ft), which will decrease the overall cost of the project.
Benefit to Children and Families	Institutions in the early years ecosystem will benefit from the energy savings associated with greater efficiency. For-profit businesses that own their building can claim the tax deduction after new construction or retrofitting projects, while nonprofit businesses would pass the deduction on to the building or system designer.



Financing Opportunities for Child- and Family-Facing Programs and Institutions

The IRA will use different mechanisms to support climate action over the next decade and beyond. In addition to tax credits and deductions, the Greenhouse Gas Reduction Fund may create opportunities for child- and family-facing institutions to access financing mechanisms, such as no- or low-interest loans, to support mitigation efforts.

Greenhouse Gas Reduction Fund Sec. 60103

The Greenhouse Gas Reduction Fund will provide grants to help establish “Green Banks” across the country. The structure of the Green Banks will vary based on application structure and potential proposals, but banks will have the goal of rapid deployment of low- and zero-emission technologies. There is an opportunity to ensure these resources also help deploying low- and zero-emission technologies that benefit children, families, and their surrounding communities.

Lead Agency	Environmental Protection Agency
Relevant Eligible Recipients	Varies by use of funds. Includes states, municipalities, tribal governments, and qualifying nonprofit organizations. While not all child care providers are eligible entities to establish Green Banks, they may be able to receive support from or collaborate with the awarded grantees. Other child- and family-centered community projects may also be supported through the Green Banks.
Funding Amount	<p>\$27 billion in funding until September 30, 2024. Specifically:</p> <ul style="list-style-type: none">• \$7 billion for competitive grants to enable low-income communities to deploy or benefit from zero-emission technologies• Nearly \$12 billion for competitive grants to eligible entities to provide financial and technical assistance to projects that reduce or avoid greenhouse gas emissions• \$8 billion for competitive grants to eligible entities to provide financial and technical assistance to projects that reduce or avoid greenhouse gas emissions in low-income communities <p>Importantly these initial grants provide seed money. After the Green Banks are established and supporting community-based work, they will be able to continue investing in new projects as previous projects are completed.</p>
Benefit to Children and Families	Green banks can be valuable partners in helping institutions structure project financing in ways that can leverage philanthropic and private capital. Early care and education providers and families living in residential homes, multi-unit properties, or housing communities could benefit from grants for projects such as solar installations, rooftop gardens, green school yards, and other improvements to facilities. Green banks and innovative techniques like on-bill repayment make financing for these projects easier and less risky, allowing projects to reach new markets.



Grant Opportunities for Child- and Family-Facing Programs and Institutions

The IRA lists child- and family-facing institutions and programs, such as K-12 public schools and nonprofits, as eligible recipients for a number of competitive grant opportunities. Child- and family-facing programs and institutions can either apply directly for grants, or strengthen community partnerships to implement local programs that benefit children and families. There are opportunities for funding climate solutions in clean transportation, addressing pollution, and building community resilience.

CLEAN TRANSPORTATION

Clean Heavy-Duty Vehicles Sec. 60101

This competitive grant program can provide additional funding to help replace eligible vehicles with zero-emission vehicles (ZEVs), including zero-emission electric school buses.

Lead Agency	Environmental Protection Agency
Relevant Eligible Recipients	States, municipalities, Indian tribes, nonprofit school transportation associations, and eligible contractors. Note: Head Start is operated by public agencies, nonprofit and for-profit orgs, tribal governments, and school systems. Head Start programs are not required to provide transportation, however programs can choose to offer those services or partner with other transportation providers.
Funding Amount	\$1 billion with \$400 million allocated for areas with poor air-quality
Program Details	Providing competitive grant funding to assist in the replacement of Class 6 and Class 7 vehicles (which includes school buses) to electric. Funding can be used for: <ul style="list-style-type: none">• The incremental costs of replacing a diesel school bus with electric school bus• Purchasing, installing, operating, and maintaining infrastructure needed to charge or maintain electric school buses• Workforce development and training to support the maintenance, charging and operation of electric school buses• Planning and technical assistance activities to support the adoption and deployment of electric school buses
Benefit to Children and Families	Transitioning to electric buses can help school districts and ECE providers mitigate their impact on the climate, reduce air pollution, improve health and learning for children, and reduce annual operations and maintenance costs for transportation. Families can encourage school districts and other providers to take advantage of these funds.



ADDRESSING POLLUTION

Funding to Address Air Pollution at Schools Sec. 60106.

This competitive grant program provides funding for activities to monitor and reduce greenhouse gas emissions and other air pollutants at schools in low-income and disadvantaged communities.

Lead Agency	Environmental Protection Agency
Relevant Eligible Recipients	Schools in low-income and disadvantaged communities, as defined in the Clean Air Act
Funding Amount	\$37.5 million for grants and other activities and \$12.5 for technical assistance
Program Details	<p>These competitive grants can be used to:</p> <ul style="list-style-type: none">• Address environmental issues• Develop school environmental quality plans that include standards for school building, design, construction, and renovation• Identify and reduce ongoing air pollution hazards
Benefit to Children and Families	Advocates can urge school boards and other entities to pursue funding for pollution monitoring and mitigation that will benefit the health of children. Schools should work with local early care and education providers to ensure that air pollution is being addressed in a comprehensive way across the community

Climate Pollution Reduction Grants Sec 60114.

This competitive grant program will award grants to at least one eligible entity per state to plan and implement greenhouse gas reduction programs, in particular in low-income communities. Healthcare systems and other community partners in the early years ecosystem could be key partners to advance greenhouse gas reduction efforts

Lead Agency	Environmental Protection Agency
Relevant Eligible Recipients	States, air pollution control agencies, municipalities, Tribes, or a group of these entities
Funding Amount	<p>The grants will be awarded in phases with:</p> <ul style="list-style-type: none">• \$250 million available for planning• \$4.75 billion available for implementation
Program Details	<p>The EPA Administrator will release additional details about the grant application which will include details about:</p> <ul style="list-style-type: none">• Projected reduction of greenhouse gas air pollution in total• Projected reduction of greenhouse gas air pollution in low-income communities.
Benefit to Children and Families	Schools and early care and education providers could be key partners to eligible entities to help support efforts to reduce greenhouse gas air pollution.

BUILDING COMMUNITY RESILIENCE

Environmental and Climate Justice Block Grants Sec. 60201

The Environmental and Climate Justice program will provide competitive grants to invest in community-led projects in disadvantaged communities to address disproportionate environmental and public health harms related to pollution and climate change.

Lead Agency	Environmental Protection Agency
Relevant Eligible Recipients	Community-based nonprofits or organizations, or a partnership between community-based nonprofit organizations and a Tribe, a local government or an institution of higher education
Funding Amount	\$3 Billion
Program Details	<p>These grants will support activities, including:</p> <ul style="list-style-type: none">• Community-led air and other pollution monitoring, prevention, and remediation, investments in low- and zero-emission and resilient technologies and related infrastructure and workforce development that help reduce greenhouse gas emissions and other air pollutants• Mitigating climate and health risks from urban heat islands, extreme heat, wood heater emissions, and wildfire events,• Climate resilience and adaptation• Reducing indoor toxins and indoor air pollution• Facilitating engagement of disadvantaged communities in State and Federal advisory groups, workshops, rulemakings, and other public processes
Benefit to Children and Families	<p>Children are more vulnerable to the effects of urban heat islands and air pollution, and thus stand to benefit from community projects to address these issues. Block Grants could also serve to accelerate child care facility renovations and upgrades to HVAC/air filtration systems, paint, and other sources of indoor air toxins. The community engagement components of the Block Grants provide potential opportunities to ensure that climate-focused policies and programs center the perspectives of parents, who are uniquely positioned to voice the needs of their children.</p> <p>Note: A similar, smaller grant program has funded community task forces for air quality and heat islands, an environmental internship program, and a variety of educational initiatives</p>



Improving Energy Efficiency, Water Efficiency, and Climate Resiliency of Affordable Housing Sec. 30002

This provision includes direct loans and grants to fund projects that improve energy or water efficiency, enhance indoor air quality or sustainability, or implement the use of zero or low emission electricity generation, building materials, energy storage, and electrification strategies of an eligible property

Lead Agency	Housing and Urban Development
Relevant Eligible Recipients	Residents living in affordable housing developments, including family child care homes, and developers of affordable housing projects
Funding Amount	\$837.5 million over the next 5 years for direct loans and grants and \$162.5 million over the next 5–7 years for evaluation, oversight, and analysis of funded projects.
Program Details	<p>Projects should improve or implement the following:</p> <ul style="list-style-type: none">• Energy or water efficiency• Indoor air quality or sustainability• Zero-emission electricity generation• Low-emission building materials or processes• Energy storage• Building electrification strategies• Climate resilience
Benefit to Children and Families	Young children, more vulnerable to pollution’s effects, who live in affordable housing will benefit in the short-term through improved air quality and long-term through reductions in greenhouse gas emissions. Affordable housing developments with child care centers on-site will benefit from the installation and improvement of clean energy projects, as well as renovations to improve indoor air quality and build climate resilience.



Opportunities for Large-Scale Child Serving Systems

Given the diversity of child- and family-facing programs institutions, some opportunities in the IRA may be more feasible for larger-scale systems, such as hospitals.

Extension and Change to Tax Credits for Clean Electricity Production Sec. 13101 and New Clean Electricity Tax Credit for Production Sec. 13701

The IRA extended and changed the renewable electricity production tax credit (PTC). These tax credits for clean energy production can help child care providers receive funding for the renewable energy, like solar energy, they produce. Importantly, these provisions include a direct pay option for tax-exempt entities which means nonprofit child- and family-facing programs and institutions may be able to receive the credit directly for eligible projects. Notably, the production tax credits are more advantageous for large renewable energy systems. Depending on the system size, many providers will likely opt for the investment tax credit.

These credits will apply for projects starting construction before 2025. Projects after 2025 will be eligible for new clean electricity production tax credits through 2032 which will be similar in structure to the credits outlined below depending on new guidance from the IRS.

Lead Agency	Internal Revenue Service
Relevant Eligible Recipients	Tax-exempt entities, such as school districts, nonprofit child care centers, nonprofit hospitals, states, local, and Tribal governments, are eligible for direct pay.
Credit Amount	<p>The amount of the tax credit depends on the project as well as other factors such as wage requirements and whether materials were produced domestically.</p> <ul style="list-style-type: none">• Systems smaller than 1 megawatt, the credit is 1.5 cents per kWh produced• Systems larger than 1 megawatt must meet prevailing wage and apprenticeship requirements to receive the 1.5 cents per kWh produced credit◦ <i>Additional potential credits:</i><ul style="list-style-type: none">■ Up to 10% credit can be added if the project uses certain materials, including iron and steel, produced in the US■ 10% could be added for projects located in an energy community■ Additional application-based credits up to 10% may be added for solar or wind projects in low-income communities. The availability of these credits will depend on additional guidance from the EPA and IRS.• Credits may be reduced slightly (up to 15% of the credit) if the project was financed with a tax-exempt bond
Program Details	<p>Providing competitive grant funding to assist in the replacement of Class 6 and Class 7 vehicles (which includes school buses) to electric. Funding can be used for:</p> <ul style="list-style-type: none">• The incremental costs of replacing a diesel school bus with electric school bus• Purchasing, installing, operating, and maintaining infrastructure needed to charge or maintain electric school buses• Workforce development and training to support the maintenance, charging and operation of electric school buses• Planning and technical assistance activities to support the adoption and deployment of electric school buses
Benefit to Children and Families	Providers that produce their own renewable energy can receive funding back based on that energy production. This will help providers mitigate their impact on the climate and save on annual energy bills.

Alternative Fuel Refueling Property Credit Sec. 13404

The IRA extended and modified a tax credit for alternative fuel refueling property, which could include electric charging stations on campuses for electric buses and other vehicles. Specifically, institutions in low-income and rural areas may be able to utilize this credit through direct pay given their tax-exempt status. This credit is a particularly good fit for larger child- and family-serving programs and institutions such as hospital systems.



Lead Agency	Internal Revenue Service
Relevant Eligible Recipients	Tax-exempt entities in low-income or rural areas, such as nonprofit hospitals, may be eligible for direct pay.
Funding Amount	\$837.5 million over the next 5 years for direct loans and grants and \$162.5 million over the next 5–7 years for evaluation, oversight, and analysis of funded projects.
Program Details	<p>Up to 30% the cost of refueling property (including electric charging) for a maximum credit of \$100,000.</p> <ul style="list-style-type: none">• Allows for bidirectional charging meaning that in the event of power outages the batteries from electric vehicles could be used to supply power to part of the institution
Example	If a hospital in a rural area wanted to add electric chargers in their parking lot for electric vehicles owned by the institution, faculty, students, or community members, they could receive up to 30% of the cost of installing the charging system back from the IRS.
Benefit to Children and Families	Increasing the use of electric vehicles in communities can mitigate transportation emissions and reduce air pollution, improving health and learning. With hospitals located in many communities throughout the country, enabling electric vehicle charging can increase access to charging for the broader community and bidirectional charging and build community resilience ensuring power in the event of outages.

Other Provisions

Funding to Address Air Pollution Sec. 60105

The IRA includes \$235.5 million in funding to the Environmental Protection Agency for grants and other activities to improve on and expand the monitoring and mitigation of air pollution. Given the negative impact of pollution emissions on health outcomes for children, this funding can provide greater accountability and information. Funding will be used to:

- Deploy, support, and maintain monitoring in fenceline, low-income, and disadvantaged communities
- Improve emerging air toxics monitoring methods
- Enhance mobile monitoring capabilities to address local air toxics concerns, especially in low-income and disadvantaged communities and on Tribal lands
- Expand national air toxics trend stations and community monitoring efforts



Neighborhood Access and Equity Grant Program Sec. 60501

The Neighborhood Access and Equity Grant Program will provide funding to support neighborhood equity, safety and affordable transportation access with competitive grants. As children are more susceptible to the negative effects of air pollution, living and learning in close proximity to infrastructure barriers in the form of major roads is associated with lower cognitive functions and — in the case of prenatal exposure — lower birth weights. In addition to the health benefits, improved transportation and connectivity could mean better access to resources in high-poverty neighborhoods, including jobs and access to healthcare, child care, after-school care, and libraries.



State and Private Forestry Conservation Programs Sec. 23003

The IRA provides 1.5 billion dollars of increased funding for the Urban and Community Forestry Assistance program. Child- and family-facing institutions may be able to partner with eligible recipients, or to receive money from states, to increase tree planting in settings such as early care centers, libraries, parks, and other spaces that children and families frequent. The potential benefits of planting trees in family- and child-serving settings include:

- Short-term: Improving air quality and mental health, mitigating urban heat island effect, and facilitating stormwater drainage by increasing permeable surfaces and soil stability
- Long-term: Increasing climate resiliency of the area's physical infrastructure and mitigating the effects of climate change

Glossary of Key Terms

TERM	DEFINITION
Apprenticeship	An apprenticeship, registered with the Department of Labor, is a paid job where the employee learns and gains valuable experiences through on-the-job training.
Bidirectional Charging	Electrical vehicle (EV) charging that goes two ways: pulling power from the grid to charge the EV's battery and supplying electricity for other loads from the battery as needed.
Climate Change	Long-term changes in average weather and climate, regionally and globally. Since the 1800's, human activities with the burning of fossil fuels has accelerated climate change.
Direct Pay	Direct pay options for elective payments allow non-taxable entities (like schools) to directly benefit from the credit and receive the eligible amount as a cash payment directly from the IRS.
Energy Community	An energy community can include brownfield sites, coal communities with closed or retired plants and mines, or communities with higher unemployment and jobs in fossil fuel industries.
Electric School Bus	An all-electric bus that uses a battery pack to store the electrical energy that powers the drive motor.
Geothermal Energy	Energy derived from the earth's heat that is converted into thermal or electrical energy.
Green Banks	A public or non-profit entity established to facilitate private investment into domestic low-carbon, climate-resilient infrastructure.
Greenhouse Gasses	Gasses that contribute to global warming by absorbing infrared radiation, such as carbon dioxide and methane.
Head Start	Head Start programs promote the school readiness of infants, toddlers, and preschool-aged children from families with low income and are provided in a variety of settings including centers, family child care, and children's own home. Head Start programs include early learning and development, health, and family well-being.
Heat Island	Areas that have an average temperature 1.25°F higher than the surrounding city or town.
HVAC Systems	Heating, ventilation, and air conditioning commonly used to cool and heat residential and commercial buildings.
Prevailing Wage	An average wage and benefits for certain work projects within a particular location, set by the Department of Labor.
Renewable Energy	Energy produced from resources that are easily replenished and do not have detrimental effects on the health of humans or the environment. Examples include solar, wind, and geothermal energy. Also referred to as clean energy.
Solar Energy	Energy derived from sunlight that is converted into thermal or electrical energy.
Solar Microgrids	System of renewable energy that is separate from the main power grid in a given area.

Additional Resources

[Capita's Futures Toolkit](#) provides instructions, examples, and templates to help individuals and organizations create powerful long-term change for children and families.

Start Early provides tools and resources in [early childhood leadership](#), [systems building](#), and [advocacy](#). The [Start Early policy agenda](#) (to be updated in 2023) outlines a vision for policy and systems change that help create equitable early childhood systems that promote quality and effectively meet the needs of the children and families.

Although focused on K-12 schools, [the Aspen Institute's K12 Climate Action Plan](#) outlines policy recommendations to help schools comprehensively address climate change through mitigation, adaptation, education, and equity and could be a helpful reference to child- and family-facing institutions.

If your organization or network is interested in receiving a briefing/presentation about how child- and family-serving institutions can benefit from the Inflation Reduction Act, please reach out to K12ClimateAction@AspenInstitute.org with "IRA Briefing Requested" in the subject line.

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About Us

Early Years Climate Action is an initiative led by Capita and This Is Planet Ed, which seeks to unlock the power of the education sector to be a force for climate action, solutions, and environmental justice.

This is Planet Ed, an initiative of the Energy and Environment Program of the Aspen Institute, seeks to unlock the power of education as a force for climate action, climate solutions, and environmental justice. Our goal is to empower the next generation to lead a sustainable, resilient, and equitable future. www.ThisIsPlanetEd.org

Capita is an independent, nonpartisan think tank with a global focus. Its purpose is to build a future in which all children and families flourish. www.Capita.org

Start Early advances quality early learning for families with children, before birth through their earliest years, to close the opportunity gap. Its vision is that every child has an equitable opportunity to reach their full potential to thrive in school and in life. www.StartEarly.org

Interested in staying engaged in early years climate action efforts and resources or sharing about your efforts to take action on climate change? Join [This Is Planet Ed](#).

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